

The Causes of Insolvency.

At the late meeting, the Retiring President of the Dominion Board of Trade—Mr. Andrew Robertson—delivered a very able address upon Insolvencies—the law relating thereto, and their causes. We quote:

A joint meeting of six members of the Board, along with six members of the Council, especially considered this subject, and reported that an insolvency law was necessary, but at the same time suggesting several amendments, some of which were carried at the last session of the Dominion Parliament, one of which was that in clause 65, with reference to no insolvent can obtain, nor can a Judge grant a discharge to an insolvent, unless the estate pays fifty cents on the dollar, or that the insolvent can prove that it was through the negligence or mismanagement of the assignee that the amount was not paid. This clause was inserted, as it had been found that the Judges were generally inclined to put a more favorable construction on insolvent discharges than was considered desirable from the creditors' standpoint; and as but few estates under proceedings in insolvency pay as much as fifty cents, this will be a practical bar to discharges generally in all estates coming under the Act since the amendment was passed. This clause does not, however, interfere with the creditor's right by a majority in number and three-fourths in amount to grant a discharge to an insolvent for any sum under fifty cents which they may agree to take, so that practically the resolution proposed by the Board at the meeting held for the election of delegates to the Dominion Board of Trade can only be of avail, or of use as a check to a discharge, when estates have paid fifty cents on the dollar. Under these circumstances I would respectfully suggest that this resolution should not be pressed at the Dominion Board. I do not propose to go into all the changes in the act or of the amendments proposed, but I think it incumbent on me, on the present occasion, to point out what I feel to be a more serious matter, viz: that there seems to be a feeling springing up on the part of some hitherto favorable to a law, that the insolvent law is making insolvents, and we are, therefore, hearing of proposals to repeal the Act in some quarters, and in others for its suspension for a limited period. No one regrets more than I do the enormous increase of insolvencies during the last three years. There were in the

Years.	In-	Li-
	sol-	abil-
	vents.	ities.
1872.	—	\$ 6,464,225
1873.	924	12,334,192
1874.	956	7,696,765
Total,		\$26,495,182
Or a yearly average of		\$8,831,827
During the last three years they were in		
1875.	1,968	\$28,843,968
1876.	1,728	25,517,991
1877.	1,890	25,510,000
Total,	5,586	\$79,871,958
Or a yearly average of	1,862	\$26,623,986

Thus showing that the failures in the last three years are fully three times more than what they were the previous year. I may here say that the figures for 1877 have been kindly telegraphed me from New York by Mr. Wiman in advance of their usual publication by circular. The Insolvent Law has existed in its various shapes since 1864, and it seems to me that no one will or can for a moment pretend that the Insolvent Law during the last three years caused this enormous increase of failures, nor will any one pretend to say that by repealing or by suspending the Law this amount could have been greatly diminished. Would suspension or abrogation of the laws for murder, burglary or theft put a stop to or diminish these crimes? Many consider that failure is a crime, and no doubt, we have had many criminal failures which have gone unpunished, and a strong cry therefore arises, and the law is blamed because they are not severely punished. But the laws do not always convict. In the cases I have named, failures of justice often take place in the teeth of the strongest evidence, yet I feel certain that no man would think his life or property safe by repealing or suspending the laws enacted to punish murder, burglary and theft. That insolvencies are too numerous, nay, that they are probably unequalled at the present time by any civilized country in the world is a question put this last fall in a Manchester paper, and I am sorry to confess that I fear the accusation is too true. But will hiding our losses which are so fully exposed to the general gaze by the law help us? Certainly not. Like a cancer on a man's face, it is seen and known, and the remedy, cut it out, can be easily applied, but if it is in the stomach it cannot be seen by mortal eye, but its existence is as well known to the skilled physician as it is felt by the unfortunate patient. So with the Insolvent Law; it shows us our commercial cancer. Abolish the law, still the cancer would remain, although unseen, and would ultimately undermine our commercial prosperity as surely as the internal cancer brings the fatal end to the suffering patient. Repealing or suspending the law will not prevent inability to pay, and inability to pay in full surely is only another name for insolvency. Shall I tell you the cause of failures? Let me refer you to the Trade and Navigation Returns since we become a Dominion, and what are the facts? We learn that during the five years ending with 1871 the goods entered for consumption averaged \$74,493,136 yearly. In the succeeding four years ending 1875 they averaged \$120,531,334, or a yearly average of \$49,068,234, an increase every year, or \$184,272,976 in the four years. In 1876 we are coming down, the amount being \$94,733,218, and when we are favored with the returns for 1877 I have no doubt that they will be in a similar direction. As our imports increased, so in two years after came the failures, and we are now suffering from the folly of undue inflation in these years. Yes, gentlemen, let us acknowledge that as a country we have entered, and our sins have found us out. We have imported beyond the legitimate wants of the country, for it must be remembered that we have no great outlet for goods beyond our own consumption. During the days of the American civil war, and for some time after, considerable quantities of goods were sold to our American cousins, but that time is now past and gone. We have now to content ourselves with the consumptive capacity of our own people. And these remarks

