

Nor is this all. The state of the law, or rather the absence of law, which (through instruments not unfrequently executed, and taken as part and parcel of the arrangement on first opening business,) enables a wholesale house to place itself individually, and, to the prejudice of subsequent creditors, beyond the ordinary risks which appertain to the giving of all mercantile credit, has led to a widely-extended and unhealthy system of trade, of which not only the Province, but shipping houses at home are now reaping the bitter fruits.

With a mere outward distinction in name, sufficient for the achievement of the important object of raising a fictitious capital through Bank accommodation, which, in many instances, is rendered doubly fictitious by the prepayment in defiance of all the rules of mercantile prudence of unmatured obligations, into hands from which these obligations have already passed for "value received."—enabled to assume the position of creditors where even-handed mercantile justice would make them partners, a mere *alter ego* ramification of goods depots, by would-be-monopolists, prevails throughout the cities, towns and villages of this Province, which, irrespective of the positive harm they inflict upon established trade, exclude by an unhealthy competition with parties as ostensible managers, but having no real interest at stake, the settlement of bona fide traders, who, to good character, may add such an amount of even limited means, as will, at least, afford an average guarantee to those who are called upon to give credit, that attempted success will be tempered by prudence and caution. This system it is, which is completely changing the character of Canada, as an eligible place of settlement for persons of limited means, for which it has hitherto been so highly lauded, and until the axe is laid to the root of this superstructure, until "legislators in their wisdom, devise some means to keep in the natural bounds marked out by the requirements of consumption," this undue expansion of illegitimate trade, until bankers in regarding the face of a note, really think it of some importance to scrutinize the circumstances and position of the promiser for "value received," with as much, or even more minuteness than those of the promisee who comes before them in the character of "value expected," it will inevitably occur that a sowing of the wind will periodically result in a reaping of the whirlwind. Many a man who has boastfully exclaimed, "I can get any amount of credit," has lived to find that credit a curse, instead of a blessing; and this may be equally the case with a country, both in its internal and external relations—too much external credit tends to damp the development of internal resources, and too much internal credit acts as a premium to unwise overtrading—of this character, is the system of gratuitous endorsements, so much in vogue, that one cannot take up a paper without the phrase "approved indorsed notes" staring him in the face. Now, if Robinson cannot sell a hundred dollars worth of goods or furniture (by auction it may be) to Brown, without Brown requiring to ask Jones' indorsation; much better that Brown let the purchase alone: "what is Brown to Jones, or Jones to Brown, that he should endorse for him?" he might have to pay dearer for the goods on his own individual name, even if he could get them at all; but what is this evil compared with that curse which "cheap credit," with its numerous train of evils and inextricable mixing up of parties otherwise distinct entails upon a country? Late events have demonstrated the magnitude of this evil; one act of indorsation begets another, on the principle of *quid pro quo*—and the building is piled to such a height that a fall is inevitable, "and what a fall is there," when it does come. Many a man rises