

circulation at present in Lower Canada, is not less than £450,000, and this represents a coin $5\frac{1}{2}$ per cent. above its value, making the paper money, therefore, in reality worth, in sound currency, only £425,250. Should the paper go on increasing, without a proportionate addition to the specie in the country, it is evident, that as the only basis for such paper money would be a coin, not merely with a false value, but insufficient in quantity, the said paper would be progressively depreciated beyond even the $5\frac{1}{2}$ per cent. I take it, that the position of the paper currency of England, during the suspension of specie payments, is a fair illustration of my present case—for an uncertainty as to the time when such suspension will cease, and a partial inconvertibility into specie, through the protection of a coin not applicable to many of its legitimate purposes, must have a like effect (differing only in extent according to special circumstances,) in depreciating a paper currency. The bank note circulation in England, in

1810 was	£16,000,000,	and its value in Gold	£40,000,000,
1813 „	46,200,000,	„ „	35,500,000,
And 1818 „	46,700,000,	„ „	45,500,000 ;

upon which facts Gallatin remarks, “it is evident that the confidence in the resumption of specie payments, must have been greater in 1810, and much greater in 1818, than in 1813 ; and that independently of the intrinsic value of the bank notes, as regulated by their amount, they must, whenever depreciated, acquire some additional value, according to the opinion entertained of their being again converted into specie, and of the proximity of that event.”