are equally applicable to the manufacturing industries of the country, unless they are of such a nature as to hold their own in the competition of the markets of the world. We have over credited,—a necessary sequence to our importation or production; the plethora of banking capital in the country has helped this enormously, and no better example in this direction could be named than to recall the history of such a firm as Davis, Welsh & Co., succeeded by Henry Davies & Co., and lastly, by the same handiwork, in Wood & Co. Many solvent and respectable traders have been, during the last three years, brought down by the reckless granting and use of accommodation paper, and the facilities extended to these firms, while the yet solvent and honest trader has been compelled to put up with unforeseen and unexpected losses caused him by these and other reckless firms, in the mad and disastrous race they were attempting. Bankers must see to it that, in their anxiety to make profits, that reliability of character is not overlooked in favor of capital, and such unbounded capacity as has been shown and which have experienced at the hands of the parties I have named. But our crediting is not confined to bankers. Wholesale traders in all branches are not guiltless. While the banker has his double name and double, nay, treble guarantee, we find enormous credit granted to retailers, and a system of supply accounts established, not only in the cities and towns, but in almost every village in the country, controlled frequently by men who recklessly part with their goods, and who in the meantime live on the fat of the land, and act, in so far as the interests of the suppliers of the goods are concerned, on the principle of the gambler when he says, "Heads, I win; tails, you lose." They always win! The supplier in some cases also, but generally they win a loss. No more disastrous policy could be devised to injure the trading community as a whole, and every effort should be made to cut out this cancer, and it must be done if respectable country traders with moderate capital, good character and capacity, can each fairly earn a living, let alone a competency. But retailers have also their duty to perform. Time was, as I have elsewhere said, when perhaps some indulgence was required by the farming community, and in the newer settlements credit may yet be required; but, as a rule, such is not now the case, and one of the most important movements which can be made in the interest of the farming as well as the trading community, is C. E. D.—cash before delivery. They are thereby enabled to sell at less profit, cause no risk to the retailer, reduce the risk to the wholesale dealer, who in time would reduce his risk to his banker. But there is another element of disturbance which must not be forgotten—the enormous shrinkage in the value of goods and all kinds of property during the last three years. I believe that I am safe in stating that, compared with three years ago, the shrinkage on all classes of goods is equal to one-third, and when it is remembered that all stocks have been kept unnecessarily large, both by the wholesale and retail trade, this has largely intensified. The failures, for it must be remembered that while it is easy and profitable to do business in a rising market—on a falling one comparatively few are equal to the task, as it requires strong nerve and decision to face the loss at the proper time, and to make this loss as small as possible goods are often sold to weak men, resulting, in many cases, in weakening them still further, and in the end a worse loss to the seller than by manfully at first facing a proper reduction to a good man. Gentlemen, I fear that some of you may think I have spoken too strongly, perhaps unkindly, such is not my intention. What I have said I believe to be in the interest of the commercial community, and what I believe is at the root of all our troubles. I had hoped that ere this time things would have assumed a more cheerful aspect. I believe some are now more hopeful, while others who did not so early feel the storm which has thrusted upon us are now feeling its effects. I am sure that every one here cannot but regret to have seen the unexpected and severe disasters which have overtaken men of years after a lifetime spent in earnest, honest, work, trying to make a living, and who in their course considered themselves to have, as they no doubt had, a competency. In the fierce race of competition the weakest must go to the wall, but the strongest will at last succumb if it is to be war to the knife as seems to have been the case in the many branches of trade during the last few years. Such seeming prosperity as we had some years ago can hardly be expected for a considerable time. Inflation will, no doubt, again come on us, but it seems to me that it will be a long time ere the wave will be so high as we have experienced it in this decade. In the meantime let us profit by the bitter experience we have had. Let me suggest that bankers take lower interest and better security, wholesale dealers restrict credits in amounts and time, as well as imports suited to the reasonable wants of the country and not their own personal aggrandizement; manufacturers, be content with such as the country can consume or they can find a profitable market for abroad; retail dealers, keep to a ready cash business and reasonable stocks; and to any one in or out of business, pay as you go, live within your means, and with hope and trust in the future thank God that you are not worse off than you might be. (Hear, hear.)

