

healthy manner, and things on the whole appear to be as prosperous as ever. But a cheap and plentiful supply of lands is of the first importance to the prosperity of the colony; and it is only when she offers this to the world that she may expect that free and healthy emigration to her shores which is indispensable to her permanent advancement and prosperity.

APPENDIX.

Year.	Population.	Imports.	Exports.	Land sold.	Value of Wool.
		£	£	Acres.	£
1836	1,000				
1837	3,000		14,000		10,000
1838	5,000	71,000	21,000	39,000	19,000
1839	7,000	205,000	78,000	38,000	70,000
1840	10,000	392,000	155,000	83,000	150,000
1841	14,000	335,000	139,000	51,000	120,000
1842	19,000	264,000	204,000	9,000	150,000
1843	22,000	183,000	278,000	1,000	200,000
1844	24,000	151,000	257,000	200	200,000
1845	28,000	284,000	464,000	4,000	300,000
1846	34,000	316,000	425,000	5,000	300,000
1847	42,000	438,000	669,000	26,000	400,000
1848	50,000	374,000	675,000	23,000	400,000
1849	60,000	480,000	755,000	23,000	600,000
1850	70,000	745,000	1,042,000	100,000	800,000
1851	95,000	1,056,000	1,424,000	70,000	700,000
1852	180,000	4,044,000	7,451,000	257,000	1,000,000
1853*	220,000	15,842,000	11,061,000	300,000	1,600,000

II.—*Observations on the Present Export of Silver to the East.*—By Richard Hussey Walsh, LL.B., late Whately Professor of Political Economy in the University of Dublin.†

So far back as the time when Pliny termed India the sink of the precious metals, silver was a favourite article of export to the East. It has continued so since, but of late the trade has assumed an extraordinary magnitude. In the five years prior to the present, over £22,000,000 have been exported through England alone to India and China; and from other countries a similar movement has been in operation. In 1855, the exportation from England reached the amount of £6,400,000, and this year it is proceeding at the rate of upwards of £10,000,000 per annum, judging from the returns

* I have not been able to procure reliable statistics for the years 1854 and 1855.

† Read before the Statistical Section of the British Association, Cheltenham, August 12th, 1856.

which have been published for the first five months, as given in the *Economist* of June 14th, 1856, p. 655:—

January	£481,516
February	944,319
March	852,618
April	809,862
May	1,152,013
	<u>£4,240,328*</u>

* The extent to which England is at present exporting specie, especially gold to France, and silver to the East, makes some feel uneasy lest the national resources should eventually prove unable to bear such extraordinary pressure. A glance at the following table of our imports of gold and silver during the first eight months of the present year will show that these fears are groundless, the fact being that England is now but the channel through which a considerable portion of the precious metals is distributed throughout the commercial world:—

January	£2,062,500
February	895,500
March	1,555,700
April	1,955,600
May	2,756,300
June	2,917,100
July	3,096,500
August	2,907,300
September (first week)	1,173,000
	<u>£19,319,500</u>

At the same rate for the entire year, the import of specie would exceed £28,000,000. But it will be observed the supplies received are much greater in the later than the earlier months of the series; and if this be taken into account, it would lead to the inference that the import by the end of the year will not fall short of £30,000,000, but in all probability will surpass that amount. Of this enormous sum there is required for domestic purposes comparatively a small portion. If we say £10,000,000 are as much of the new supplies as will be consumed in the United Kingdom for plate and ornament, and employed in coinage for domestic circulation, it is more likely the estimate will be erroneous on the side of excess than deficiency. It should not be forgotten that gold is often coined at the royal mint merely for the sake of being rendered more convenient for exportation, not for employment in the home market. The coinage costs nothing but a little delay, and when the operation has been performed, the gold in the shape of sovereigns is more generally available as an instrument of commerce than if it were without those guarantees of quantity and fineness impressed by the stamp at the royal mint. So far as gold is concerned, a comparison between the imports and consumption of that metal in France suggests a different conclusion from that arrived at in our case. With us, the necessary inference is that much of what is imported must be exported. But when France is considered, the wonder is whence all that is employed at home there can be furnished, exceeding as it does the entire amount returned as imported, according to the following table:—

GOLD.

