

six weeks ago, discounted liberally to wheat-buyers, to purchase on a falling market, would they not now have been heavy sufferers, and ready to be charged by the same class of advisers with the blindness of a policy, the result of which every clear-sighted man could easily foresee. With exchange at 98, in New York, will judicious merchants sell at that rate to purchase wheat for shipment? We much doubt it. But admit for the moment that they would do so, and the Banks agreed to discount their exchange liberally, would not a large proportion of the money go at once to liquidate our indebtedness in the United States, or to make fresh importations, and thus, in the shape of exchange, or the speedy return of the bank issues, drain their coffers of the last dollar, endangering their stability and deranging the whole business of the country.

We must not forget that the large balance of trade at present against us, cripples the Banks by forcing home their circulation for foreign drafts. With a stupidity almost amounting to insanity, we continually boast of our *increasing imports* while scarcely a thought is bestowed upon the far more important subject, *increasing exports*. With what contempt would we regard the merchant who boasted of his increasing *liabilities*, as the sure indications of his prosperity, without closely examining his increasing *assets*, yet little better has been the conduct of our political economists during the last few years. Were it not against all our received opinions of political economy, we would recommend that the duties be collected on the *exports* instead of the *imports*, as the desire to replenish the exchequer might then lead our public men to pay more attention to the development of our resources.

The sound maxim in ethics, "never do evil that good may come," is peculiarly true in respect to sound Banking. Better suffer the consequences of one error now, than the accumulated troubles which an ill-advised expansion would shortly produce.

The idea that liberal discounts and a larger issue of paper money would permanently relieve our necessities, reminds us of the man who, when in difficulties, borrows his "friend's" note, and having converted it into cash, relieves his present necessities. But the time of payment comes round, and this apparently smooth and easy operation must be repeated, and the "friend's" liability likely increased by the item of interest. To a third repetition of the operation, the friend probably demurs, and is in consequence assailed in pretty much the same manner as many parties now assail the Banks. Let us not be understood to advocate a hasty contraction of Bank accommodation,—it is to prevent this that the Banks are now acting, and will doubtless continue to act with so much caution. So far, they have done good service in allowing the loss of the decline of wheat to fall on the farmers themselves, who are the proper parties to bear it; and we need not fear when the price reaches a point which leaves a safe margin for operations, buyers will not be wanting, and the wheels of commerce will move freely without being lubricated with a rash and dangerous Bank expansion.

It has been proposed, in order to prevent the Banks from drawing the gold from each other, to settle their balances by exchange on England. This would be a beautiful operation, if, like the famous Micawber, the drawing of the bills of exchange was the last of the business; but, unfortunately a very important point has still to be attended to. The gold must be placed against that exchange in England, and, at present rates, at a heavy loss.