The steamer Ontario on her recent trip to England encountered the most fearful weather. Of 1,028 head of live stock on board 220 were washed overboard or injured so that the poor animals had to be destroyed. When the storm was at its height the owner of a fine draught stallion, "Star of Denmark," tried the old experiment of cutting the horse loose and letting him ship for himself. Result: The horse did not receive a scratch and was sold on landing for \$1,500, while many of the others in their boxes were killed or badly bruised.

All classes of the community express sympathy with the bereaved husband and parents of the late Mrs. J. B. McDonald. The funeral this morning was very largely attended. The Society of the Children of Mary, to which the deceased lately belonged, and the Caladenia Club, of which her husband is a respected member, walked in the procession. The services at the Church were conducted by the Rev. Stephen Phelan and His Lordship the Bishop of Charlottetown. The sudden death of so young and estimable a lady has cast a gloom over the town.

The Market.—The Clerk tells us that there was not one good market since Christmas. To-day's market is very small, and prices have an upward tendency.

Supreme Court.

The case of the Queen at the prosecution of Alex. M. Hubley, for the forgery of a note of hand for \$500 on W. D. Harrington, James Currie and John Currie, was commenced this morning, and is still before the Court.

In the case of Hughes vs. Howatt, which occupied the time of the Court since Saturday, the jury disagreed and were dismissed.

The Grand Jury—before their discharge—made the following presentation:—
GRAND JURY ROOM,
Charlottetown, Jan. 12, 1878.

The Grand Jury respectfully request that the annexed account be presented to the Government with the recommendation of the Court for payment. They make the request, because they are convinced of the injustice of requiring men to act as Grand Jurors without remuneration, while all other officers connected with the administration of justice are paid for their services. In Great Britain, where Grand Jurors are invariably drawn from a wealthy class, with ample leisure, the principle of gratuitous service may be found satisfactory; but in Prince Edward Island, where no such class exists, this principle inflicts manifest injustice.

For self and fellows,
DONALD FERGUSON, Foreman.

SUPREME COURT.

To the Grand Jury for Queen's Co., Dr:
For Service as Grand Jurors for 5
Days, at \$5 per day (20 Jurors), \$500 00
Foreman, 50 00
\$550 00

Grand Jury Room, 12th Jan., 1878.

The Death of the King of Italy.

In the afternoon of the 9th inst. the sacraments were administered to King Victor Emmanuel, who received the priest with great serenity. The King then summoned Prince Humbert (his apparent) and his wife, Princess Margherita, to his bedside, with whom he conversed a few moments.

It is stated that King Victor Emmanuel confessed to Monsignor F. Mainelli, Sacristan of the Apostolic Palaces, who was sent to him by the Pope. He was also visited by Monsignor Cenni, the Pope's Domestic Prelate. The Austrian Ambassador was present with Prince Humbert, Princess Margherita and the State dignitaries when the King received the communion of extreme unction from his Chaplain, Angino. Towards 2.30 in the afternoon the oppression under which the King labored increased and he was caused to inhale oxygen, which seemed to give him a little strength. He saluted those present, bending his head twice, then sighing deeply he expired.

The body of Victor Emmanuel has been embalmed. It is stated that Cardinal Vicar has granted the Basilica of Santa Maria Maggiore, for the funeral ceremony. Italian clerical journals declare that the dying King before receiving viaticum asked the Pope's forgiveness for his sins.

The news of his death soon spread through the city, and caused great emotion among the people. All shops were closed, and Prince Humbert was proclaimed King of Italy. He confirmed the present Ministers in their posts.

