

The Examiner.

"THIS IS TRUE LIBERTY, WHEN FREEBORN MEN—HAVING TO ADVISE THE PUBLIC, MAY SPEAK FREE."—EURIPIDES.

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CHARLOTTETOWN, P. E. ISLAND, MONDAY, MAY 15, 1848.

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THE EXAMINER.

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THE CURRENCY, OR FINANCIAL QUESTION.

THE Legislature having separated without enacting anything respecting the Financial Affairs of the Island, the question remains still open for discussion. Having already given to the subject much of our available space—we shall dismiss it from our editorial columns, with the observations we are now about to offer.

The difference of opinion between the two Branches consisted—as we endeavoured last week to explain—in the different view taken by each, of the proper proportion between the cash in reserve and the notes to be issued. This, certainly, was too grave a question to allow of compromise. But it is not our intention now to discuss this point. The subject, from the very outset and first publication of Lord Grey's Despatch, presented itself to our mind in a point of view entirely different from that in which it has been treated in the Legislature; and the great mistake appears to us to have originated in the notion, that the main thing sought to be effected was the settlement of the Currency, whereas, that object was only a secondary and subsidiary one,—the main desideratum being to adopt a financial measure, suited to our circumstances and which would put a stop to the baneful system of Warrants, and cause our paper issues to be made payable on demand, and render them current in the other colonies, by giving them a real value;—and an additional object was the contraction of our public debt, and ultimately getting rid of it. These appear to us to have been the main objects of Earl Grey's communication, and though we by no means desire to depreciate the labours of the Council and Assembly, or the information exhibited during the discussion by some few members of both Houses, yet, with all deference, we conceive that those who originated the measure began at the wrong end. Now, with the view of discussing, how easy it would be to proceed on another basis. Let us make a few enquiries. In the first place the Legislature, it must be observed, has voted to pay the interest of Warrants the sum of £1500 for the present year. This has been done on a calculation, of course, of there being afloat £25,000 of those instruments. There are £11,500 of inconvertible notes also in circulation, on which no interest is payable, but which, of course, are of no value out of the Colony, and necessarily displace the same amount of specie, or notes convertible into cash at the Treasury. It was said a short time ago that there were £5,000 of specie in the Treasury, and if that sum is not there now, it has displaced an equal amount of Warrants. It appears to us that there would be no difficulty in funding, say £20,000 of Warrants; nor do we think, if properly managed, there would be any difficulty in borrowing £12,000 at 5 per cent. If these two operations were effected, there would be a debt of £32,000, the interest of which would be—

£20,000 at 6 per cent,	£1200
12,000 at 5 per cent	600
	£1,800

The sum voted by the Legislature in 1847 to pay interest on Warrants was £1,800.

Now, these two things being effected—namely, the loan procured and the Warrants funded—the £11,500 of notes in circulation might be declared a legal tender by proclamation, and they would be represented by the £12,000 borrowed; and, if it were thought necessary, a further issue might safely take place. But it will be asked, how are we to get £12,000 as a Loan? The House of Assembly have presented an Address to His Excellency the Lieutenant Governor, praying that he will forward their request to the Home Government, to guarantee a loan to the amount named. But it is to be lamented, that, with a strange want of foresight, the

Land Tax Bill has appropriated, during fifteen years, the proceeds of that Assessment. It formed a security amply sufficient to Lenders that their interest would be paid regularly, as well as the £500 voted to augment the Lieutenant Governor's Salary provided, which, of course, it was necessary to secure—since it was to be given—on some fund having a real value and foundation. And though none are more friendly to Education than we are—none more desirous of promoting and encouraging it in every possible point of view—yet, we cannot see what would have incapacitated the Legislature from voting as large a sum annually as the surplus of the Tax will produce, without tying it up, and rendering it unavailable, either to secure a Civil List, when the auspicious hour for the introduction of the Responsible System of Government shall have arrived, or to carry out the financial views of the Colonial Minister. Let it, however, be observed, that if the principle of issuing two pound notes for one pound of specie in the Exchequer, in which all parties seem to concur—be a just one, then to go as far as we propose, a loan of £6,000 might be enough. We think the sum may be obtained if the Home Government accede to the request of the House of Assembly.

There are periods when money is plenty, and the difficulty of obtaining it, not great. But of this there can be no certainty. It would be better, indeed, to have £12,000 and to issue no more notes, but to keep a large proportion of the money in some Bank, where interest on deposits is given, and on which Bills could be drawn, which would be advantageous to the Colony, and prevent any extraordinary demand for cash. And if this matter were so treated, the finances of the Colony might well afford to supply an annual sinking fund, which would, with a prudent appropriation every year, soon liquidate our entire public debt.

