

was then the course pursued by members on this side, with respect to the Legislative Council. When the *Escheat Question* was in the ascendant, the party in the Assembly who were its advocates were most strenuously opposed thereon by those with whom the hon. member (Mr. Haviland) acts. And, be it remembered, those hon. gentlemen were, at that time, as much opposed to a reconstruction of the Legislative Council, as they are now in favour of it. So much for their consistency. The hon. Speaker and the learned member for Charlottetown have been in the House 15 or 16 years, and yet, till within the last two or three, we never heard a word of disapprobation from them relative to the ill-adapted construction of the Legislative Council. I can, and shall, give my vote free from party influence. If a part are to be paid, the whole ought to be paid; and, upon this ground, I make my stand, and oppose the motion. I cannot give members on the other side credit for their sincerity; because, if a fault there is, they must have seen it, and yet they made no exertions to devise and apply a remedy. The sudden appearance of this new light, as yet but feebly piercing the clouds of darkness which surround it, has excited the surprise of many members, who are at a loss to determine what it portends. But I think, Sir, that, notwithstanding the gloom through which it dimly shines, its character may be discovered by the naked eye, and its object made manifest, independently of any skill in the science of portents. The fact, Sir, is, there are, in the Legislative Council, according to the opinion of hon. members on the other side, too many strangers, men of independent property and of independent spirit, men who refuse to surrender their judgment and submit to the dictation of the dominant party in the Assembly; and the removal of these men, it is clear is the ultimate object to be effected by the passing of the measure now in contemplation. But, Sir, I would enquire, is a man who, as a stranger, may arrive here today, to remain a stranger ever afterwards, and, after a residence of years in the Colony, to be supposed as ignorant of the wants and as unacquainted with the interests of the people, as he was on the day of his arrival amongst them? Such a supposition, with respect to any man of sense and observation, would be the height of absurdity. In objecting to the presence, in the Legislative Council, of those whom they call *strangers*, hon. gentlemen on the other side, are pleased to insist upon the little knowledge which these *strangers* have of the wants and interests of our agriculturists; overlooking—wiffully I fear—the fact that these *strangers* are themselves practical farmers, and every year expending considerable sums in the prosecution of experimental enquiries for the improvement and extension of agricultural science in the Island.

CORRESPONDENCE.

CURRENCY QUESTION.

TO THE EDITOR OF THE EXAMINER.

SIR;

As you invite correspondence on the above subject, I am induced to offer my opinion on it. About a year ago I stated my views on it, in a letter to the editor of the *Islander*, since which time they remain unchanged. I then stated my belief that the depreciation of our currency was caused by the balance of trade being against us. In corroboration of which, I make the following extracts from Colquhoun's *Treatise on the Wealth, Power, and Resources of the British Empire*, which I present to you in a tabular form; premising that I am far from denying the existence of other causes, but I regard them only as secondary, which would not exist if the balance of trade were in our favor. An over-issue of Treasury Notes would depreciate them, but a balance of trade in our favor would obviate the necessity of issuing them, by the consequent abundance of metallic currency.

The work, from which I make the following extracts, is not a very recent publication, but the connection between causes and effects is always the same.

PLACES.	VALUE OF EXPORTS.	VALUE OF IMPORTS.	REMARKS.
Isle of Man			The balance of trade is greatly against the Island. Gold coin is not abundant, and silver coin is very scarce. The copper coinage is peculiar to the Island.
Jamaica	7,269,661l.	4,577,933l.	Money is become so much an article of merchandise, that it is almost impossible to ascertain the circulating medium.
Trinidad	384,117l.	64,7018l.	In Trinidad, where the prevalence of carrying money off the Island, had extended so far as to leave in circulation little more than the smallest coins, the Legislative Council passed an order, by which \$25,000 have been so mutilated, as to be rendered useless elsewhere.