The Times Paris correspondent says:—"The death of King Victor Emmanuel has produced a great impression here. The sudden disappearance of the patriotic promoter of Italian Unity creates fresh anxiety in the minds of French politicians. Victor Emmanuel, despite every influence brought to bear on him, had remained the friend of France, and notwithstanding the cession of Savoy and Nice and the hasty peace of Villa, France, he deemed himself under obligations to France. Although Italy, made distrustful by ultramontanism, had latterly formed such relations with Germany as to pass for her docile ally, it is known, and was proved by his recent interview with M. Gambetta, that Victor Emmanuel would not, except at the last extremity, have acceded to any enterprise apparently menacing France. His death deprives this country of this moral security, based entirely on the King's personal feeling and of face the last trace of an individual gratitude, which inspired the French nation with instinctive confidence. The prospect of an early conclave, coupled with this event, excites anxieties which Victor Emmanuel might have warded off, although Pius IX. repeatedly declared that he should live long enough to see the King repent on his death-bed. The two men, it is known could not help liking each other, and the King has even prevented his advisers from taking too severely to heart the attacks which the Pontiff took pleasure in heaping on him. Here, too, individual good will and respect disappear with the King, and there is no possibility of telling how far Italy will now be willing or able to protect the deliberations of the conclave. Happily the issue of the late crisis will have served to considerably alternate consequences of the King's death, and liberality under what- ever Sovereign cannot regard France as capable of cherishing hostile views towards her. Liberal majorities in France and Italy will soon have dispelled every trace of misunderstanding, and the appointment of M. Waddington as French Minister of Foreign Affairs is peculiarly fitted to further this unreserved accord. Still Victor Emmanuel's death, in existing circumstances, justifies the painful impression that has been produced here, for irrespective of France's Italian relation, it creates a void in Councils in Europe which will be constantly apparent in impending events."

Gilmore's band of sixty five performers, will next spring start for Europe to represent America in a musical tour. Every member has already paid in \$100, and last week they assessed themselves \$60 more per man. They also opened a subscription list, to which there was a prompt subscription by sixteen members of \$100 each. Altogether the band will raise among themselves about \$10,000, and they count on generous spirited citizens to increase the amount to \$40,000. Two new uniforms have been ordered.

New Advertisements.

LECTURE!

THE FOURTH LECTURE of the Course in connection with the Y. M. C. ASSOCIATION, will be delivered on

Friday Evening, Jan. 18,

BY REV. A. OSBORNE.

Subject, . . . "WICKLIFFE."
Doors open at 7.30; to commence at 8.
Admission 10 cents.
Jan. 14—2i

Prince Edward Island Railway,

In connection with the winter Steamship
"NORTHERN LIGHT."

ON and after MONDAY, 14th January, the Steamboat Special Train will leave Charlottetown at 5 a. m., arriving at Georgetown at 8 a. m. on the days upon which the Steamship leaves Georgetown.

Immediately on arrival of the Northern Light from Pictou, the Special Train will leave Georgetown for Charlottetown, connecting (when possible to do so) at Royalty Junction with the Mixed Train for Summerside.

C. J. BRYDGES, } W. McKECHNIE,
Gen. Supt. Govt. R'ys. } Superintendent.
Ch'town, Jan. 14—6i

NORTH STAR
COFFEE AND LUNCH ROOMS

OYSTER SALOON.

MRS. E. COOMBS,

SUCCESSOR TO

J. CARROL.

MEALS served at all hours of the day and evening, at reduced rates.
OYSTERS sent to all parts of the City at the very low price of

30 CENTS PER QUART!

Also for sale by the Barrel, Bushel, or Peck, to suit purchasers.
Ch'town, Jan. 14, 1878—2 aw

VOCAL MUSIC.

THE VOCAL MUSIC CLASS, Scott's Hall, will meet this evening at 7½ o'clock, to organize. All others wishing to join will also please attend. Terms made known at meeting.

A. A. MCKENZIE,

Ch'town, Jan. 14—

INSOLVENT ACT OF 1875,
and Amending Acts.

ROBERT HOGG, Plaintiff.
SYLVANUS KEITH, Defendant.

A WRIT of Attachment has issued in this Cause.

B. WILSON HIGGS,

Official Assignee.
Charlottetown, P. E. Island,
January 14, 1878.

