loan, which would have cost an additional sum? But even with an Imperial guarantee money cannot be very easily raised. In the case of the Inter-colonial Railway, where the revenues of the several Provinces are pledged, backed by the Imperial guarantee, the money cannot be obtained at less than 4 per cent; and without that guarantee it could scarcely be raised at 6 per cent. When this Colony, therefore, can borrow money from its own people at 5 or 6 per cent., it is folly for us to go into a foreign market. With respect to the operation of the Land Purchase Act, when introduced by the Liberal Administration, it only allowed the purchase of lands to the amount of £30,000. The Conservative party first extended its powers to £40,000, and then again last year to £110,000 additional, making in all £150,000. The Liberal Government only bought some 85,000 acres under the provisions of the Act, while the Conservatives purchased about 311,000 acres, or more than one-fourth of the number in the whole Island. Notwithstanding all the land which passed into the hands of the late Government, the money was secured without any discount, their warrants being cashed at face. The Cunard Estate, purchased last summer, cost £53,000, sterling, or £79,500, currency. Of this sum £5000, sterling, or £7500, currency, was paid down; £21,500, sterling, in debentures bearing 6 per cent. interest, payable in three equal instalments of about £10,750, currency, each, at six, twelve, and eighteen months; and the balance, or one half of the whole, in debentures at 5 per cent. interest, payable in ten years, bearing date from July 1st, 1866. And I am of opinion that the resources of the Colony are quite sufficient to meet these payments, without the Government's applying to a foreign market for funds. I find that the late Government, after paying the first two instalments on the purchase of the Cunard Estate, has left to their successors a credit, at the Bank of P. E. Island, of £7556 4s.; at the Union Bank, £8225; cash in the Treasury, £1010 19s. 6d.; over due Bonds, £1790; and coming due Bonds to the amount of £18,615 6s. 6d.; in all, £37,197 10s. With such a credit as this, I think the present Government should not encounter much difficulty in meeting the remaining instalments on that estate. The receipts this year from the estates in the hands of the Government will also enable them to pay these instalments. From the Cunard Estate the sum of £11,220 has already been realized; and the receipts from the other estates last year were over £5000. Notwithstanding the remarks made by hon. members on the other side of the House, I believe the people generally duly appreciate the efforts put forth by the late Government to relieve the tenantry. I am aware that some persons in Charlottetown were opposed to the purchase of the Cunard Estate, and since that purchase was effected, have set themselves to work to establish a new school of economy, by advocating legislation to relieve the embarrassments of trade. Whether or not they have brought their pressure to bear on the Government, I am unable to say; but judging from the tone of the Hon. Attorney General, I would suppose they had attempted to make their influence felt. The Government have nothing to do with commercial movements. Their duty is to break down all improper barriers to trade, and allow commerce to take care of itself. If there is a tightness in commercial affairs in this community, it has been caused by over-trading. Large quantities of goods have been imported, and ships have been sent home, many of which are lying in the docks there unsold, consequently depriving the Colony of that exchange necessary to meet the foreign bills of the merchants. These circumstances, and not the purchase of the Cunard Estate, have, in my opinion, caused the present depression of trade. To show that I am not advancing peculiar views when I state that it is impolitic on the part of a Government to attempt remedying commercial panics, I will read an extract from the leading article in the London *Times* of February 1, 1867, commenting upon the Resolutions passed against the Bank Charter Act at a meeting held in Birmingham:—

> The errors of the Birmingham Committee are legion, but their first and cardinal mistake appears to be that they look upon a time of panic as a time when some mysterious commodity, called "Currency," is in demand, and that it is the peculiar function of the Government to keep a supply of this commodity always on hand. The fact is that a panic is a demand for money, and with the supply of money the Government has no concern whatever. Money comes and goes just as cotton, or copper or silk comes and goes. Merchants import it and export it, and the Government simply stamps its quality when it is taken to the Mint or to the Issue Department for that purpose. There is something infinitely childish in this clamor to the Government to help embarrassed speculators, which ought of itself to lead the Birmingham Committee to suspect the truth of their conclusions. The monetary engagements of merchants are free, and the responsibility of providing for them rests upon them. If the Government undertook to help them, it would overstep its functions; if it interfered with their free action, it would be despotic. In truth, the Government leaves men to their own resources. The Bank Charter Act gives no facilities, imposes no impediment in the way of commerce. Stumbling-block as it is, its machinery is perfectly simple, and its single object, which it perfectly secures, is to provide that the five-pound bank-note shall always be exchangeable for five sovereigns.

This, Sir, is the duty of all governments. If they allow paper to be put in circulation, they should see that it is always redeemable in gold. I have heard some parties state that at present there is not more money in circulation in this Colony than about $3 per head of the population. If this be the case, it only proves that trade is not in a flourishing state. Some four or five years ago when our ships were selling, and our farm produce realized good prices, the Bank of P. E. Island had £90,000 in circulation. And when we consider that the Union Bank can also issue £90,000, the Summerside Bank £45,-000, and the Rustico Bank, under the late amendment to its charter, I believe an unlimited amount, I think it must be admitted, that there is no deficiency of circulating medium, providing the balance of trade be in favor of the Colony, and the Banks, consequently, in a position to issue their paper. If they are unable to secure exchange, they cannot allow their notes to go into circulation. Suppose the threatened war between France and Prussia should actually break out, and the carrying trade were to pass in a great measure into the hands of the British, our ships would sell, and business in this Colony look up. No more complaints would then be heard about the purchase of the Cunard Estate. The paragraph under consideration does not mention where or how the funds are to be obtained for the further working of the Land Purchase Act; but if the Government intend to raise money in the British market, I consider they would be pursuing a short-sighted and unwise policy.