All this appears to us to be so plain and practicable, that we care not in what manner the Currency mongers may settle that part of the subject.

There are strong and plain indications that there will be a temporary decline in our revenue this year—all the well-informed mercantile men agree in predicting this decline; and every body knows that ship-building in this Island at the present time is no longer a profitable or safe pursuit—and the few ships destined for this place from Europe, plainly indicate the extent of our commercial operations during the present year: Indeed, it would be wonderful if some part of the general depression, which has spread itself so extensively through Europe and America, should be unfelt by us alone. It is, therefore, much to be feared that there has not been that prudence shown by the Legislature in incurring expenses, which common foresight ought to have suggested—and that habits of extravagance are still the most congenial to the majority of the House of Assembly. More money has, in fact, been appropriated in the late Session than the Revenue is likely to produce; and if this really turn out to be the case, it will greatly embarrass any attempt next year to settle what is called the Currency question, but which would be more properly named the Financial question. Should the public debt exhibit an increase at the commencement of the next Session of the Legislature, the country will know which of the two parties in the Assembly is the cause of it.

Perhaps, at the bottom, the greatest difficulty that attends, and is likely to attend the settlement of this question, arises out of the delusion of mind under which some parties labour, that there is a great necessity for an issue of paper, inconvertible, if they could get it; but as the common sense of mankind prevents that, then payable on demand, no matter by what represented. And though, indeed, they find neither of these positions tenable, they are still at the bottom of all their proceedings, notwithstanding the modifications to which they have been compelled to submit.

our last No., page 265, fifteen lines from the bottom of the first column, for "5,000L per month," read 500L per month.

It is a great public misfortune that the Currency question, as it is called, has engrossed so much public attention, and more particularly in the Legislative Bodies. It might be almost deemed—if there could be any motive in it—a device of some adversary to turn our thoughts from what is passing around us, and preventing our looking into our own case, and asking ourselves the question—Do we or do we not intend to avail ourselves of the offer very intelligibly, though not in a direct form, made to us of that system of Government termed "Responsible," without which we cannot be said to enjoy the British Constitution? The Legislature should have considered that nothing can be paramount in interest to this matter, and it should have been their first duty—(no matter which party is the stronger for the moment)—to address the Home Government on the subject. Mr. Duncan McLean has been styled, by some of his new political allies, the Father of Responsible Government in this Island; yet, we regret to observe, our quondam friend has shown a most unnatural disregard for his bantling—whether it be that he has discovered since his political conversion traits of character and deformities in this same Responsible Government, which might prove injurious to the maintenance of his new faith—or whether it be that, in his nightly peripatations through the cerulean blue, his soul wrapped up in the sublimer mysteries of Astronomy, his affections have been weaned from an object so earthly in its nature, and so, comparatively, unworthy of his reflections—is a matter upon which we have not been informed by the New London Herschell, and respecting which we cannot, of course, impart any information to our readers. In the Session of 1847 Mr. Rae very benevolently adopted the child—and though we know our friend entertains, up to this hour, the most profound affection for it, we do not believe that he has regarded with any degree of favour, all the airs and opinions which young Responsible Government in this Colony has assumed, and which are understood to have been borrowed from the Nova-Scotians and Canadians; so that in the Legislature, at the present hour, Responsible Government can scarcely be said to possess any publicly recognized exponent and advocate. But we are firmly convinced—and we shall never cease to promulgate our conviction so long as the question remain in abeyance—that, until the vivifying System which now happily obtains in the neighbouring Provinces, become part of our own institutions, we shall never have a Government that will be fully and cordially respected by the great majority of the People, because, without that system, it is impossible for any Government to be perfectly independent, efficient, and impartial. Under the present hocus pocus form of Government, the policy of Administration—if it really has any definite line of action at all—can scarcely be otherwise than weak and vacillating. The late famous financial project has been lost through the want of an efficient Government. There was no Administration to determine upon any plan—to give the initiative, or prepare a passage for it through Parliament. One would think that the failure of this measure ought to be sufficient to show that we are living under a false system, and, to crown all, we are doing so by our own choice,—but every month and every year supplies us with abundant arguments against adhering to this rotten and worn-out fabric in which we have placed our institutions—wherein the pure air of English liberty never entered, and in which the Queen's Representative—who should be as a bright reflection from a genial and beneficent sun, moving above all and animating all—sits as the gloomy depository of some tremendous and hidden power, but surrounded by intriguers and corruptionists, he is nearly

ERRATUM.—In the article on the Currency Bill in