

step diminishing the real amount of the rent of the land, and the principal as well as the interest of capital employed in the business of production is leading to general inactivity. In view of these facts the productive classes have an interest in the construction of this railway, because its effect will be to revive trade, and adjust matters; not by diminishing the ratio of depreciation, but by placing us fairly upon the path of progressive advance. No opportunity for creating a trade should be permitted to pass; and let it be remembered that the most formidable obstacle to its existence is the absence of that enlightenment, which sees, and seizes the opportunity at the proper time.

### PAPER MONEY,

We are not, of course, going to indulge our readers with a dissertation on money, in the strictly economical sense; but since our Government have deemed it advisable to issue their legal tender notes, which are virtually intended to represent specie, or the uses of specie, we might suggest, that if the issues are made solely with reference to the requirements of the exchequer, without any regard whatever to the wants of circulation, much evil will be inflicted upon our people. The greatest management must be employed in the authorised issues of paper money, for, in the ratio of its expansion, or enlargement beyond the actual wants of circulation, it will decrease in value. For whatever authorization Government may give to paper money, which has no other basis than its credit, it can only keep it up to its value, in the measure that it be rather kept within than pushed without the necessities of circulation. Paper money, or any money of that nature, must have some reference to the specie-credit, which it is intended to supplant, for however much we may wish to divest our mind of the idea, we always look upon the precious metals as the basis of wealth; and as their value depends not upon artificial means, but upon their real intrinsic value, which equalizes their worth all over the world, they enter into all our schemes as the basis for which we are aiming at a substitute.

Now, previous to the legal tender notes, paper money only had a value because it could be instantly and readily converted into specie. At present the Government note has supplanted the necessity of the precious metal, as those notes may be offered in all cases where gold previously was required by law. It is true that our Government paper money may be converted into gold, but the important difference that exists between its conversion under the present system and the conversion of paper money before, is that the place where that conversion was effected was always within reach of the holders of notes. Now,

this convenience does not exist, and it entails many inconveniences which it would surpass our limits to explain.

It is the greatest mistake to believe that Government can give more than a nominal value to any money it may choose to adopt. The real value of money, paper money at any rate, will be measured in a great part by the wants of circulation; just so much as is required will have value, and two dollars will only have the value of one, if it has so far exceeded the measure of the national demand for a circulating medium.

The possession of gold or specie invests paper money with value as a general rule, and Government itself can only give a value to paper money, as it connects it with that upon which all men fix any value—gold or specie. And the benefit of this money in a community is, that it is really the only medium which has value elsewhere. For that reason, when gold emigrates but to return in some other equivalent shape, internal national circulation is in no way cramped for want of money, for its functions for the time are just as well performed by the paper which is substituted in its stead. The accession of value which is procured to a country in this way by paper money is really much less than we are inclined to believe, but yet it is of infinite value, and only of value because of the readiness and facility with which paper can be converted into gold. But destroy this value, or make it difficult to obtain gold for your paper, and you shift commerce from its basis of money, to its rival credit. But if specie emigrate from our midst to where it has a higher value, and leave us only a paper circulation which has value within the limits of the nation, we cannot see that the substitute is a sound one, nor can we see that it will long retain its value at all. Government, it is true, may receive a temporary benefit from the issue of notes, when the issue refers solely to their necessities, and is based upon a previous credit reposing on a metallic value; but sooner or later commerce,—or rather the nation, is called upon to replace a metallic currency when the paper circulation has broadened into excess. Authority can never replace a metallic currency which it has destroyed—the nation at large only can do that—and for that reason the Government should be chary about tampering with the currency of a country.

It is always to be regretted when a government, from circumstances which are peculiar to itself, is forced to disturb the currency of a country, for it is a direct interference with commerce, and it is in vain for government to designate what shall be the specific material which shall pass for money. Custom will always attach to realities their intrinsic values, and never gives to artificial creations any value but what is connected with that which mankind regards as money in the narrowest sense. We do not offer these remarks in a spirit hostile to the government, but merely desire to call attention to the fact, that there is danger in the paper system which is doled out in a measure to serve double interests solely, regardless of the necessities of trade. It will be observed that we have the Government interests first, and those of the Bank of Montreal after; and as both are of a personal nature and the issues depending upon them, we would exact caution before an evil comes upon us.

What we hold is this: that money is indebted for its currency not to the authority of government, but to its being a commodity bearing a peculiar and intrinsic value, that men have elected to receive coin in preference to every other article, because they know from experience that it is preferred by those whose products they have occasion to purchase; wherefore that a government paper may not become destitute of credit or confidence, it must follow the wants of circulation, and the place of its conversion into coin must be within the reach of holders of notes. We think we have every reason to fear the ultimate emigration of coin from our midst, and a national currency which is not based upon the real existence of specie in a country cannot long live on the credit which mere paper can borrow from national promises. As a medium of exchange paper assumes value from the urgent necessity that exists for it, but destroy gradually or precipitately the basis upon which it must repose that it may have value, and you will quickly learn that, notwithstanding the urgency which exists for a medium of exchange, paper must be grounded on a stronger and more intrinsic principle than credit to have any value at all.

### COMPLIMENTARY NOTICES,

MR. PALSgrave has, as may be seen at a glance, contributed his share in making "The Budget" an acceptable companion to every man who desire to see our Trade interests explained and illustrated. From his type foundry came our "fit out," and we are proud of it—in the first place, because of its being manufactured in Canada; in the second because it is a good one. No praise from our pen can enhance the excellence of the type; our aim is simply to mark our appreciation of a gentleman who, despite great foreign competition when he commenced his art in our midst, has victoriously worked himself up and stands today in the foremost ranks of those engaged in his line in America. His success as a manufacturer shows what patience, perseverance and singleness of purpose may attain; and besides thanking him for giving us a purely Canadian dress, we thank him for the example which he offers to all engaged in the manufacturing industry.

ROBERT MCGREEVY, ESQUIRE.—This gentleman—the brother of our esteemed citizen, the Hon. Thomas McGreevy—as may have been seen, was the recipient, on leaving Ottawa, to reside once more in old Stadacona, of a complimentary dinner given by his friends. In leaving his friends there he was returning to a city where he has us many sincere friends and is as highly appreciated. We are glad of his return, assured that his energy and talent will add materially to assist the industries so largely patronized by his brother, and upon which we ground the success of old Quebec in the future. We wish this gentleman health and happiness in our midst, and a long enjoyment of the fortune which his industry is daily enlarging.