

it is the medium by which we can make payments at a distance, where our paper is unknown. A Bill of Exchange answers the same purpose, and the subsequent transactions arising out of a payment made by bill might go on *ad infinitum* without gold being seen in any one of them. Domestic monetary transactions require only confidence in the medium of exchange—a something which the whole country recognizes as a national representative of productive labor; and that confidence once established, it matters not whether the circulating medium be a piece of bone, a leather medal or a nicely engraved note, payable to Abraham Newland, Bill Sykes, or other notability of high or low degree, so that the bearer can discharge with it the debt he owes or obtain the commodity he requires.

The Legislature of New Brunswick has acted with a wisdom that speaks well for the progressive intelligence of that body. "The only objection I have to the bill," said Mr. Needham, "is that it does not go far enough,—that it does not make the notes legal tender." This is precisely the weak point of the measure. It will necessarily be the unpopular feature in its operation. It has the appearance of being a scheme rather for the relief of the Government than a measure devised for unshackling the currency—freeing it from the limit with which a gold-paying basis fences it around; thus restricting the supply to the amount of gold held by the banks. The only real advantage of making the current bills of a bank redeemable in specie is the security it offers against over-issue. And even in this respect the security is more of a pleasing fiction than a fact; for while the issues of Canadian banks amount to twenty millions, there is not, in all probability, in the whole Province, four millions of coined bullion. If, then, the security against over-issue were found in some other way than the locking up the eleven or twelve millions which the banks return as their safety-fund to meet their current liabilities, that amount would be added to the capital of the country, and be available for investment. That the currency of a country being based on its redemption in gold is by no means the unmixed good that the money-doctors would persuade us is most certain. We have only to note the havoc in mercantile houses which the sudden determination of the Bank of England to curtail its issues inevitably entails; but it is the buffer against which the bank receives a heavy run for gold. By this means it saves itself, but ruin ensues to those who have made engagements upon the belief that things would continue without any sudden and violent derangement.