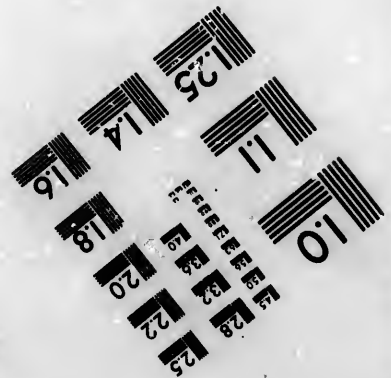
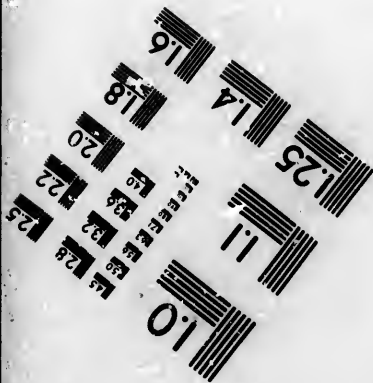
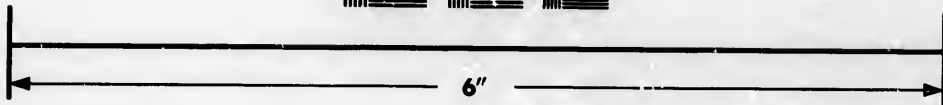
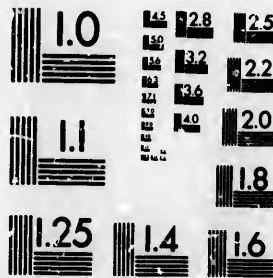


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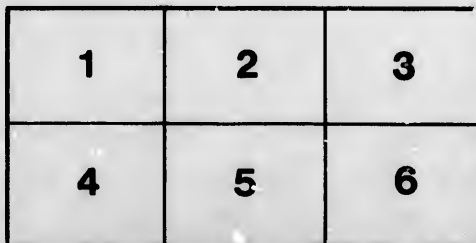
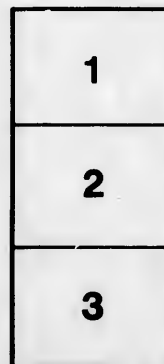
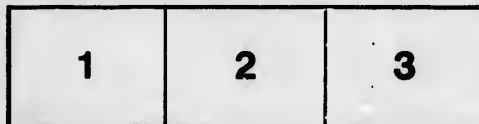
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To JOHN BOYD, ESQUIRE.

ST. JOHN, N. B., 4TH JULY, 1865.

MY DEAR SIR,—

As my state of health will not allow me to proceed to Detroit, and as you wished me to note down some memoranda respecting subjects which will be brought under consideration in the Convention.—I will do so. In Mr. Aspinell's letter of 3d April, he specifies the following items.

“Commerce and Reciprocal Trade between the United States and the British Provinces.”—The Reciprocity Treaty embraces both of these heads, and on its existence or abrogation will depend, and for years, the relations between the two countries. I would strive to have the Treaty renewed in total—for if alterations are attempted, the whole fabric will probably crumble to pieces, and most serious troubles speedily result—“better let very well alone,” if you can. The Fishery clause, is the point which enabled the British Commissioner to urge the powerful claims on America, when negotiating that Treaty. I am confident all the maritime Delegates will press its importance to the full, the more especially as the Delegates from Canada may not feel disposed to make material sacrifices for the protection of a right to the sea-board provinces, in which they themselves can feel little special interest.

The United States Delegates may propose a free interchange of all the products of both the countries—both raw material and manufactured goods, but such a Scheme could never meet the views of the Provinces, as it would ruin their mechanics; and as no difference in Tariff is allowed between imports from Great Britain and Foreign nations, we would be left without a Revenue.

“Communications of Transit from the West to the Sea-board.”—This subject, I think, points to new Canals—to the deepening of water courses—to new and extended Locks, &c., &c., and with which New Brunswick has only a partial

interest, and little information—but the talented Canadians are doubtless prepared to deal with this matter, being one in which their interests are so deeply blended—and probably, all that the sea-board Delegates can do in it, is to help their Canadian Brethren.

