

that the half-crowns are very limited in amount ; and even as it is, when the monied institutions happen to be well guarded at the moment with that coin, and money difficult to be had, the rate between Montreal and New York not unfrequently flies up to 4 per cent. It may, perhaps, with great justice be said, that the monied establishments have seldom, if ever, strained their power, derived from a depreciated currency, to an oppressive extent. But yet, however much this forbearance on their part is to be admired, it does not follow that the public ought, in common prudence, to trust to a continuance of such a line of conduct, when, even in its moderation, it involves a heavy tax on the commerce of the colony. This tax, as will be more fully explained hereafter, consists in discharging our foreign engagements at a rate enhanced relatively with the depreciation of our coin. Perhaps some are ready to say, that the Province derives an equivalent for this direct tax on its trade. Indeed, I have heard it asserted, that the Banks, being protected against frequent and heavy drains by having the French crowns to stand centinel over their vaults, afford accommodation to the local trade beyond what the country could acquire, were specie at par and left to flow into and out of the country, as its commercial balances might be in favor of, or against it. With this doctrine I can by no means accord.

I consider that the total capital (specie and paper,) would always be about the same, and be had at the same premium. The paper currency would contract or expand, (the local business of the country continuing the same,) as specie came into, or went out of the country ; and thus paper issues, instead of being protected by a debased local coin, and keeping specie away, would be put on their natural and safe footing, namely, as a representative medium, during the time the constituent itself was being more profitably employed abroad. These observations do not militate against the arguments used by me