PLACES.	VALUE OF EXPORTS.	VALUE OF IMPORTS.	REMARKS.
Sierra Leone	107,800l.	111,000l.	There is little money circulating in Sierra Leone, Senegal and Goree. At the Cape there is none, the circulating medium being paper issues to the amount of 3,000,000 rix dollars, lent on mortgage by Government. Money is so much an article of commerce in Ceylon, that it is impossible to state with precision what is the true circulating medium—Sometimes there is much coin in circulation and sometimes a great scarcity. 250l. in copper were sent out in 1799 to remedy the inconvenience under which the inhabitants labored in making payments, and 10,000l. in silver have lately been sent to the Colony, great inconvenience having been experienced from a scarcity of money, and from wheat and cattle having been considered as a legal tender in payment of debts.
Senegal	15,600l.	22,000l.	
Goree	6,000l.	10,000l.	
Cape of Good Hope	334,600l.	453,240l.	
Ceylon	1,500,000l.	1,000,000l.	
New South Wales	50,000l.	59,750l.	
East India Company's Settlements and China	13,630,901	13,048,945	Bullion to the amt of 4,478,925l. is included in the imports.

I extract the following from Friar Bartolomeo's voyage to the East Indies:—"The king of Travancor purchases every year, from the Europeans, Iron, Cannon, and Cloth for the use of his soldiers; but as the merchandise which he gives in return amounts to much more than the value of these articles, the English and Dutch are always in his debt. This, in general, is the result, in regard to the balance of the Malabar trade; and we here see where the French Crowns, the Dutch Ducats, the Venetian Sequins, the Spanish Piastres, and the Portuguese Lisabonines at last remain.

The results exhibited in the above table are so uniform and conclusive, that it is unnecessary to occupy space in your paper by making any remarks on them. I must admit, however, that the effects of the balance of trade may be counteracted: where it is against a country, a sufficient supply of Bills of Exchange to meet the demand, would reduce the premium and keep the metallic money in the country; and, on the contrary, gold might disappear from a place where the balance of trade was favorable, as was the case in England during the last war with France, when it was swallowed up by the enormous drafts upon the British Treasury for subsidies to foreign princes, for the expenses of the army, navy, and ordnance, and numberless other expences.

Allow me to trespass still further on your space, to make a few remarks on the despatch of Earl Grey. His Lordship says, "It appears to have been the practice of the local Government, up to a very recent period, to issue Treasury Warrants for small sums of money, and Treasury Notes for still smaller sums, for the purpose of meeting the ordinary expenditure of the Colony." It appears that the enormous sums of money lavished on the Colonial Building, are classed under the head "ordinary expenditure." Had His Lordship been aware of this item, I think it probable that he would not have advised a loan, the revenue of the Island being more than sufficient to defray what ought to be the ordinary expenditure. He might have recommended that there should be no more building freaks, for ornament, like an expensive brooch, bought on credit, for the embellishment of a gentleman's habit-shirt.

The reasons given by His Lordship, for fixing the value of the currency at its present depreciated rate, are sound and convincing; yet one is omitted, which in my opinion, is more weighty, than any of those assigned: viz., the impossibility, under our present circumstances, of restoring it to its original value, without clearing the country of it altogether. Supposing the rate of exchange on Halifax to be 20 per cent., and our currency to be equal to that of Nova Scotia, there would be 20 per cent. loss by remitting bills to that country; consequently, specie would be remitted. If this be not evident, I would ask those who were here about 12 years since, if the specie did not almost entirely disappear, when the English shilling passed for 1s. 3d. currency, and if it did not return when it was fixed at 1s. 6d. currency.

But it may be said, the premium on the bills would fall; and so it would, if there were a constant supply of specie to meet the demand; but, as there would be profit in exporting it, so there would be a loss in importing it; consequently, when once gone it would remain.

Mr. Edwards states (see his history of the West Indies, vol 2, p. 488.) that "the balance of trade between the West India Islands and the continental colonies, before the American revolution, was 300,000l. in favor of the latter, which was commonly paid in dollars, or bills of exchange, furnishing them so far with the means of remittance to Great Britain, in reduction of their debts to the British merchants." Here we see the perennial springs which supply these constant currents. The West Indians draw money from England and from the Spanish Main, because the balance of trade is in their favor; the Americans draw it from the West Indies because the balance is in favor of the Americans; and the latter remit it to England, because the balance is in favor of England; but we do not possess any such sources of supply, unless we consider as such the very inadequate one of St. John's, Newfoundland. It is encouraging to think there may be one.

