

ONE CURRENCY FOR B. N. AMERICA.

(To the Editor of the Trade Review.)

THE establishment of a uniform system of Currency, throughout the British American Provinces, is a subject of much importance to the commercial community at large, more particularly as it is one which must necessarily engage the early attention of the first Parliament of the Confederation.

The present system, or rather want of any system, except that which inflicts loss and inconvenience on all hands, ought not to be continued a day longer than is absolutely necessary to determine on some uniform scheme. As the matter at present stands, we find, that in every one of the five Colonies, (and often in different parts of the same Colony) a different value is given to the circulating medium, thus impeding business transactions, rendering calculations difficult, and often inflicting serious loss. In Nova Scotia, where a Provincial Bank exists, the Dollar is issued at the rate of Four Shillings sterling, the English Sovereign is by law a legal tender at Five Dollars, and the English Shilling at 25c, forming a very useful and convenient currency, particularly when it is considered that probably five-sixths of all the coin in circulation is of English origin. In New Brunswick the value of the Dollar is supposed to be Four Shillings and Two Pence sterling, and the value of the Sovereign is held to be \$4.86 and a fraction, (at which rate the Bank paper is redeemed,) and the English Shilling is circulated at 24c. Now, is it possible for any thing to be worse than this? the inventors or concoctors of this precious system must surely have tried hard to render the whole thing as complicated and absurd as possible: it is impossible to subdivide it equally, and the trouble and annoyance to strangers especially, caused by this stupid system of currency can scarcely be overrated. But there is yet another anomaly. The American Gold coinage passes at its full rate, that is, the American Gold Eagle is worth \$5, while the American Dollar (silver) is only current at 80c, thus the American Quarter Dollar, which is intrinsically worth more than the English Shilling is only received for 20c, or 4c less than the English coin of smaller intrinsic value. It is true there is an issue of Provincial silver in circulation, consisting of 20c and 10c coins, but they are wholly inadequate to the wants of the community, and the Gold in use is almost entirely English.

If we turn to Prince Edward Island we find that yet another method prevails. There, the Bank Paper is issued at 4s 2d sterling to the dollar, similar in fact to the New Brunswick currency, but nearly all quotations are made, and a great proportion of the business is transacted on the old system of £ s. d., but the English Shilling is worth 1s 6d of the Island currency, and the Sovereign 30s. In Canada again a different system from either of the foregoing prevails, and English and American silver is circulated in all retail transactions and in payment of wages, at full rates, but in the Banks is subjected to a discount. Now it must be admitted that this is all very absurd. They cannot all be right, and very likely they are all wrong; but, however that may be, it certainly shows pretty clearly the absolute necessity of establishing some uniform system upon some basis or other.

It is more than likely that the Banks and Money Brokers will oppose any change, for they fatten on the present order of things, and their own immediate interests are perhaps identified with the maintenance of the present system; but so did they all (in the Lower Provinces at least) fight hard against Confederation, knowing full well that with that would speedily come an end to their monopoly, and that a uniformity of currency would interfere with one part of their profits. But to return to the more immediate subject in hand: It is useless to point out grievances without suggesting practicable remedies. It will admit of a good argument whether the best course to have been pursued when the old system of currency of the British American Provinces was abandoned, would not have been to have retained the mode of reckoning by £ s. d., and have assimilated it in point of value to that of the mother country, following in that respect the example of Australia, New Zealand, and many other British Colonies. No doubt the advantages of the Decimal system will be urged against this; but we believe that these advantages (especially in our case) are more apparent than real, and after all there are thousands who to this day actually find it easier to reckon by the old system of £ s. d. than by any other, to say nothing of the associations connected with the English method, and these we hold

are to be by no means made light of. The preservation of those little ties that remind us of, and help to bind us to our common country, are not things to be altogether despised. The truth appears to be that in the adoption of the Decimal system the object sought to be attained was the assimilation of our currency to that of the United States, and in carrying out this project sufficient account was not taken of the non-adaptability of the only circulating medium we could command, to the requirements of this system, and thus each Province, acting independently of all the rest, has adopted different standards, the result being the admirable state of confusion which now exists. Upon an attentive consideration of the whole subject it appears that the Nova Scotia system possesses the fewest disadvantages of any of those now in use, and is certainly the most convenient for all the requirements of Internal Trade, while the only inconvenience so far as we can see would be the lowering of the standard of the dollar, which instead of being as it now is in New Brunswick, Canada and P. E. Island, 4s. 2d., would then be 4s. sterling. By adopting this plan English gold and silver would become a most valuable and convenient currency, not liable to change or fluctuation, and all the difficulties which beset the present absurd and ridiculous system would be removed. The small amount of Provincial coinage in circulation could be gradually withdrawn without any inconvenience, for it is abundantly evident that an ample supply of English and American silver can be relied on for all the requirements of business and the supply of gold would not be affected by the proposed change. And this view of the case assumes greater importance, when we consider that very much larger amounts of English gold and silver will be circulated among us when the great national work of the Intercolonial Railway is being carried on. The consideration of this subject has been suggested by a conviction of the great and growing necessity of the speedy establishment of a uniform system of currency, as a measure of general utility and convenience, and in the interests of Intercolonial Trade and Commerce. It is one of the very few things which is altogether independent of party politics, and may therefore hope to be discussed fairly with the one view of arriving at the best possible settlement of the question.

