

it is to be lowered. The latter, we are told, is to help the farmer; but as these are the carpets chiefly made in Canada, the manufacturers complain, and we need not wonder. If Ministers listen to the manufacturer, they will offend the farmer. Issues of this kind are likely to find a political solution. Some farmers from the county of Carleton are asking protection for their pork. At Washington, some surprise is said to be felt that the free list offered by Mr. Foster does not include more raw products. To some extent, this is due to the form of the tariff bill now before Congress.

Schedule No. 2, relating to agriculture, will scarcely be known in history as a farmer's tariff. It makes the duties 25 per cent. on live hogs and pork; leaves salted beef at the old rate of 2 cents per lb., reduces fresh mutton from three to 2 cents per lb., and puts canned meat, poultry and game at 25 per cent. But the farmers did not so much demand protection in their own favor as object to protection on what they had to buy, especially agricultural implements and coal oil. Coal oil is left at the old figure, and the duty on agricultural implements is reduced from 35 to 20 per cent. Mr. Foster makes it clear that the high price of Canadian oil was due to additions to the price in the process of distribution, the oil being sold at a moderate figure by producers, even previous to the reduction last year; and since then the producers by taking distribution into their own hands, in many cases, ensured to consumers oil at a moderate figure. The reduction of 15 per cent. on agricultural implements ought to be beneficial to the farmer, though it stops short of his demand that the whole duty be removed. And if the American tariff should make agricultural implements free, the contrast will give the farmers a new text from which to preach. The makers of these implements complain, not without reason, of the duties on materials which they require to use. But the iron men are being looked after, in the name of protection, the complications of which tend to the infinite.

#### THE BANKRUPTCY BILL.

Bankruptcy bills, both in Canada and the United States, have been occasional and not constant. To-day they appear, to-morrow they vanish. There are, of course, reasons for this fitfulness, which may possibly disappear in the future. The need of bankrupt laws has been strongly felt prior to their enactment; abuses connected with their administration caused the victims to make complaints, which led to their repeal. A fraudulent use of the law and the expense of its administration have been the main objections; and to make these abuses impossible was one of the principal problems to be solved in framing a new law.

The present bill takes a wider sweep than any of its predecessors; it includes farmers, who were always previously excluded from the operation of the bankrupt laws. Previous laws were confined to traders, on the ground that traders were specially liable to contingencies to which others were not exposed. It is now recog-

nized that farmers are liable to accidents in the failure of crops and unfavorable seasons over which they have no control. The fact cannot be denied, and, perhaps, it was just as well that it should be recognized.

The mode of dealing with the two classes who are to come under the Act is different: the trader may be put into bankruptcy by the action of a creditor; a farmer can come under the law only by his own act. The reason alleged for the distinction is that if a creditor could throw a farmer into bankruptcy it might deprive him of a chance of recovering his position of solvency by realizing upon his growing crop. If the crop were forced to sale while it stood on the ground, it would run great risk of being sacrificed. So far the reason given is not empty, but are there no sacrifices connected with the realization on a trader's estate? Assuredly there are. It often happens that a trader's goods sell for not more than fifty cents on the dollar. But there is a difference between the quality of a bankrupt trader's goods and a farmer's growing crop. In the former there is always some portion that is stale, if not unfashionable from age, and on which the deterioration is absolute, which in the hands of a solvent dealer could only be sold at a reduced price. Such goods are too old to bring cost price. The farmer's growing crop is subject to the uncertainties which attend immaturity; it is impossible to form an accurate estimate of what it will be worth when ripe, and the uncertainty connects a speculative element with the venture of the purchaser. He will be likely to bid low enough to save himself from all probable and possibly from some improbable contingencies. The weight of reason appears to be against forcing the farmer into bankruptcy against his will.

In bringing the farmer under the law, the retail merchant becomes interested, as creditor, in its administration. Hitherto he has been concerned with bankrupt laws only as a debtor; henceforth he will view the law from the two-fold position of debtor and creditor. But he may object that he is subject to involuntary bankruptcy, while on his debtor he cannot exert the same force that is brought against himself. But reflection may convince him that it is best the farmer, who is his debtor, should not be coerced into a wasteful administration of his estate. If many farmers take advantage of the Act, retail dealers may be compelled to count their losses sooner than they expected, and often when they did not look for loss at all. They may be disposed to credit the law with their loss, when in fact the law, far from being the cause of the unwelcome fact, merely brings it to light. But the retail dealer will be hard to convince that this is the case; he will be very apt to attribute to the law losses which it did not cause, and which, in its absence, would have come later and with greater force. When a farmer is really bankrupt, it is better that the fact should be known to his creditors than that concealment should tempt them to add to claims which they cannot realize in full.

It under past conditions the retail trader has been in the habit of forcing

goods on the farmer, he will have no motive to do so, in doubtful cases, in future. And if he cannot prudently force goods on the farmer, perhaps he will learn the necessity of refusing to have goods forced upon him in quantities he may not be able to sell. If the law should prove a stimulant to greater prudence among wholesalers as well as retailers, it will have a good effect apart from its direct object. Of forcing goods on purchasers beyond their capacity to sell or pay, the folly may well be shared between the wholesale and the retail trade.

While this bill provides for bringing the farmer into bankruptcy, it does not extend, like the English Act, to other classes of non-traders. If the excluded think they have any good reason to complain, we shall doubtless hear from them while the bill is on its way through Parliament.

The bill has an *ex post facto* effect, in so far that it permits any one who has become insolvent since the repeal of the Insolvency Act of 1875, to obtain a discharge, on condition that all the formalities of the new Act are observed. At present there may be persons in this condition against whom a single creditor may have refused to surrender his claim, and the debtors may be unable to start anew in the race of life, or if they do so, must act under the cover of other names. The elimination of the unfit is a desirable operation, and it is dangerous to trust them with a portion of the aggregate wealth of the nation, which they are more likely to lose than to increase. But not every one who has once failed deserves to be ranked among the unfit. Exceptions, some of a striking character, can readily be recalled. For their sake, it is desirable that the new bill should look back to the extent proposed. In their case the looking back is not exceptional: it applies to all whom the law affects. It is the nature of insolvency laws to deal with the past, in which respect they differ from the general tenor of other laws. The hopelessly unfit will be eliminated in spite of the extension of the release clause to them.

The expense of the administration of bankruptcy laws has always been a sore point. Under the present bill, this item will be in the hands of the creditors. Receivers will be appointed by the Government for the different districts, and from them, as we understand it, the court will select an official receiver and invest him with the management of the bankrupt estate until a liquidator is appointed by the creditors, by whom the fees payable to this officer will be determined. They will therefore get the work done for whatever they think fair and reasonable. It remains to be seen whether this will be an improvement upon a system in which the fees are fixed and certain. If they are excessive the creditors will have no one to blame but themselves.

It is not proposed to make the discharge of the insolvent a matter of course or even to make it easy. A majority of the creditors, representing three-fourths of the value of the claims, must consent. But even when this condition is met, the court will have the option of refusing a release for