ever, should be as light as possible, and limited to a certain fixed sum sufficient to cover the taxable costs of an ordinary discharge under the Act. In all cases where it is not plainly shown by the books of the insolvent that he has complied with the requirements of the law, both the burden and expense of proof should certainly, in our opinion, fall on the insolvent, or friends who may be willing to assist him.

Referring now to the amendments to clause 65 we venture to predict that, if they are carried into effect and become law, many complications will arise and occasionally end in inextricable confusion. And the reasons for this will become obvious on a moment's reflection. Whenever law is not based on justice there arises the wish to evade it, and encouragement is unconsciously lent to that feeling by the sympathy of the court, assignee, and lawyers, as well as by the delinquent's fellow-townsmen. The Act becomes eventually a dead letter, a popular, though unexpressed, code of morality taking its place. The law is only enforced when that underwritten code has been transgressed. The injustice of this section 65 lies just here, that, while it insists on the payment of 50 cents on the dollar, before a discharge can be obtained, it does not grant the insolvent the previous right of making a voluntary assignment. Now law has no right to inflict a penalty, and not leave the subject of that penalty the fullest liberty to act for himself so as to avoid transgressing the law and so becoming liable to it. In another way also it does the bankrupt an injustice, for it demands that his estate shall pay a certain amount when wound up by an assignee and inspectors, who, perhaps, know little or nothing of his peculiar business, and does not allow the insolvent himself to have anything to do with the management of it. Law has a perfect right to demand that an insolvent give up the charge of his affairs to his creditors whenever he ceases to meet his engagements, but it has not a right to demand that the insolvent shall be held responsible for the *after* management of his affairs by others, as well as for their previous management (or mis-management) by himself. The justice of these views seems to be recognized in some measure, in the mitigating nature of the second and third divisions of this section, which really nullify the first, and will be apt, in practice, to make the special circumstances of each case, and the special feelings or sympathies of the Court, the ground for granting or refusing a discharge. If we insist on putting such terms to the insolvent, we ought, in fairness, to allow him the option of a voluntary assignment when he sees his affairs becoming involved. In view of the fact that, in spite of so many cases of deliberate dishonesty, the great *majority* of failures are due to ignorance, incompetence, and thoughtlessness, the former Acts of 1865 and 1869 had one advantage at least over the present one, in that they allowed the honest but incompetent trader, when he felt his inability to bring his affairs to a successful issue, voluntarily to make an assignment of his estate for the benefit of his creditors, rather than plunge deeper into the mire. Man's individual conscience is what we should appeal to as much as possible; and his own sense of right and wrong is a safer guide than an imperfect law, which cannot meet and provide for every case in such a complicated matter as insolvency.

The universal feeling of disappointment with the results of the thirty-three cent enactment can be traced to the causes we have named. It was hoped that the provision in the Act of 1875 would put an end to all 5 cent and 10 cent compositions, though at the same time the power of voluntarily assigning was withdrawn. Has the result justified that hope? Certainly not, as can be proved most plainly from statistics. Nor has it been found that discharges are much more difficult to obtain. Equally delusive, we fear, will be the hopes based on this 50 cent restriction, simply because it is not founded on justice.

There is, besides, a greater evil that will probably result from it. Merchants, reassured by the fact that law professes to guarantee them a 50 cent dividend in most cases, will credit with more confidence and less care, depending, not so much on their own judgment in each case, but on the fear of the law compelling their debtors to be honest, at least in some degree. They will presently find by experience how fallacious such a hope is, and that it is out of the power of law to make men honest, or to take all personal responsility out of their hands. Law ought *really* to compel men to pay, not fifty cents, but 100 cents to the dollar, that is, law ought to enforce contracts. Since it seems it cannot do that altogether or completely, it ought to do the next best. When a trader becomes insolvent it should compel him to give up *everything* into the possession and management of his creditors conjointly, punishing the insolvent for *crime* if he does not do so, and refusing him, at least, his discharge till he can prove that he has given up *all*. Beyond this it cannot go safely, nor so as to confer any benefit on the community.

The suggestion in a recent letter on this subject in our correspondence column, as regards enacting severer penalties on obtaining goods under false pretences, or by false written statements, is worthy of attention. In this direction we could wish some improvement were effected. A strong recommendation on this point on the part of the Board of Trade, would, we feel assured, commend itself to the attention of the Minister of Justice, and, if carried into effect, would tend to raise our national credit and reputationfor honesty and commercial morality in the estimation of other nations with whom we are intimately connected in trade.

THE NATIONAL POLICY.

At a time when public attention is much occupied with the subject of our fiscal policy it may not be out of place to direct attention to an article in the *Contemporary Review* for January, entitled "Economic Fallacies," and written by Sir Anthony Musgrave, formerly Governor of British Columbia, and a gentleman of considerable colonial experience. There is a good deal of originality in the views of Sir Anthony Musgrave, who, at the outset, declares: "I would premise that, so far as "my own opinions are concerned, I am "neither protectionist nor free trader." The subject of his enquiry is, "how far "the fact that money is a substantive ar- "ticle of exchange affects the contro- "versy between Free Trade and Protec- "tion." In the fact that money is an article of exchange "is to be found the true "apology and explanation for the views "still held by protectionists in America "and the British Colonies." "Free trade "promotes the export of money from "places which are not themselves large "producers for a foreign market. Pro- "tection certainly tends to keep money— "that is, capital—within the borders of "the community." It is necessary, in order that Sir Anthony Musgrave's theory may be clearly understood, to quote at some length from his article, and we, therefore, give an extract which will explain his view regarding the effect of money:

"Money being in fact, as so clearly shown by Mr. Bonamy Price, an article of exchange, everything which serves in the place of true money becomes an article of exchange also; and thus, for instance, the enormous issue of inconvertible paper currency in the United States has helped to lower everywhere the value of money relatively to other commodities; and not a clerk in London, with three hundred a year, but has suffered in his circumstances from the flood of American *greenbacks*