

industry, and encourage by every means in their power the enterprising capitalists who have so courageously entered upon the experiment as to whether one of Canada's greatest resources, instead of remaining idle in the bowels of the earth, can be successfully made to contribute to her future wealth and greatness.

MERCANTILE FRAUDS.

A great part of the troubles that affect commercial life is due to the indifference of creditors in cases of fraudulent insolvency. And there is here involved moral obligation as well as an economical one. Dishonest traders are becoming bolder in proportion to their exemption from punishment. The Insolvent Law is well understood by these tricksters, and it thus is made to serve a purpose of which its framers had no idea. Were creditors occasionally to combine in punishing a few notoriously bad characters, it would have a salutary effect on others who may be waiting only the opportunity for taking the short cut to the possession of their neighbors' goods. These successful rascals injure not only the rightful owners of the goods they obtain, but, by being enabled to undersell their honest neighbors, are driving them into unfair competition and its train of evil consequences. The merchants who show such culpable indifference as to the welfare of their honest customers and their own property, trifling sometimes though it be, should not wonder if the number who covet it dishonestly is on the increase. Times are bad enough without our helping to make them worse by our own supineness. Cases of petty fraud should not be allowed to pass any more than greater ones, as it is in the number and example of those where the great mischief lies; and law which has been defined as the "Rule of Right" is oftener a shield for the transgressor, and is not unfrequently made a scourge for the satirist who makes an expose of such cases. The man who succeeds in one fraudulent failure can never become a good customer, and will seek opportunities for repeating it, for as such characters never prosper, the temptation to dishonesty is always present. We are preparing the history of one or two such characters who in fresh pastures have been allowed to prey upon honest business men through legal quibbles, and, we are sorry to say, through the indifference of many of the defrauded, who seem to forget that thereby they are offering a premium to future efforts at rascality. All honor we say to the merchant who will not sully his conscience by lending his name to fraudulent practices or by compromising

with dishonesty. Men who buy with the intention of taking advantage of their creditors are likely to let him alone in the future; in him the honest man who is trying to pay ten shillings in the pound has his best friend, and the unfortunate honest man need have nothing to fear from his unwavering sense of right.

HALIFAX AS A WINTER PORT.

We have observed with much satisfaction that the special commissioner, Mr. Black, who was charged with the negotiations for testing the adaptability of Halifax as a shipping port for grain and other produce during the winter months has succeeded in his mission. He had to negotiate with the Dominion Government, with the Grand Trunk Railway, and with the Messrs. Allan, and was met by all in the best possible spirit. The people of Halifax have very properly come forward to aid the effort, which is of course experimental. We trust that the appeal made by Mr. Andrew Robertson to the merchants of Montreal to imitate the example of his own firm and to use the Intercolonial Railway as much as possible will not be thrown away.

THE CANADA AGRICULTURAL.

At a meeting of the directors and shareholders of this defunct concern on Tuesday last to receive the report of the condition of affairs at the hands of the accountant the statement as concerned the conduct of the late manager was deemed so uncomplimentary by that gentleman that he threatened an action for libel in case it was furnished to the press. It is accordingly being printed for private circulation. Mr. Goff's generalship and financiering were certainly characterised in plain terms, but we learn that he is again preparing a rejoinder. The figures accompanying the elaborate report of Mr. Ross give firstly the statement of affairs as taken from the books of the company, and secondly a "supplementary statement giving the true state of affairs," an altogether different story as might be supposed. It shows a gross deficiency of \$265,559, which includes actual deficiency in company's books (\$71,000), fire losses, drafts unpaid, adjusted for payment, reported unadjusted, disputed claims, suspense account, deduction on stock and bonds, error in ledger, loss on agency balances, &c., including also "E. H. Goff's account of \$49,000 taken as an asset." The supposed resources of the company to meet the supposed deficiency are as follows:

Owing by sundries to bring the calls up to a payment of 30 per cent.....	\$49,665
Owing by E. H. Goff on 10 per cent. stock.....	45,300
Owing by E. H. Goff on over issue of 100 per cent. stock.....	15,700
Owing by E. H. Goff on transfer of stock to make 30 per cent.....	80,000
Bonds and Debentures in hands of Government at cost price.....	\$48,735

The net deficiency to be met, provided the assets realize the value placed upon them, is \$42,274. Mr. Ross thinks it is more likely that a call of 20 per cent will have to be made. "If, on the contrary," he says, "Mr. Goff will pay all he owes to the company, a return of a considerable amount would be made to the shareholders without further calls" (1) "Or if the 25 per cent. stock will pay 5 per cent. more, the company might struggle through, as it would impart confidence to the other shareholders, and render the collection of assets easier." We are obliged to defer further notice of the subject this week.

IMPORTANT INSURANCE DECISION.

Judgment was recently delivered by the Court of Appeal in Toronto in the case of Billington vs. The Provincial Insurance Company, to which reference was formerly made in these columns, a case of such importance to the commercial world and to insurers and insured that we feel justified in referring to it at some length.

The facts are thus stated by the *Hamilton Times*: Mr. Billington applied to Mr. Suter, the defendants' local agent at Dundas, on 6th February, 1875, to effect an insurance against loss by fire for two months, to the amount of \$6,000, on agricultural machinery in process of construction. He signed the usual form of application, which contained a direct enquiry as to other insurances, and an express agreement on the part of the applicant that the application should form a part and be a condition of the contract of insurance. That enquiry was answered by stating that there were two other insurances, one in the Hastings Mutual of \$2,000 and one in the Canadian Mutual of \$3,000. Billington had in fact a policy with the Gore Mutual for \$3,000 which covered the property mentioned in the application to the extent of \$1,000. Suter was the agent of the Gore Mutual through whom that insurance had been effected, and at the time of the application for the defendants' insurance being signed, the insurance in the Gore Mutual was referred to and Mr. Billington and he desired it should be noticed in the answer to the enquiry in the application, but he could not at the time lay his hands upon the policy to see how much of that insurance was upon the same property sought to be insured with the defendants, and Mr. Billington said Suter stated that he had all the particulars of the Gore Mutual policy at his office. Suter granted Mr. Billington the defendants' usual interim receipt, which was to be in force for thirty days only, and forwarded the application, without any alteration or addition, to the defendants' head office, and no person connected with the Company, except Suter, had any knowledge of the existence of the policy in the Gore Mutual. The defendant's Board accepted the risk and issued a certificate stating that Mr. Billington was insured under, and subject to, all the conditions of their policies, of which the assured admits cognizance. A fire took place on 19th March, 1875. The insurance company refused to pay the loss incurred, whereupon Mr. Billington sued them, and the defendants set up the terms and condi-