when gold is not being extensively shipped out of the country. If gold is not exported, it is for the same reason that prevents the export of any other commodity; because its value here is as great as abroad. It has no more reference to debt, or the balance of trade, in this connection, than beef or pork.

What regulates or determines the value of gold? Certainly nothing but the money price of commodities. An average rise of prices is a fall in the value of money. And as gold is money, it varies accordingly, inversely as the prices of exchangeable things. A general rise of prices can only be brought about by a relative disproportion between money and all commodities; money must become relatively plenty, or commodities relatively and universally scarce. This latter condition is scarcely possible. The great changes in general prices are the result of changes in the supply of money, as it is thrown upon or withdrawn from the market, alternately

To bring this matter within the comprehension of every reader who will give it a moment's reflection, let us assume some one commodity as the representative of all others; its money price representing the value of gold. We will take wheat, for example, at the average price of $1 50 per bushel, and suppose it will pay something to export at that, but nothing at any higher price. Then if it should become a little scarcer, and rise 2 per cent, gold would be cheaper than wheat, and instead of shipping a bushel of wheat at $1 50, the exporter will send $1 53 in gold, with which he will buy 2 per cent. more wheat elsewhere. This would be owing to a rise in the *value* as well as in the *price* of wheat. But suppose instead of wheat becoming scarcer, the same relative disproportion between wheat and gold should be caused by an increase of gold, precisely the same effect upon prices would be produced; wheat would rise from $1 50 to $1 53 per bushel. This would not be a rise in the *value* of wheat, but a fall in the *value* of gold.

I presume the reader will not need to be told that the dollars manufactured on bank books, and in paper notes, are just as available for purchases, and have the same effect upon prices, as those made of gold and silver. At any time, therefore, when $1 50 per bushel is the exporter's limit for the shipment of wheat, if we supply 2 per cent more of the *fancy* dollars than the currency contained before, the shipment of wheat stops, and the dollars go in its place; but not the fancy ones—they are made for the home market, where they must remain.

It will be observed that this advance of 2 per cent is an average rise of all commodities, in the degradation of gold. Of course, the imported commodity is advanced with the rest, and we pay the 2 per cent. which is the precise addition of the paper to the currency, and get nothing for it; that is, we pay $1 53 for an imported commodity, which was worth, in the previous condition of the currency, $1 50; the paper addition to the price, equal to 3 cents per bushel on the wheat, being wholly lost. And this is the only way in which paper money can be introduced. It must cost the country its whole sum in standard gold.

Obviously, this state of things could not continue, for if it did, our gold would run out, and the imports would run in, till the gold would be exhausted. The gold does run out, till the excess of money is reduced, and wheat falls to $1 50, when wheat can be exported again; but the gold is gone, and we have the fancy dollars permanently established in its place by a sheer usurpation.