NEW BRUNSWICKER.

LETTERS FROM A PROTECTIONIST.

[No. 6.]

(To the Editor of the Trade Review.)

THE plain illustration in my last letter, in answer to the assertion of your correspondent, that it makes not a particle of difference whether the raw products of the country (food, &c.) are consumed within or without its boundaries seems not to have been plain enough for him; but probably nine-tenths of your readers saw the point, which was the very great advantage of a home market, or in other words of having raw products consumed as near as possible to the producers. The assertion was not made that the near smith needed any *Legislative protection*; nor does he, because he has already a protection amounting almost to prohibition in the nature of his trade (and does any one complain of the price of horse-shoeing on that account?) and it inures very clearly to the advantage of the farmer though your correspondent (probably will not see it, and still at the close of his learned paragraph he admits the principle contended for, viz: the great advantage of having the manufacturer (the smith) near the farmer. Now, that being an advantage, would it not be a still greater advantage to have his cotton, woollen and other manufactures near him also; either the smith should be sent off, or the cotton manufacturer put beside him, as if it is better for the farmer to go to Manchester for his cotton goods, it is also better to go there to get his horse "shod." The loss in the latter case is more apparent than in the former, but the principle is the same.

The question between your correspondent and the writer was not one of *protection*—the word is not even in my letter—but whether it is best for the country to have its raw products, food, &c., consumed at home or to have them all sent abroad, or in other words whether we shall have manufactures or not, and with that assumption letter No. 5 was written, and I desire to leave it to the readers of the *Trade Review* to decide whether the charge of *ignorance*

made by your correspondent shall be applied to the writer, or whether it should recoil on his own head.

Notwithstanding the assertion of your learned correspondent, that "if never a manufacture had been in existence, there would still have been the same accumulation of wealth" in Canada, it is an admitted fact that a large proportion of our best men, and of the newspaper writers, favor and advocate the introduction of manufactures into Canada (and you, Mr. Editor, must be classed as one of them, as witness your excellent article on the 30th ult. on *Flax and Linen*), and many firmly believe that we cannot prosper and be truly independent without their extensive introduction and permanent establishment. The question arises what course will bring about so desirable a result? There we have our great (and generally honest) difference of opinion as to the means. We protectionists (generally) claim that a duty of 20 to 30 per centum levied on those articles of manufacture now being made or likely to be made in the Province, and the admission free or at a low rate of duty of raw materials not grown or produced here, such as dye stuffs, drugs, tea, coffee, spices, &c., &c., and manufactured goods of the class of tin plates, cut steel, &c., will, if we have the guaranty that there should be, of permanency in the customs arrangements, secure the establishment in the Province of a large and valuable amount of manufacturing. In proof of the correctness of this plan we assert that no new country has ever succeeded in introducing and permanently establishing manufacturing as an important part of the industrial resources of the country without adopting the protective system.

It may be that for a short time the consumer would pay a trifle more for some articles of manufacture (not all) than under a free trade tariff; but the tax on what goods are imported goes into the treasury for the support of our government, not into the pockets of the manufacturers, as the free traders assert, because they cannot at first produce all kinds of goods for the same money that the old foreign manufacturer with his cheap labor, and perhaps for the time being more perfect machinery, can do. But the tax paid in this manner, or any extra sum required by the manufacture here, is many, many times counterbalanced by the great saving in transportation caused by having the producer and consumer near each other.

Stanbridge, Dec. 10, 1866.

J. C. B.

A Strong Contrast.

The following suggestions made by the London *Economist*, in view of the numbers of people who may be expected to visit Paris in the course of the coming year, are in strong contrast to the increased stringency of the rules for examination of travellers and their baggage entering the United States:—

"It is really time, however, that the two foremost nations in Europe should get rid of one of the most savage incidents of savage life. Instead of assuming for official purposes that every visitor from one country to the other is a rogue, and a proper subject, therefore, to be turned inside out in person and effects, regardless of age, sex, decorum, or convenience, the rational and economical course would be to adopt modes of protecting the few pounds of revenue which at the utmost are involved, by some process more consonant to modern manners and celerity.

"To the Chancellor of the Exchequer we put the case upon grounds of economy. We assert that the present plan is not only a barbarism, but a great extravagance. More net revenue is to be got by employing a few competent travelling detectives than by maintaining the present establishments. We feel sure that the South-Eastern and the other English lines will give every facility to the movements and plans of such detectives, and will also second by means of their own staff every arrangement for protecting the revenue.

"The graceful course to follow would be for the English Government to announce at once that, in honour of the Paris Exhibition, they will, from the 1st January, relinquish the present Custom House examination of passengers' baggage. The French Government could not hesitate to accept the challenge, and so both countries, and all foreigners passing through them, would be rid, at all events for 1867, of the horrors of that Custom House pillory at the end of a long journey, bad enough to men, but to ladies, brimful of the niceties of bonnets, ribbons, and founces, all liable to be tossed about like cabbages or stock fish, inexpressibly horrible."

We cannot, as a rule, accuse Canadian Custom House officials of being unduly troublesome to travellers, but are not the foregoing suggestions worthy of attention?