

CAN, at Liverpool, in 1849:—"The great truth, insisted upon is that, in the natural state of things, production was the cause of demand; but that, in the artificial state of things under which we are living, through bullionism, that law of nature is reversed, and demand is the cause of production. He who demands must offer an equivalent; were he permitted to give produce for produce, or symbol of produce for symbol of produce, supply never could exceed demand; this the money law forbids; it orders that the equivalent shall be gold; there is never sufficient gold to express equivalency, and of course when the metal is exported or hoarded, the instrument of equivalency disappears altogether except among the very rich. Consequently production stops; merchants become bankrupts; mechanics and artisans are thrown out of work; pauperism springs up; sedition follows in its train; and revolution is only averted by penal statutes, special commissions, soldiers and police."

From the patriotic selfishness, evinced in the extracts from American authorities given in the appendix, Mr Buchanan expects that the principle of emblematic money, or paper a legal tender, will be first adopted in America. He of course knows that by the constitution of the United States the currency is required to have a metallic basis; but he thinks that a remedy may be had even without this being altered; he thinks this will be held to mean that no mere credit paper shall be a legal tender. Mr Buchanan, in a word, hopes to see the Americans making paper evidences of the deposit of specie in the Government's vaults the legal tender, as he says they must come to see that the simple act of retaining Sixty Million Dollars in specie at Washington, the issues being only paper evidences thereof, would at once set free their internal trade from the degrading dictation of foreigners and the foreign trade. At present it is in the United States as in Britain, foreigners who hold public stocks could any day cause distress that might end in worse horrors than revolution, by selling out and removing the precious metals, the basis of their currency, or, in other words, the life's blood of their national industry. Mr Buchanan has long ago taken steps to have John Taylor's works known in America, and he knows well that there are some of the finest minds and of the most influential men in the United States more than half convinced as to the necessity of a change from fixed standard bullionism. They have the advantage of seeing the evil effects of fixed standard bullionism in the case of England, and men can see errors in others which they could never have discovered in themselves; but though in principle scarcely less wrong than ourselves, the Americans have the practical alleviation that they wisely valued the sovereign nine per cent. higher than the British price, and thus a few per cents. more against the foreigner, wanting to export the precious metals from New York, is found in the American Banks having it in their power to offer silver (besides Portuguese and other gold coins which we could not use), thus driving us to pay the market price for English gold if the premium on sovereigns is not large. The first Sir Robert Peel's speech in Parliament on 24th May, 1819 (on the memorable occasion of his presenting the petition of the Merchants and Bankers of London, deprecating the proposed fixed gold standard), is well known to the Americans:—"To see the Noble Lord and his Honourable Friends on the one hand (said Peel's father), with Messrs Hunt and Wooler on the other, united in their attempt to pull down the mighty fabric erected by the immortal Pitt, was at once ludicrous and painful." He begged the House would pay particular attention to the petition which he held in his hand. It was of no common character, but that of a great and important body, all of the first respectability, praying that those resolutions which were intended to be submitted to the House might not be carried into effect. He begged leave to state his opinion, that the petitioners were the best judges of such a measure. He would add also, that although they were intimately connected with all that concerned the welfare of the country, the most experienced men, and the best qualified from their connection with our manufactures and commerce, yet they had not been examined by the committee; he hoped, therefore, that before a measure so destructive of the commercial interests of the country was passed (and when he said that, honourable members would include every other interest to be combined with those, and to go along with them), the House would pause awhile, in order to collect that information which they so particularly wanted. In looking at the reports which had been published on the subject, he must say, that the witnesses were not men likely to give any information to Government, nor men acquainted with the state of the country; the last men who should have been questioned, if Government wanted to arrive at the merits of the case." These and Peel's father's continued denunciations of his great act ought to put an end to the notion that, in expressing our irreconcilable objections to his principles and measures, we had any personal hostility to the late ex-Premier. In a word, Mr Buchanan has entire confidence that before long the \$5 note of the American Sub Treasury will be simply an evidence of, or receipt for, specie in the vaults, as a guard against depreciation, and will derive its value more from its ability to cancel debts (using a legal tender), and from its undoubted security, than from the exact quantity of gold it represents; bearing on the face of it that this \$5 note means a half eagle, or a quarter of an ounce standard gold when the price of gold in the American market is \$20 the ounce; meaning, in fact, always \$5 worth of anything, and therefore fetching more gold when its price is under \$20 the ounce, and less gold when its price is over \$20 from its being in demand to export or hoard.