Allow me to make a few remarks on the contemplated amount of new Treasury Notes. I understand it is intended to issue Notes to be exchanged for the Treasury Warrants, and also new Notes to replace those now in circulation. It is to be considered that the Treasury Warrants were issued, not in consequence of a deficiency of Treasury Notes, but of a deficiency of funds in the Treasury. I fear, therefore, that an issue that would cover both the old Notes and the Warrants would be too great, which would infallibly depreciate the new Notes. Earl Grey remarks, that "the amount of paper currency in circulation really determines its value." I fear also, that, although the English Shilling continue to pass for 1s. 6d. Island currency, there will still be a difficulty in retaining a sufficient amount of specie in the Currency Office. By a reference to the remarks in the above table, it will be seen that the only places mentioned as trading in money, are Jamaica and Ceylon, in both which Islands the balance of trade was, at the time, highly favorable. The King of Travancor had a goodly assortment of gold and silver coin; but it was because the balance was also in his favor; had it been the reverse, I presume its effects would have been the reverse; unless, indeed, His Majesty had been knowing enough to lodge a credit in Halifax. Let us for a moment contemplate the consequences of a depreciated paper currency, and a want of specie in the Currency Office: convertibility and inconvertibility of Notes would amount to the same thing, and the necessity of keeping the Currency Account distinct from the ordinary Treasury Accounts would be obviated, excepting while the assignees were settling them.

Earl Grey is fully aware of the danger of an over-issue of paper money; for, in His Lordship's excellent epistle to the *Cannibals*, written for our learning, we find the following words:—"This is to be accomplished by providing, that paper money beyond some fixed amount clearly within the wants of the country in which it circulates, shall only be issued in exchange for the precious metals, &c." Would it not be advisable, in order to prevent an over-issue of Notes, to fund the whole of the Warrants, effecting a loan to an amount sufficient to pay off those who require immediate payment of them, leaving the remainder to be paid gradually by the excess of the revenue over the expenditure? On the Legislature rests a heavy responsibility; for, while we can expect only a slowly-gradual improvement from wise measures, rash and false steps would involve the country in ruin—the effects of which would have an influence for evil to the last breath of the youngest member of the community.

But I find the subject as interminable as it is complicated; I, therefore, conclude. If the view I have taken of the subject be correct, it follows that our principal object must be to reduce the balance of trade, preparatory to turning it to our favor. In endeavouring to effect this, I think more depends on individuals than on the Legislature. We must reduce imports by *encouraging, to the utmost, Island manufactures*, and promote exports by every means in our power. Let us not be discouraged: much may be done by enterprise and perseverance on the part of individuals, and by economy, prudence and foresight on the part of Government, which I, for one, confidently look for.—Consider, Sir, what was the state of New South Wales some forty or fifty years ago—a miserable country of convicts and kangaroos, with large oxen for a circulating medium. Compare that with its present state and prospects—with its whale fisheries, its trade to the East Indies, its exports of wool to England, and from its mines, from its comparative contiguity, to the richest countries in the world, in natural productions, and from other advantages, destined, it may be, in the ever-fulfilling designs of Providence, to rival, one day, in wealth, in power, in fame, the mighty, the glorious, the one nation, of which its people are the offspring.

We, too, have our advantages. The fisheries alone, when the time shall arrive for their successful prosecution—and by God's blessing it will arrive before long—will render this Island, I will not say the richest or most powerful, but one of the most comfortable little spots in the world.

I subscribe myself, in my own hand-writing, Sir,
Your obedient Servant,
JOSEPH HOLROYD.

2d February, 1848

The Provincial Parliament of Canada will meet for Dispatch of Business on the 26th instant.
The Assembly of New Brunswick have granted £200 to be distributed among the newspaper Reporters to that Branch.