

**H. SUGDEN EVANS & CO.**

(LATE EVANS, MERGER &amp; Co.)

**WHOLESALE DRUGGISTS**

MANUFACTURING

**Pharmaceutical Chemists,**

41 to 43 ST. JEAN BAPTISTE ST.,

**MONTREAL.**EVANS, SONS & Co., EVANS, LESCHER & EVANS,  
Liverpool, Eng. London, Eng.**WILLIAM DARLING & CO.,**

IMPORTERS OF

*Metals, Hardware, Glass, Mirror Plates,**Hair Seating, Carriage**Makers' Trimmings and Colored Hair.*Agents for Messrs. Chas. Ebbingshaus & Sons, Manu-  
facturers of Window Cornices.

No. 30 St. Sulpice, &amp; No. 379 St. Paul Streets

**MONTREAL.****A. & T. J. DARLING & CO.****BAR IRON, TIN, &c.,****AND SHELF HARDWARE.****150 CUTLERY A SPECIALTY.**

[5 FRONT ST., East.]

**TORONTO.****The Journal of Commerce****FINANCE AND INSURANCE REVIEW.**

MONTREAL, MARCH 19, 1880

**THE CURRENCY.**

The fact that a public meeting has been held in the city of Ottawa under the presidency of the mayor, with the object of promoting the issue of inconvertible paper money, is calculated to be deeply injurious to Canadian credit. It happens most unfortunately that this movement should be concurrent with the announcement by the Minister of Finance, that he is about to propose an increased issue of Dominion notes. Those who are opposed to that increase will, without doubt, endeavor to represent the Government as being favorable to inconvertible paper money. We should be truly sorry to believe for one moment that such a charge could be made with truth, and there was certainly nothing in the very brief reference made to the subject in the Budget speech to support it.

In Canada as in the United States the advocates of fiat money have profited not a little by the diversity of views which prevail among the supporters of a convertible currency. There are in both countries differences on what for our present purpose may be termed minor points, among persons who concur in opinion that no paper currency should be

tolerated that is not convertible on demand into whatever standard of value it may be expedient to adopt. One class would desire the continuance of the present bank issues, another would favor the National Bank note system of the United States, which would require the banks to give Government security for their issues, while a third would advocate an exclusive Dominion note issue, convertible on demand as at present, the entire profit going to the public. The difference of opinion between the advocates of these different theories has been decidedly favorable to the advocates of inconvertibility, and more especially as many of the arguments in favor of a Government convertible issue may be used in favor of the fiat money. For instance, both argue that "the creation of money is the business of the State and not of a trading corporation," and both contend that the profit on that circulation which the people require for conducting their exchanges should accrue to the State and not to private corporations. Both again urge the danger of loss by the circulation of bank notes, which, though not legal tender, the public are nevertheless practically compelled to receive.

It is perhaps difficult for those who have never studied the question to discriminate between so many conflicting views, and those who have paid attention to the speeches and writings of the advocates of fiat money cannot have failed to remark that they on all occasions make use of arguments, which might be urged in favor of a Government issue of convertible paper. It would probably be impossible to unite the advocates of convertible paper money in support of any scheme, but it may be hoped that they will cordially co-operate in exposing the fallacies which are so perseveringly disseminated by the advocates of fiat money. It was rather unfortunate that at the Ottawa meeting persons came forward to oppose Mr. Wallace, who, as far as it is possible to judge from the meagre reports, were not very conversant with the subject. It has never been denied that Government irredeemable paper, if made a legal tender, might be used as currency, but, on the other hand, if we did not find so many intelligent men laboring under the delusion, it would be inconceivable to us how any one can fail to perceive, and especially with the experience of the United States before his eyes, that such a standard of value would be as variable as the winds of heaven. Better by far to adopt the old standard used by the aborigines, of beaver skins, which we admit would be uncertain enough, than a

paper currency varying in amount from day to day and from week to week, and with each variation affecting the value of all investments, of all debts, and not only of every commodity, but of every description of labor. When we know that in former ages there were alchemists who were able to delude their fellow men into believing that they could transmute the baser metals into gold, we perhaps ought not to be surprised that Mr. Wallace and his coadjutors should be able to persuade their dupes that by stamping pieces of paper they can create money that will be received in exchange for the products of labor.

One cause of the existing delusion is an idea they have got that gold has no value as a commodity, but derives it from the fiat of the Government, and yet they can scarcely be unaware that in countries where gold is demonetized it maintains the same relative value in exchange as compared with silver. We confess that it is mortifying to think that in the 19th century, in a country where education has been widely extended, there should be found a considerable number of people so deluded as to believe that the fiat of a Government can create an instrument of value.

**COMMERCIAL UNION.**

We learn from a letter addressed to us by Mr. Wharton Barker, of Philadelphia, that he and the league with which he is connected, are making vigorous efforts to procure some expression of Canadian opinion favorable to the scheme which was developed in the letter to the Hon. George Brown to which we recently called attention. That letter, he informs us, has been sent to all the members of the Dominion Parliament, while Mr. Barker has written specially to Sir John Macdonald and Mr. Mackenzie, in the expectation, doubtless, that those gentlemen will condescend in order to carry it out. One might be led to anticipate a coalition in support of this scheme from the assurance given us by Mr. Barker that he has letters "from them both," which leads me to believe that the Dominion Government are ready to appoint on their side "members of such a commission." We should not be surprised if some member of the House of Commons were to move for copies of Sir John Macdonald's correspondence with Mr. Barker on this very important subject. Mr. Barker has not confined his negotiations to Canadian statesmen. After conferring with the Hon. John Welsh, the late Minister of the United States to Great Britain, with the President of the National Board