

But suppose that by this or any other arrangement, the Banks were enabled to increase their discounts, a large proportion of the extra accommodation would, as we have already stated, soon find its way into the United States in settlement of our indebtedness there, or it may be to purchase Western wheat at a low figure, and thus be forced home for redemption long before the first shilling could be realized from their English exchange.

Another important consideration seems to be, to some extent, overlooked in the present emergency. The crop of last year, at the then high prices, was not sufficient to meet our indebtedness, and that of the present year, at present prices, would scarcely go half so far; would it, under these circumstances, be wise policy to stimulate, by a large Bank issue, a false prosperity, inducing, for a time, fresh importations, and thus landing us, at a period not remote, into difficulties far more disastrous. So far as we can see the only safe course for the Banks to pursue,—and that which they undoubtedly will pursue,—is to give all the accommodation circumstances will warrant, but to attempt no sudden expansion of the currency, which can only result, and that very speedily, in a forced contraction ten-fold more injurious to the interests of the Province than the present severe but inevitable pressure.

We write not thus to create needless alarm in the public mind, but under a firm conviction that unless more of our capital and labour is directed into channels of productive industry, the recurring panics in the neighbouring States may be succeeded by the bright sunshine of prosperity, but a dark cloud will still hang over our poor country, which all the suggestions of our political economists will not be able to dispel. When we look at the hundreds of expensive establishments in our principal thoroughfares, and see the severe struggle of their owners to sustain their position, we cannot doubt what will be, in many instances, the result; but, unfortunately, no external aid can reach them, and however much we may regret the fact, it is nevertheless true that until the producing classes more fairly balance the importing, and our agriculture and manufactures are more fully developed, no Bank accommodation can “roll forward the tide of prosperity now so rapidly receding.”

In criticising the conduct of our Bank Directors, we should not forget the serious responsibility resting upon them. Far below this ruffled surface, runs the steady current of a sound prosperity, and while a hundred enterprises are arrested, a thousand move on in their wonted course. Shall we, for any temporary relief, demand a course of procedure which may endanger the safety of those institutions which, while they have yielded fair returns to the shareholders, have already added, and are even now adding, so much to the prosperity and advancement of the country.

Y. Z.