“**Finances.**—This opens a wide door. If it is introduced for the purpose to embrace the consideration of circulating medium (and upon an adequate supply of which so much of the advance or retardation of every country depends) my views have so long and so widely differed from those as yet generally held, that I speak with caution. To the Editors of Blackwood’s Magazine, in a communication dated 21st Nov. last, I stated my opinions fully, and you will find copy of the same with this letter. Duplicate of the document was also forwarded to the Chancellor of the Exchequer, and in the reply of his Secretary, he states “that Her Majesty’s Government receive, with respect, the expression of your opinion.” In speeches made in the House of Commons in May last, will be found the implied promise of all paper currency, as I have long predicted, being, before long, issued by Government. What, it may be asked, is now the value of all the confederate Notes issued without any foundation for their ultimate redemption—and what might have been the ultimate worth of the greenback circulation, had the war continued another four years, and the South obtained separation. The greenbacks performed excellent service, and enabled the United States to bring the war to its happy termination, but a state of peace requires a currency more secure to the note-holders—more capable of being expanded—or, if necessary, of being contracted, than a gold basis can ever yield—more profitable to the government—and at the same time, much more able to yield the agricultural population aid and support—and through them, to elevate the country, I have full confidence it will ultimately prevail, and advance all lands.

The Coasting Trade of the United States is restricted to Vessels of that Country.—Objections have been urged against large sea-going British vessels being allowed to enter United States Atlantic Ports with cargoes and after their dis-

charge, loading there, with cargoes for United States Pacific Ports ; but it is not liberal to exclude small Colonial coasters of 120 or even less tonnage from a free coasting trade upon the Atlantic sea-board. American craft should be free in all British North American Ports—free from Light Dues,—and British Colonial craft be admitted free in the American Atlantic Ports.

British ships should be entitled to American Registry—if sought for.—While American built ships are allowed to obtain British registry, it is surely but reasonable that British Vessels should have a like privilege in America. Were a small duty per ton to be mutually exacted in cases of such transfers, even that would be much more liberal than the present system, which upon its face, carries the brand of partiality. A Bill has been presented to the Corps Legislative for introducing the system of Free Trade in the French Commercial Navy. That Bill proposes to admit into France, free of duty, all materials used in ship-building. Foreign Ships may be converted into French, on payment of two francs per ton—and in three years, this and all other charges imposed as a protection for the French Flag, are to cease. This is a move in the right direction, and it is to be hoped British and American ships will speedily rank alike so far as the obtaining Registry is concerned.

“Weights and Measures.”—Long established habits and prejudices are nearly immovable, otherwise the Weights and Measures of all civilized nations would, long since, have become uniform. If we examine the Custom House tables and tariffs of each country, we find a mass of figures and denominations of Weights and Measures there in use, most perplexing, and indeed unintelligible, to every person except the inhabitants of the special locality. No fixed quantity from which diminishing grades of the same can be calculated—no names or values attached to the varied divisions, which can be understood by the masses living beyond the limits of the country where they originate—in short, presenting to the inhabitants of each country, only a confused mass regarding the standard of all their neighbours. Would it not be creditable to the Detroit Convention to pass resolu-

tions, calling upon the Governments of America and Great Britain to move in this matter, and praying them to use their influence with other nations, for a remedy. Any expenditure in attempting to obtain so desirable an object, would be as nothing compared with the benefits it would confer upon all the peoples of the earth. It will, assuredly, one day be done, why then, should not this Convention move in the change.