In this country at present there is this increased difficulty to us as monetary reformers, that Sir Robert Peel's melancholy fate must be expected for a time to make the truth appear less sacred than the grave, and the interests of the living than the memory of the dead. It is a most ungracious duty for any one to have to remind the public of the danger of the long continuation of the morbid feeling that refuses to separate between disrespect for the individual, and disapproval of the statesman or the public man; and Mr Buchanan, therefore, prefers to state his view of the late Sir R. Peel's measures in former language of his, published long before the death of the Right Hon. Bart., as follows:—"While intelligence and independence have any existence in this country we must persist in agreeing with his father that Peel has ruined his country, even if (as his father predicted he would) he had not doubled his own fortune by the same act. Peel in 1819 took the low Shylock ground of viewing the question of money, as one only between money and property in existence, instead of seeing the chief importance of money (or the medium of exchange) to be a machinery for the production of property and its distribution so as to give the greatest possible advantage to the industrious classes, as opposed to the lazy rich, annuitants, or non-producers; this alone (even if Peel had not in 1816 stultified his theory of a fixed gold standard by his free import measure, and has not thereby precipitated social confusion) will make his name sink in the nostrils of future generations, and make history deny him the place either of a great man or a great statesman; and I hold this alone sufficient justification for my assertion, that no tyrant in any country has ever been the cause of so much suffering to his subjects as Sir R. Peel has been to our industrious classes. But the directly dishonest conduct of the moneyed classes who then ruled supreme in Parliament (as in fact they do), the landlords having first been combated by the corn-law of 1815 so in their inability Peel in 1819 to add one-half to our national burdens as measured in the value of commodities, or to speak more plainly, in the Poor man's time. Peel's money bill of 1819 enacts that the public creditor should be paid in gold pounds worth 20s, instead of in gold pounds worth about 13s 4d. Even if the Government, when borrowing in paper (and the debt is greatly composed of funded Exchequer Bills) pounds worth 13s 4d in gold, had promised to pay back in gold pounds worth 20s, a transaction so notorious could no more be expected to be sustained than could a similar transaction by a Trustee, the party lending the money knowing it to be illegal. The public creditor in fact bought stock from Pitt and his successors, at, say £60 for every £100 of consols; but this £60 was not worth more than £40 in gold at £3 17s 10d the ounce; and Peel passed a bill in 1819 agreeing to pay the public creditor £100 in gold at £3 17s 10d per ounce! I cannot in so short space explain the distinction drawn by Mr Pitt between gold money and paper money, as by the following quotation from CORBETT'S PAPERS AGAINST HOLD. In the debate on 23rd February, 1797, the Opposition had charged the Minister with having taken money from the Bank and sent it abroad in subsidies, and this quotation is the substance of Mr Pitt's victorious and most complete reply—"Pitt said that Mr Hussey was wholly in error to suppose that the bank made advances to the Government in specie; Pitt said, that the advances were made in notes, and paid in the same manner; that if the Government were to raise money and pay the bank, the bank would not therefore be supplied with an additional sum of money; that the bank would not be paid in specie; that loans were advanced without any idea of repayment in specie; that the bank never had it in contemplation that every quarterly dividend was to be paid in cash; that the receipt of the revenue was in paper, and that the whole of Mr Hussey's observations were entirely founded in mistake." Who then can doubt that Peel's Legislation was most immoral? In inhumanity nothing can go beyond the cruel spirit of his act of 1819, which makes the rich richer, and the poor poorer, more and more, as the millionaires' accumulations sap the independence of higher and higher classes in the walks of industry; nor is Peel's Bill of 1846 less a robbery; it takes the children's bread and casts it to the dogs; it is a system of free imports only, not of free trade—freedom only to foreign, not to British industry—yet it sweeps the name of free trade! So, however, will British industry join us in crying out, 'Oh, liberty! how many sins are committed in thy name!'"

8th. MANUFACTURING COLONIES IN BRITISH AMERICA.—A refuge for those who at present work for these colonies—it being clear that their produce will be driven out of this market, and that they must raise up a home market for themselves, protection against foreign staples being the only means to this end. But Mr Buchanan's view of the necessity of our giving up our centralising policy, and establishing manufactures in the Colonies, cannot be better explained than in the following from *The Emigrant's Instructor and Colonial Guide*, published at Glasgow.

"By an advertisement in our columns it will be seen that PRIZES of £200, TO THE WORKING CLASSES OF GREAT BRITAIN AND IRELAND, have been offered for the best ESSAYS on the question:—"Whether does a policy of centralizing the manufacturing arts in Great Britain, or one of diffusing them through her Colonies, offer the greater advantage to the working people of the British Isles? and is such diffusion more likely to be attained by a system of colonial protection, or by one of Free Trade?" The competitors are to be working men, that is operatives; and the West of Scotland Reciprocity and Native Industry Association has been nominated by the donors to adjudicate on the matter. The

prizes are £10, £5, essays are Campbell, grow, (banc, ments, a pointed a of the w nations of port not whate The im not be vation at a superficial ought to the advanc alev to B who enter that, moment piro, belie to that of look the which rel the moth emigratio firm con commerci persever of our enl Some y the slave penance and the slave we have practically pense of a own domi opinions of their slave jury of our the superi morals and to know of der the d religion has they inter policy. O present do count of a vests (so c opponents, patriotic. By turn the Prices, nized, "A formerly M very hande the subject Let. Wh me Aris in Colonies, of British Isl 2dly. Wh system of The obje to draw the fact, that loss of empia dian Colonie for their elc men's mofu believe, that employe men, whose employment together by established by Parliament best policy be found in ed from the The follo the prize, "Let it be and the mind maintain change—it fo judiciously— it should b with equity otherwise, it Canadian legi never been to