

THE LEGAL NEWS.

VOL. XIX.

JANUARY 15, 1896.

No. 2.

CURRENT TOPICS AND CASES.

The proposal to reduce the rate of interest from six to four per cent. appears to be, at least, premature. It is said that the six per cent. rate was established when money was worth seven or eight per cent., and that the commercial rate has fallen considerably. This might be adduced as a reason for contending that the legal rate has been too low, rather than as a reason for asking that it should now be reduced. It must be remembered that the rate applies chiefly to forced loans, involuntary on the part of the creditor, and from which the debtor may at any moment relieve himself by paying the debt. The six per cent. represents the damage to the creditor from his debtor's default to pay him what is actually due to him, and which he is anxious to receive. If there be any truth in the oft-repeated remark about appeals for delay, the six per cent. rate has no terrors for some debtors, who not only submit to the six per cent. rate, but are willing to incur heavy costs in addition. In point of fact, there are not many persons, even now, whose credit is so good that they can obtain money on their personal security at less than six per cent., and it seems to be contrary to public policy that, by a reduction of the legal rate, a premium should be offered to dilatory debtors.