“Coinage.”—In 1849 I visited many parts of the Continent of Europe, and my ignorance of the value of the various coins in the countries passed through, annoyed me much. When the great Exhibition in London was preparing, I wrote to its Commissioners, suggesting, that the presence of so many talented men from all nations afforded a good opportunity for bringing the idea of a universal currency forward—the answer to my letter, I send with this. I kept no copy of my communication to them, which I now regret, as I therein went fully into consideration of the subject—but I recollect advising that all Gold coinage should be of equal purity—restricted, in every case, and in all lands, to pieces of same extent and value—say, about that of 20, 10, 5 and 2½ dollars—have the image of the Sovereign—or the flag of the nation, where issued, and the date, on one side, and the name and value upon the other. Such coins would carry their exact weight and value, all over the earth, and thus create another tie towards the brotherhood of nations. The names of such coins should be uniform, sonorous, and short, and probably the Greek letters would well answer—Alpha, Beta, Gamma, and Delta. The time has passed for having lions, unicorns, dragons, and eagles with one or more heads, impressed upon coins, and the world is fast coming to a more prose consideration of all matters affecting its inhabitants. The earth seems growing less every day as steam and telegraphs shorten the periods to go round it, so we should, by uniform and universal Weights, Measures; and Coinage, break down, so far as possible, the barriers which keep mankind aliens to each other. Let the Convention rank as the first public body which moves towards those objects.

(COPY.)

ST. JOHN, NEW BRUNSWICK,
21st NOVEMBER, 1864. }

GENTLEMEN,—

I was much pleased when reading "The City of Gold," in your September Magazine, especially the concluding observations on page 384—and was also delighted in perusing "Our Trade" article in the October issue. You have in those two documents fully pointed out the withering evil, but have suggested no remedy. Permit an old Scotchman to offer what he thinks might answer.

In that period of much trouble—December, 1857—I wrote to the then Chancellor of Exchequer on the existing monetary difficulties; he politely answered my letter, but no action resulted. My idea is, that the total amount of Bank notes circulating in Great Britain should be ascertained, and that the Government, under sanction of an Act of Parliament, should gradually call them in, and, in place thereof, issue legal tender (but not redeemable in specie)—notes equal in extent to the wants of the country, be the same more or less than the existing redeemable notes now afloat.

Objections to such a measure, would, I am aware, at once be urged, viz., that such paper would immediately be at a discount in the market; and, I admit, that any paper currency issued *upon the responsibility of Government only*, would be likely to depreciate, as it always has done, whenever attempted. The public required paper currency to be based on something real—on something more solid than the resolves or guarantee of any Government.

I need not inform you, that the vast and hourly increasing extent of trade, has certainly not carried along with it an equally increased state of morals, and that, now-a-days, no permanent and well-grounded security exists, save and except in, or connected with, *LAND*. The issue of such notes or certificates, as stated above, could, by the required law, only be made when Bonds and Mortgages to Her Majesty were given by parties wishful to borrow money, on tendering security upon their (not consumable) property. Such Mortgages to be of long duration—15 or 20 years—

and at a moderate interest of 4 or 5 per cent., the interest payable yearly; thus founding the security to note holders, not merely upon the responsibility of Government, but upon the best possible basis—*Land*—the Government acting as Trustees for the faithful guardianship of the note-holders.

Were such a plan adopted, Government would hold control over the extent of paper circulation, (which does not now exist)—able to increase it when required, and, (tho' that day will never arrive,) equally able to curtail it by burning the large sums yearly paid in as interest.

Much influence would also be obtained by Government with parties owning the properties so pledged, and a large amount would yearly be added to the income of the country in the form of interest, for if the issues amounted (as they probably would) to £40,000,000, the interest on the same, at 5 per cent., would yield £2,000,000 per annum, only lessened by the expense of officers appointed to perfect the sureties, prepare the notes, and receive the interest.

No runs for specie could exist under such an arrangement. Gold and Silver would at once be placed upon a par with Iron, Cloth, Hardware, and all other merchandize—and should a debt be owing in New York, or elsewhere, by a person in England, and he could not procure a draft to meet the same, or procure such articles for export to that market as would pay him better than gold, he would, no doubt, go to the money broker and procure specie on the best terms he could; but he would not buy gold, if any other mode of paying his debt offered a better prospect.

