

have the confidence of their creditors. At present many of our merchants do business in nearly all parts of the Dominion, but if a debtor becomes insolvent who does not reside in Ontario, they find that they are under a totally different law in other provinces, and frequently they are at the mercy of traders who are either unscrupulous or thoroughly dishonest." With respect to the provisions of a possible bill during this year's session, the address hopes "to see the power of discharge left in the hands of creditors, or as nearly so as possible. Debtors who are unsuccessful in business, and who act honestly, need have no fears that they will not at a proper time get a discharge from their creditors."

Some pointed and practical remarks are made by the retiring president on the subject of the dry goods trade. We quote them in full, as being distinctly in line with much that has been often urged, editorially and by correspondence, in the pages of this journal. "It is generally conceded that much derangement has arisen from excessive importations [of dry goods] and all that is implied in this policy. The forcing of dry goods upon the retailer at the smallest margin of profit, nay, often the throwing of large quantities upon the market at less than cost, enhances, if it does not originate, the evils of excessive crediting, dating forward and over-lapping of credit. The remedy lies, it seems to me, in lessening imports, so as to proportion them to the consumptive needs of the country. This done, a reasonable profit may be secured upon the business transacted."

"Another point I would emphasize in this connection. Toronto dry goods houses now do business with the Maritime Provinces, with Manitoba, and even British Columbia. This is, of course, highly creditable to the enterprise of our citizens, but the remoteness of these fields, the impossibility of gauging their normal requirements by personal visits, and the tendency of merchants in new communities to over-purchases, should all induce care in the opening of accounts and the granting of credits."

"Our houses, as a rule, there is reason to believe, are both prudent and responsible; and, while rivalry is keen, there is not, I am happy to think, any such foolish unfriendliness as would prevent frank consultation between Toronto merchants, or even with those of other cities, for the common good. With friendly conferences and united action, aimed to cure such evils as I have suggested, there can be no doubt that the prosperity of this extensive branch of trade of the country will be greatly enlarged."

In making allusion to payments of retailers during the past year, Mr. Ince said—and the truth of the saying will be very apparent—that "some traders are always behind in their payments, and these are they who take advantage of any pressure or of any exceptional circumstances, as an excuse for not meeting their engagements; but I am happy to think that this class of dealer is every day becoming less numerous."

—Ottawa shows \$33,713 collected from Customs' last month, and \$18,714 from excise, both being increases over January, 1887.

LUMBER TRADE IN ONTARIO.

Trade in lumber and all kinds of rough and dressed wood goods for building uses is now in the midst of its dull season; duller, perhaps, this year than usual on account of the tightness of money. The lull coming on at this particular time, affords a good opportunity of summing up results of the past twelve months' work. Some, who have finished their stock-taking, announce a successful year's business. But with some, on the other hand, it is evident that, if the past year has not brought disastrous losses, it has not brought satisfactory gains.

The causes are, surely, not difficult to find. In this business, we remark, there is no such thing as goods becoming "dead stock" through changes of fashion; very little risk of goods spoiling through becoming old and "shelf worn." The losses made have, certainly, not been by reason of dullness of trade. The trade of the past year has been, in Toronto at any rate, greater than in any previous one. A prime cause is to be found in the fact that too much business has been done and too much credit given. Instead of lumber being, as it should be, a commodity sought after by the purchaser, it is too often the reverse. There is, it appears, a constant pushing of stock by one upon another. As a correspondent puts it, "To begin with, the manufacturer of lumber crowds it on to the dealer, the dealer unloads as quickly as possible to the retailer, and then the retailer finds an outlet wherever he can." An amazing quantity is used by the speculative builder. This gentleman, as we see in Toronto, for example, forces his manufactured goods, in the shape of houses, upon his purchasers, and so the round of "shoving" goes on, as described. The result is, as might be expected. The lumber section of the Board of Trade may do much to bring about a reformation that would be beneficial to all. Some grievances exist that need not exist, if concerted action were taken to find a remedy. One custom which is said to prevail, and which strikes us as being radically wrong, is the paying of freights by the dealer and not by the buyer. The dealer, by such a proceeding, adds materially to his risk without a commensurate profit.

Complaint is made by retail dealers in the cities that their trade has been seriously interfered with by some of the largest wholesale dealers warehousing their lumber "along track" and doing a yard trade as well as their regular wholesale trade, selling direct to the consumer at the same prices as to the retail dealer. The retailers are resenting the unfairness of this custom and are organizing themselves into a body, with a view to adopting measures for correcting this and other existing evils.

Indications point to a general advance in prices of lumber in the coming spring. We learn that, at the annual meeting of the Ontario Lumbermen's Association, held in this city yesterday, a resolution was unanimously carried, deciding to raise the price of bill stuff, on the Georgian Bay, from \$9.00 to \$10.00 per thousand feet.

THE RIGHT TO SET-OFF DEBTS.

This question, the right of set-off, has come up, of late, in the form of a tender, by depositors in an insolvent bank, in process of winding up under the Dominion Act, 45 Victoria, cap. 23, in payment of claims by the bank against them, of checks on deposits to their credit at the bank. Can, for instance, a depositor with \$100 to his credit at such a bank, compel the bank to accept that deposit in satisfaction of his promissory note, maturing with them, after the winding up proceedings have been commenced?

This is a question of set-off, and is a right which has been specifically dealt with by the winding-up Act. The Statute says, "the law of set-off, as administered by the courts; whether of law or equity, shall apply to all claims upon the estate of the company, and to all proceedings for the recovery of debts due or accruing due to the company at the commencement of the winding up, in the same manner and to the same extent as if the business of the company was not being wound up under this Act."

This leaves the right of set-off as against the insolvent bank as it is at law or in equity, and removes the element of the insolvency of the bank out of consideration altogether. It leaves the rights of the parties just as they would be between two perfectly sound suitors.

That this is the case is further evidenced by special provision in the Act, providing that, in certain cases, this right shall not prevail, as for example, transference of a debt within thirty days preceding the winding up, to a contributory who knows or has probable cause of knowing that the company is unable to meet its engagements, for the purpose of enabling such contributory to set up by way of set-off the debt so transferred, against a claim on such contributory, is not to be allowed.

The matter being left then as it would be between solvent parties, there is no question but that at law and in equity such parties have a right to set-off against each other a claim such as the one instanced, and therefore a depositor would be entitled to retire his promissory note held by the insolvent bank by a check on his deposit standing to his credit in the bank. The winding up Act deals with the question of fraudulent preference, but does not taint as such, a case like the one instanced.

ONTARIO LOAN COMPANIES.

It is the testimony of a number of mortgage loan companies that higher rates of interest for money prevailed during the latter half of the past year. Also that the demand for loans was active, while repayments were better than was to have been expected considering the disappointment of farmers with the harvest. One company tells us that payments of principal and interest last half-year exceeded the like half-year of 1886. Deposits were maintained, too, and in some instances increased. With respect to the doubt whether, of late, Ontario farmers were earning enough from their farms to support their households and