	Coined.	Imported.	Exported.	Retained.
1853 ..	£13,100,000	£12,700,000	£1,500,000	£11,200,000
1854 ..	£24,480,000	£19,200,000	£2,500,000	£16,703,000
1855 ..	£16,140,000	£15,200,000	£6,500,000	£8,700,000
	<u>£53,720,000</u>	<u>£47,100,000</u>	<u>£10,500,000</u>	<u>£36,400,000</u>

Here we see the coinage exceeds the imports; and when we also take into account that more than £10,000,000 have been exported, coupled with the fact that French coins, because charged with a *seigneurage*, are not usually selected for transmission to

Unlike the old movement of silver to the East, the present cannot be permanent. The former was rarely more than might be accounted for as the distribution of that metal to some of its principal customers—the nations of the East—according as fresh supplies were raised in the silver producing countries. But now silver is going faster to the East than it is produced throughout the entire world, and therefore the process cannot go on long, but must come to an end as soon as the redistribution of the old stock has been effected. For the annual production of silver is only about £8,000,000; and since the export to the East through England alone is now at the rate of over £10,000,000 per annum, it follows that it cannot be the new supplies which meet the demand for the silver so transmitted, but there must be some auxiliary fund to be drawn upon. There is silver purchased each year for Holland and Belgium, where that metal is the standard, for England and other countries where it is used for the subsidiary coinage, and for many places besides where it serves a variety of purposes. To this we are to add the demand for the East, both that which is met by transmissions through England, and that which arises in the direct trade with America and France. Such is the annual demand for silver; but one of these items alone, the transmission through England, exceeds the entire of the annual supply. The remainder must come from the old stock of that metal.

This unusually large movement of silver admits of an easy explanation. In a paper I brought before this Association at Glasgow last September, I had occasion to notice an extraordinary cessation in the demand for silver in countries using a double standard, a circumstance I adverted to in order to show the fallaciousness of concluding from the comparative steadiness in price of that metal, that gold had remained equally unchanged in value. For the cessation in the demand for silver must have acted in the same way as a corresponding augmentation of supply, and thus have rendered the one precious metal just as much in want of a test to ascertain what fluctuations in value it had experienced, as the other whose production had been increased. In France and the United States silver had been coined, on an average, at the rate of about £4,000,000 per annum until within the last few years; until, in other words, the same time as the unusual export to the East set in. Since then, the coinage of silver has almost ceased in those countries; the growing abundance of gold having led to its preference as a medium of exchange, owing to the standard of those countries being double,—that is, owing to the existence of a currency law allowing parties to make payments to any amount in sums of money containing fixed relative quantities of either of the precious metals indifferently. Nor is this cessation of demand all that happened.

foreign countries; and further bear in mind that no small quantity of gold is consumed each year in plate and ornament; the inference is that much of the imports of specie into France do not appear in the customs returns. It is not to be doubted that the same is the case with ours; but while the French tables of coinage and import lead to such a conclusion as a necessary inference, the corresponding return for England would be silent on the subject, as it must exhibit an enormous excess of importation over consumption, instead of a balance in the opposite direction.

Not only did the coinage of silver come to a stand, but the old coins were largely melted down and exported.*

The following table will give some idea of the extent to which France is being drained of her silver under the influence of these causes. It is taken from returns, published last June by the customs department of the trade of France with foreign countries and her colonies during the years 1853, 1854, and 1855; and bearing in mind the growing dislike of the French government to the export of silver, and the extreme facility with which the operation can be concealed, it is probable that much more has been parted with than is shown by the table:—

SILVER.					
	Import.		Export.		Excess Exported.
1853	£4,500,000	..	£9,100,000	..	£4,600,000
1854	£3,900,000	..	£10,500,000	..	£6,600,000
1855	£4,800,000	..	£12,700,000	..	£7,900,000
	£13,200,000	..	£32,300,000	..	£19,100,000

In some other countries of minor importance a similar movement has been going on; and the effect is just the same as if a silver California had been discovered, so far as the countries are concerned which still employ that metal as the standard. No one thinks it extraordinary that gold is exported on a great scale from California and Australia to the various nations which employ that metal; and it is quite as natural that when large supplies of silver are seeking a market, (it matters not whether newly extracted from the earth or just taken from the melting pot) they should find their way to those places where silver is generally employed. But India, China, and other Eastern nations come under this description, and hence the late extraordinary exportation.