The Home Trade would be much advantaged by such a plan, and the merchants be relieved from the state of fever and ague under which they now suffer, when a lessening of gold or silver tokens (perfectly unproductive tho' they are,) in the Bank cellars, is known, and a rise, in interests, to 10 or more per cent., threatens all the active industry of the kingdom.

Let the Crown, then, coin the paper, as they do the metal—thereby doing away with panics—with much wretchedness to individuals—with deficient revenues—and the fear of popular tumults.

WHO WOULD BE BENEFITTED BY SUCH A PLAN ?

The Government—as set forth above.

The Land owners, by having at their disposal large sums, whereby they would be able to drain their estates,—clear up wastes—have money on a long term and at reasonable interest—thus, not only having ample time for reaping the result of their outlay, but raising the value of their estates, should they, or their heirs, or assigns, desire to sell, before their bonds were due, or perhaps were, by the Government, agreed to be renewed.

The Bankers would thus be saved the trouble and expense of making notes, and would be under no necessity of hoarding up (unproductive) Gold and Silver in their vaults.

In short, the whole country would gain, in mind, body and estate.

I will offer no apology for giving you this trouble : if you approve of the plan, do your best, in whatever way you see fit, to forward it ; if you see faults in it, which I do not, no harm can come to you or me, either, from this communication.

I remain, Gentlemen,

Your most ob'd't. Servant,

LAUHLAN DONALDSON.

To the Editors of "Blackwood's Magazine,"
Edinburgh. }

[Extract from an article in BLACKWOOD'S EDINBURGH for September, 1864, entitled
"The City of Gold."]

"This City of Gold is based upon gold,—and the foundation is found to be pre-eminently unstable and perilous. The golden base perpetually oscillates to and fro, and each of its greater oscillations is felt like the shock of an earthquake. It rises and falls, expands and contracts, and sometimes seems to slip away from beneath the City altogether. Then goodly houses go down by the dozen—not because they are ill built—not from any fault of the architect or occupants, but simply because the foundation upon which they all stand has given away. Of late years these oscillations have become more frequent and more serious : and every ten years or so, a convulsion takes place—not of nature, but by Act of Parliament—which spreads terror and disaster through the Golden City, and paralyses the whole country as effectually as if

an earthquake had strewed with ruins the great seats of our national industry. The merchant and the manufacturer, the shop-keeper and the day-labourer, alike find their trade stopped, and their gains swept away. Suffering and want spread over the land, as if there were a great famine. There is a paralysis of trade, a dearth of employment; and the hard times are felt by the mill-worker and the brick-layer, not less than by the magnates of the trading and commercial world. Is there not something wrong here? Ought the presence or absence of a few millions of gold to make the vast difference between national prosperity on the one hand, and national disaster and widespread suffering on the other? How will posterity speak of us when it sees that we made the huge fabric of our national industry stand like an inverted pyramid, resting on a narrow apex, formed of a chamberful of yellow dross? Will they not laugh at our folly, our barbarism? When the usual supply of gold is temporally diminished, why should our usual credit-system be restricted in proportion, or totally suspended? Of what use is Credit but to take the place of payments in coin? Was it not for this purpose, and for this alone, that credit and paper-money were adopted? Why, then, not make use of our credit-system as a means of compensating the temporary absence of gold? Why not tide over the difficulty instead of aggravating it? and so avoid the tremendous sufferings which are ever-recurrent under our present system of monetary legislation. Suffering thousands and starving myriads signalize each great monetary crisis. Even during the last year, though the crisis of evil has been escaped, the usurious Bank rate of 9 or 10 per cent. has swept away the profits of trade into the pockets of bankers and capitalists. Parliament inflicts misery upon the country out of an antiquated deference to some bits of yellow dross. Is this wisdom, is it humanity, is it civilization? It is barbarism and folly, preached up by the moneyed interest, the high priests of Mammon, at the expense of the community."

In conclusion, I send you the United States Tariffs, up to March, and the last Imports and Exports of the Province, made up by our Controller, Mr. Smith.

Yours truly,

L. DONALDSON.

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