INSOLVENT ACT OF 1875,
and Amending Acts.

In the matter of SYLVANUS KEITH, an Insolvent.

ALL persons indebted to the above Insolvent are hereby notified to pay their accounts to me, and to me only.

B. WILSON HIGGS,

Official Assignee.
Charlottetown, P. E. Island,
January 14, 1878.

SPRUCE BOARDS!

20,000 FEET SPRUCE BOARDS,
for sale by
F. S. HANFORD & CO.
Ch'town, Jan. 13—3i

TENDERS.

THE Subscriber will receive Tenders up to WEDNESDAY, the 16th, to finish the inside of that Three Story Brick House on Upper Queen Street,—the Contractor to find all material. The Specifications will be seen at the store of HORNE, PIERCE & CO.

ALEXANDER HORNE.

Ch'town, Jan. 10—2i

NOTICE.

Tailoring and Cutting.

JOHN BELL is now prepared, at his Residence, Fitzroy Street, west, near the Kirk, TO MAKE UP TO ORDER, every description of

GENTLEMEN'S & BOY'S CLOTHING

Shirts,
Ladies' Sacques,
Military Uniforms,
Clergymen and Lawyers' Gowns,

—AND—
LADIES RIDING HABITS.

—ALSO—
Carnival and Fancy Dress Ball Costumes on reasonable terms and shortest notice.

Pattern and Garment Cutting a Specialty.
JOHN BELL, Tailor & Cutter.
Fitzroy St., west, near St. James' Kirk,
Ch'town, Dec. 31, 1877.

New Advertisements.

OUR GREAT CLEARANCE SALE

WILL CONTINUE AT
Further Reduced Prices.

Several Lots of that
BANKRUPT STOCK!
still on hand, will be sold at HALF PRICE.

Remnants at half Price!

WOOLLEN & FUR GOODS

AT COST.
GREAT BARGAINS IN CLOTHING!

for Men and Boys.
ROBERT ORR & CO.
Charlottetown, Jan. 8, 1878.

CHEAPEST YET!

In Connection with our
Cheap Dry Goods Sale

We will offer our entire Stock of
BOOTS & SHOES,

of about \$2,000 worth, at cost to clear, consisting of—

Men's Wellington Boots,
Men's Leather Congress Boots,
Men's Felt Congress Boots,
Men's Larrigans & Overshoes,
Men's Felt and Leather Slippers,
Women's Leather Boots,
(Elastic and Laced),
Women's Felt Boots,
Women's Slippers & Overshoes,
Misses' & Children's Leather Boots.

COME ONE AND ALL AND GET BOOTS CHEAP.

J. B. MACDONALD,
QUEEN STREET, CHARLOTTETOWN.
Jan. 9—ne pat

KING SQUARE HOUSE!

WE HAVE A COMPLETE STOCK OF

CARRIAGE GOODS

Consisting in part of
Iron, Steel, and Castings,
Spokes and Rims,
Axles and Springs.

We call special attention to HENRY'S PATENT SINGLE PLY

Cast Steel Carriage Springs,
for which we are agents. We warrant each Set.

OUR PRICES ARE VERY LOW

BEER & SONS.
Ch'town, Jan. 9, 1878.

NOTICE!

NEVER in the history of the

"LONDON HOUSE" have we

been selling DRY GOODS so

LOW as at present, and we

would invite those in Town

and country, who have not

participated in the EXTRAOR-

DINARY BARGAINS we are giv-

ing, to call at once.

We only ask a personal inspection

to show that we are, in good faith,

SELLING OFF at the LOW PRICES

advertised.

GEO. DAVIES & CO.

Dec. 13th, 1877.—eod2w

WRAPPING PAPER—All sizes, best quality, and cheapest in the market.

CARVELL BROS.
Agents N. B. Paper Co.
Dec. 5—pat 3i

FINE ARTS

NEW YEAR'S CLASS.

MRS. W. W. IRVING begs to intimate to the public that she has re-opened her Classes at the late City Hotel, opposite the R. C. Chapel, where, having every facility, she is prepared to give lessons in Oil and Water Color Painting, and Drawing in Crayon and Penning in all their different branches. Terms made known on application.
Jan. 11, 1877.

SOLE LEATHER—500 Sides No. 1 & 2
—CARVELL BROS.
Dec. 5—pat 3i