I should in this paper have done nothing more than show why extraordinary supplies of silver have been thrown on the market, and then state, as an obvious inference, that these must find their way to the remaining customers for that metal, but that I have found there exists among those who call themselves practical men an inclination to adopt any explanation rather than this. But I am not surprised. From the general steadiness in the value of the precious metals, any extraordinary transmission of either from one country to another is usually first set in motion by circumstances affecting the demand or supply of some of the commodities in which they trade, other than gold or silver. Some domestic product fails, and gold or silver is sent forth to pay for a substitute. Or the converse takes place, the failure occurring abroad, and the precious metals seeking the home market to purchase the means of supplying the

* As the United States returns still exhibit an annual coinage of silver, it will be asked how is this to be accounted for consistently with what has been above stated? What is the object of coining if the coins can fetch their value only by being melted down and exported? The reason is that the new silver coins, just like our own, are subsidiary to the gold money, and purposely over-valued compared with it; so there is, therefore, no object to melt them. The American law on this subject, passed in 1853, is the same in principle as ours of 1816.

deficiency. Sometimes failures occasion an opposite result, as when the article whose supply is deficient is principally consumed in other countries than that where it is raised, and the advance in price consequent on the short supply more than counterbalances on the whole, so far as the price of the entire supply is concerned, the diminution in the quantity actually sold. Thus, when the cotton crop is short in the United States, England—the principal consumer—has sometimes to pay more for a smaller quantity, owing to the rise in price, than a more ample supply costs her in seasons of abundance; and a balance in money is usually transmitted accordingly. In all these cases, the movement of the precious metals is primarily occasioned by changes in the value of other articles. Their own value is at a uniform level when disturbances in the market for commodities of a different kind open a channel, and thither gold and silver flow. Some extraneous circumstance creates a peculiar demand for them as a medium of purchase or repayment, and they follow the direction so marked out. Such is the ordinary case; but it is not the present. It is not that disturbances in the produce market have opened new channels for silver in the East; but silver in the West has overflowed those it was accustomed to—driven out by the gold wherever a double standard prevailed, and then poured on to the East where there was not the same cause in operation to displace it, or keep it out. And, looking to silver alone, this movement is not in the nature of extraordinary importation, stimulated by scarcity at home, but like that which arises from unusual abundance abroad. There were extraordinary imports of food into England in 1847, a year of famine and dearth; so also in 1849, a year of plenty and cheapness. In the first instance, it was scarcity at home, and consequent dearth, that attracted the unusual supplies to our shores: in the second, it was abundance abroad, and the resulting cheapness, which repelled them from the foreign markets and brought them to ours, where prices did not rule quite so low. On general principles this movement of silver is easily explained; but those who are unaccustomed to deal with such, find a difficulty in comprehending an event so very unusual, because their experience fails to furnish them with a specific instance. Hence, those who endeavour to account for the matter by aid of personal experience alone have nothing to guide them in this instance, and are completely at fault. Some tell us the cause of the export is the state of the balance of trade—that is, a deficiency in our export of commodities to the East, and consequent necessity of making up for it in specie. An increase in our imports of tea and silk from China has of late years set in, and the silver goes, it is alleged, to pay for the balance thence arising. But here it is overlooked that the disturbance in the trade of tea and silk requires an explanation just as much as the drain of silver; and in the absence of any, it might as well be said that the transmission of silver causes tea and silk to be sent in return, as that the necessity of paying for more tea and silk occasions the export of silver. Tea and silk are the staple products of the East; and, therefore, if any circumstance led to an advance in our exports to that quarter, there is nothing surprising in the

trade in those articles extending. But an attempt has been made to prove that the impulse was communicated to those articles in the first instance; that the political confusion which has prevailed in China for the last few years has caused the inhabitants to export her staple products more largely than usual, every one being anxious to sell, and thus convert his property into ready money. But the same cause which increases the disposition to sell, checks likewise the inclination to produce; so that, *a priori*, it cannot be said that an increase of exports should be the result. And, turning to experience, we find that as to rule the latter cause is the more powerful of the two, and that when social disturbances prevail in any country, her exports decline. In France, for example, the amount of exports was brought down by the troubles of 1847, and the Revolution of 1848, to £42,000,000 and £37,000,000, after having been so high as £47,000,000 in 1846, when every thing appeared in a settled state. Hence, the explanation of the war in China leading to an increased exportation of tea and silk must be rejected. The increase itself, such as it is, must be accounted for on other grounds, and the necessity of paying for the large supplies of silver meets the difficulty.

