

imports an element of strict justice and absolute security into all transactions in which money plays a part. No one can get an advantage over another; no one suffers at the hands of another. There is the same measure for all.

With an irredeemable paper currency, all this is reversed. No one knows what the currency will be worth from one day to another. Under the greenback system of the United States we have seen gold touch three hundred per cent.—that is it took three hundred dollars in Government paper currency to buy one hundred dollars in gold—and we have seen it halting at every point between that figure and about thirty per cent. premium. Imagine the chronic confusion and daily and hourly injustice of such a system, the uncertainty, the disappointment, the legal robberies, frauds and misery of which it is necessarily the parent. In France we know that a much worse state of things has resulted from inconvertible paper money; that there was a time when a man with fifty dollars of assignats in his pockets could scarcely purchase the most meagre breakfast; when three thousand dollars would not suffice to buy a load of firewood, and a fortune would be swallowed up in providing a decent family dinner.

It cannot be necessary to say more to prove that ultimate security would be purchased too dearly at the price of present and continuous convertibility. And all provisions for ultimate security are more or less delusive. Besides this is not what the note holder chiefly wants; he wants this, but he also wants convertibility. Now, and in the future let us suppose the ultimate redemption of the note secured by a deposit somewhere of Government securities. A bank breaks, and it is necessary to realize on the securities, what becomes of the *bona fide* note holders in the meantime? Do they, as a body, await the process of winding up? Is it in their power to do so? Before these questions are answered it is necessary to consider in whose hands the bulk of the bank or government note currency is chiefly to be found. It is well known that in the majority of large transactions, such notes have scarcely any share. Payment is made by cheques; and all the money that passes is what goes to adjust the bankers' balances. Bank notes are mainly paid out for labour and in small trading operations. It thus happens that the great bulk of the bank note circulation is to be found in the hands of laborers, mechanics, and others of the poorer classes of the community. They could not wait till the securities of a bank or government were realized to get the proceeds of the notes they held, at the time of failure.

Their circumstances would compel them to sell at the moment of the greatest depreciation: they could not hold on a week, many of them not three days; and they would have to submit to whatever shave a moment of panic might enable speculative purchasers to extort. So that even if the notes were ultimately redeemed, the benefit would accrue, not to the *bona fide* holder, but to the speculative purchaser.

This is another reason, if more were wanted, why present and continuous convertibility should not be jeopardized, by embarrassing precautions for ultimate realization. No scheme which endangers or makes practically impossible the convertibility of the bank note should receive the sanction of Parliament, no matter how plausible soever may be the pretexts with which it is ushered into being.

#### THE INSOLVENT'S JUBILEE.

According to the good old common law of England, it was the duty of a debtor to pay his debts, and that duty was enforced by giving creditors a remedy, either against the person or the effects of the debtor. The bankrupt was considered in the light of a criminal, and Sir Edward Coke tells us that the name, as well as the wickedness, of bankrupts, was fetched from foreign nations. The old Romans had little pity for a man who failed to pay his debts, and allowed creditors to cut up their debtor's body, and then share the pieces. This not very pleasant way of paying old debts must have had a wholesome effect on all parties disposed to extravagance. Modern legislation has, however, raised the debtor from the level of the criminal; not only so, but the trouble now-a-days is to restrain legislators from investing the debtor with a sanctity which repels the touch of the profane creditor. A debtor, with the Insolvent Act in one hand, and the scalps of his creditors in the other, is a sight which, thanks to our humanity in legislation, is not rare or surprising. Every issue of the *Canada Gazette* teems with notices of application for relief under that Act, which instead of exciting surprise, naturally suggest the enquiry why everybody does not follow suit; the creditors being in the minority, a year of one-sided jubilee would be the consequence if that course were taken.

That the Insolvency Act has had a fair trial, none will deny. What is the experience of the country? We doubt if there is a man from Sarnia to Quebec who has had the opportunity of witnessing its operation and its effects who will pronounce it a success in aught but in affording to dishonesty the most ample facilities for carrying out its designs. Liberal principles lie at its base, the intentions of its promoters were good,

the objects aimed at were proper, but it is now admitted on all hands that it is the bane of the honest, and a most fruitful source of public demoralization. From every part of the country a cry has gone up which Parliament cannot and should not disregard. Boards of Trade and Bank Directors in their corporate, and merchants and public men in their individual capacity, have expressed their opinions on the subject with an unanimity as singular as it is impressive. The banker finds his trust and confidence met by stratagems and threats; the wholesale merchant's calculations are thrown out of gear by twists and turns which ordinary, or even extraordinary, precautions cannot guard against; and the retail dealer is subjected to a species of competition which honesty cannot cope with. The old saying, "his word is as good as his bond" is dying, or has died, out. The successful insolvent of two campaigns is a hero in his way; the unsuccessful insolvent is called a fool, or too conscientious a person for this world. To pay one's debts with nothing indicates a higher order of business ability than to hand over assets for division among grasping creditors; while to fail for a large amount is a much surer passport to future eminence than to go down under a miserable petty sum of two or three figures. Far be it from us to say that honest men do not fail in business, or that a discharge is in every case a badge of disgrace. Honest men have their misfortunes as well as others, but honest men rarely need to chaffer and fight with creditors in this era of grace. The trouble is that the Insolvent Act takes in the chaff with the wheat, and the former seems to come out the sooner, while the latter is ground the more to make up for its companions' depreciation in yield. How many cases will occur to any one who chooses to count over the insolvents of his acquaintance, in which the emancipated debtor develops, like Jonah's gourd, from a sapless root into a veritable green bay tree? It would require a Hogarth to picture in fulness of detail the Before and After of Insolvency. But we all know how frequently the poor and much persecuted debtor, who has given up everything to a merciless set of cormorant creditors, as soon as his discharge is made out, springs at a bound into his old seat, and enjoys the luxuries of this life with quite as much appreciation, and has them to enjoy, in quantities quite as large, as his humdrum acquaintances who have not been subjected to the disagreeable (for the time) necessity of going through the form of satisfying debts. The fact is, it is quite unfashionable to pay debts, and while an Insolvent Act is in force, it is a useless piece of extravagance. We would suggest that it might be well under