

ent; and the nation, when blessed with a fine harvest, has come to import from a fourth to a fifth of its annual subsistence from foreign states, although fifteen years ago, it was self-supporting, it has reduced the price of food a half, but it has lowered the wages of labour in a still greater degree, by reason of the numerous bankruptcies among the employers, and the diminished work for the employed. It has induced that terrible instability in mercantile transactions, and those ruinous monetary crises, which have now become of periodic occurrence, though unknown before the resumption of gold payments, and which never occur without destroying from a third to half of the whole commercial capital in the empire.

It engendered that overwhelming influence of the monied aristocracy, and general suffering of the industrious classes, which inspired the money power with that restless desire of change, which never fails to accompany long-continued and general suffering. By vesting power in the monied and mercantile classes, through the Reform Act, it brought on that series of class legislative measures which have gone so far to endanger our colonial empire, and destroy the national dependance of Great Britain.

All the evils under which we now labour may, by a demonstrable series of causes and effects, be traced back to that one fatal deviation from Mr. Pitts protection policy, (through paper currency or cheap money) under which the nation had so marvellously prospered during the war."

The above quotation sets forth the fearful effects caused by the contraction of the currency of the country. The extent of that contraction is thus noticed in *Blackwoods Magazine*:

"The population of the Empire, including England, Ireland, Scotland and Wales, in 1814 was 20,000,000 the notes in circulation £60,000,000," or about \$14 per head; the notes issued in England alone in 1814 were £48,500,000 and the population was 11,000,000 or about \$21 per head, besides specie, for England separately.

It will be pertinent to here remark that the whole amount of notes in

circulation in Canada on the first of June was \$8,947,942, placing our population at 3,000,000 we have not in Canada three dollars in bills per head in circulation, while England in that era of her prosperity had \$21. Is there any wonder that money is said to be scarce in Canada, and the misfortune is, as we have shown in our April number, that the banks are not safe in furnishing the very limited amount now in circulation. How important, then, in the light of these facts to have an ample national currency such as we have suggested.

To return to the subject in hand, we further find that,

"By the Bill of 1819 followed by those of 1826 prohibiting small notes, and of 1844 and 1845 regarding the currency, the notes have been lowered *a half*, they have sunk from £60,000,000 to £32,000,000 while the population increased from 20 to 30 millions,"

Leaving the whole population of the empire only about \$5 in place of \$14 per head, as first stated.

As long as they had a paper currency it could be relied upon to carry out the internal trade of the country, while experience has proved that even in England,

"No lasting reliance can be placed on the gold, how great soever its amount in the country, because it is liable to be drained away any day by a bad harvest, a war abroad, or the usual mutations of commerce. In the last thirty years the people have increased nearly by a half, their transactions have been tripled, and the money they can rely on keeping, in the country has been *halved*."

The effects of that contraction was a most serious lack of currency, which as observed on page 143 of this Review caused a famine in Ireland in 1821, while there was abundance of food, and so fearful a deficiency of clothing in England, in 1826, that the government had to request the ministers of the Gospel to plead from their pulpits for contributions,