In fact, the flow of silver towards the East produces a twofold result. In part, the metal is sent instead of other commodities; and, so far as the transmission exceeds this amount, the result is an advance in our imports of the staple products of the East.

The necessity of obtaining money to pay the large number of workmen who are employed on the railways in India has been assigned by some as the cause of the drain of silver. But this is quite insufficient, and, besides, does not account for the export to China, where no such circumstance is in operation.

There is a mode in which some persons deceive themselves into the belief they are accounting for this phenomenon, which calls for our consideration. I have seen it put forward by persons signing themselves "China Merchants," "Eastern Merchants," and the like—names which seem to claim authority for the bearers in a question relating to a trade with which they are conversant. They state *what is* occurring, and then imagine they have told us *why*: while, in fact, all their labour ends in telling us silver is exported to the East, because silver is exported to the East. One announces (in a letter to the *Economist*, February 2, 1856) that the direct answer to the question as to the cause of the export of silver is, that the metal presents just now the most lucrative branch of commerce; and he rejects any speculations that aim at offering further explanation. The answer is quite correct, but as trifling as true. If the trade were not lucrative, no one would continue to carry it on; but the question is, what makes it unusually lucrative? and on that subject the writer does not inform us. Others wander into long descriptions of the machinery by which the transmission of silver is effected: bills drawn on this place for debts due elsewhere; and goods sent to one locality in return for what is transmitted to some other; and, finally, flatter themselves they have told us *why*, when they have merely mentioned *how*. Why is such a one crossing the ferry?—Because he is carried in the boat. But why did

he get into the boat? That is the question to be answered. And so, in like manner, it is no answer to the question why silver is exported to the East, to state the channels and appliances by which it is transmitted. What is really required to be known is not the machinery of transfer, but what set that machinery in motion. And, in my opinion, the question presents no difficulty, when two facts are noticed in juxtaposition: one, the great cessation in the demand for silver in countries which employed a double standard;* the other, the circumstance that the Eastern nations habitually use silver on a large scale, especially in their currency. After this there is nothing to be said except that, when the supply of any article is unusually great compared with the number of consumers, it must find its way in quantities considerably augmented to those who still continue to make use of it—a condition which is fulfilled at present in the case of the article silver, whose principal consumers are the nations of the East.

III.—*Effects of Emigration; can it be made a means of relieving Distress?*—By Rev. Thomas Jordan.

[Read May 19th, 1856.]

To any one in the habit of visiting among the poor, emigration is a subject which must often present itself. When we are going through the crowded lane and dirty alley, broad fields and an open country suggest themselves by the mere force of contrast. The crowded room in the wretched old house, raised in other times and for a different use, call to our minds the productive farm and the neat cottage of the colonist. This being a part of my daily occupation, I was naturally led to look at the tables of emigration, and to consider at what rate that tide of living beings has been running out from our shores. The circumstances of a country sometimes render this a question of peculiar importance to it.

The labour of a country is of course paralysed without capital to employ it and to make judicious arrangements for it, and these two require a third great instrument of production, viz. land, before these advantages can be gained. If unwise legislation and the state of the country deprive labour of either or both of these, the effect is instantly felt by the labouring classes; they are reduced to a state of suffering. This state of things was seen in our own country some few years ago. The evils pressing on these classes were such as to call for an instant remedy. Time alone could remove the true causes of the misery. The change of laws and of the state of the

* A double standard had been *permitted* in India for some years, but it was prohibited by the East India Company not long since. The effect of this prohibition was only to prevent the introduction of gold, which had not previously been employed to any great extent.