sent bullionist system is right ; but if it was only asked for, and only created for, internal exchanges, then our present money law (as I have stated in the preamble to the New Monetary Law of which I formerly, in this Magazine, gave a sketch) "is utterly erroneous in principle, and most fatal in practice or operation to the industry of the Province, sacrificing our home trade and labour which are necessities, to foreign trade and imported labour which are only incidents." In referring to your correspondent G's position I shall show that no party has any idea that a *money* would suit that has no value ; and I desire here only to notice one other fallacy of Y. Z. He says, "The only result of your Hamilton correspondent's suggestions would be to replace one million pounds of known and reliable currency with half that amount of irredeemable and consequently depreciated paper." He forgets that the Government paper, which I propose should be issued, would nearly all be found, at all times, in the vaults of the Chartered Banks, and would be the basis, as gold is now, of our whole bank note circulation. In these circumstances, and with its value secured by the guarantee both of the Province and of the Chartered Banks, and by its being a legal tender, there would be very little danger of any depreciation of the paper money proposed, in this country, where nearly all owe the Banks and the Government.

Our money or legal tender is required to be a property as good as any other property a man can hold in Canada, *but no better.* It is from our present money law, making money better than any other property, for the purpose of the foreigners (the moment that other property is the least raised in price, by increasing demand or prosperity, or even by taxation), that all, or nearly all, the distress of the Province arises. It is impossible even to add our taxation to our prices without leading the export merchant to prefer exporting gold to exporting any Canadian commodity. Mr. Samuel Jones Lloyd, the banker, (now Lord Overston,) was examined, in 1840, before a Committee of the House of Commons on the State of Trade in England, under Sir Robert Peel's money law, whose principle, we, in Canada, have copied. He replied:—

"The history of what we are in the habit of calling 'the state of trade' is an instructive lesson. We find it subject to various conditions which are periodically returning ; it revolves apparently in an established cycle. First we find it in a state of quiesence—next improvement—growing confidence—prosperity—excitement — over-trading—convulsion—pressure—stagnation—distress—ending again in quiesence."

I extract the following remarks, on Mr. Jones's evidence, from "Duncan on the Currency"*—a book which every young man in Canada should buy —only reminding my readers that there is but one way of making profits or of recovering taxation legitimately, or without taking these out of the vitals of the labourer or poor man, viz.—to add these to the price of the commodities sold. If this is not done, they must come out of *wages,* or out of *prices,* which is the same thing. Mr. Duncan says:—

"Were this theory founded on truth, melancholy would be the condition of the human race. The fabled Sisyphus, condemned to the eternal toil of heaving a stone up a hill only to roll down again to his feet, while an inexorable destiny compelled him for ever to renew his unavailing efforts,

* T. H. Oakly, 10, Paternoster Row, London.