nly get 64 yards for L.4—a state of things the more alling and positively unjust to our home industry, as t is clear that for the commodity which the foreigner imself imported HE must have got the *paper*, or 'pros- erity' price. The export of gold contracts banking acilities, and this lessens the employment of the work- ng-classes. Wages are thus brought back to the tandard of our fixed price of gold, and the foreigner gain comes into our markets. The moment however brisk home trade again raises prices to the 'pros- erity' point, then must the above horrid experience be e-enacted by our to-day-well-fed-and-to-morrow-starv- g operatives.

But there is the prospect arising from an increased upply of gold, of the tables being turned on Sir Robert eel and his bill, and if the price of gold goes down om L.4 to L.3 the ounce the sovereign will essen- ally have become the same inconvertible counter hich it has been the object of monetary reform to get through the establishment of paper money (or oney without intrinsic value). The fact on which Sir obert Peel built his erroneous theory of money (as nbodied in his bill of 1819), no longer existing, L.4 e ounce being no longer the standard of the world, ld as an article of export will no more come into mpetition with our manufactures. The money of e foreigner who spurned goods at a British price, cause he had in his option THE COMMODITY OLD at the foreign price, will then come into our mar- t, and by swelling the number of competitors for ritish labour, will still more enhance prices and ges. The issue of paper pounds as the legal tender r payable at the London market price of gold), was e only remedy while the foreign price was as high as r fixed price. In no other way could remunerative ices long be got by our manufacturers and producers, en when they had an extensive demand for their res—while the article gold always existed equally eap when scarce as when plentiful in this untry. But if the foreign price of gold is be greatly and permanently lower than 4 the ounce, our retention of the sovereign, a quarter of an ounce of gold, as the counter our pound sterling, will suit the same pur- se of enabling prices of British commodities to rise the level of the demand for them; and indeed WITH R FIXED PRICE ABOVE THE FOREIGN PRICE, THE E BY US OF THE GOLD MONEY AS A LEGAL TENDER ILL BE FAR PREFERABLE, as having two indirect ad- ntages which in our circumstances (as having adopt- the principle of free imports) will be of vital im- rtance in increasing the employment, and thus sus- ning the wages of our working-classes. While we ntinue to make gold the basis of our bank-note cir- lation and facilities, it is evidently the interest of r industry that the greatest amount possible of ld be imported, as extending that basis, besides the port of gold being an evidence that we are, just as e export of it is an evidence that we are not, ex- rting British labour. All therefore will readily per- ve that we ought to prefer the sovereign as *our al tender for a pound*, when the foreign price of gold below L.4 the ounce if thereby we attained the two nts of preventing gold being exported, and of en- raging gold being imported in the greatest quan- y.

FIRSTLY.—On the same principle (the defence British industry) on which Monetary Reformers, en gold tended to advance above our fixed price ounce of it, while in the former way the paper pound would only buy a sovereign, or a quarter of an ounce of gold. On the other hand, it is equally clear, that with the price above L.4, our fixed price, the paper system would best check the export of gold, as then, with gold at L.5 the ounce, the bearer of a pound note would only get 1-5th of an ounce by this system, while by the other he would demand a sovereign.

SECONDLY.—With the foreign price of gold below our fixed price, IT IS DECIDEDLY THE INTEREST OF OUR INDUSTRY THAT WE SHOULD SUSTAIN THE LAW AS IT NOW STANDS, AND PREFER THE GOLD TO THE PAPER COUNTER, AS TENDING MORE TO ENCOURAGE THE IMPORTATION FROM AMERICA OF THE LARGEST POSSIBLE SHARE OF THE GOLD NOW GETTING IN CALIFORNIA. The American will bring more gold here if he *is sure* to get, at the British Mint, four sove- reigns for his ounce of gold, than if the nominal market price in London were L.3, for he could not depend on getting British goods equally cheap in proportion. The price of commodities is only directly regulated by the demand for the particular articles, and (even at present the low fixed price of gold chiefly operates on prices by upsetting our currency through leading to its export), the price of gold has only an indirect and often remote effect on them to the extent it increases or decreases the demand for goods. Now (supposing wages to have risen 50 per cent., or the cloth to have risen in price to 1s 6d, whose Peel or starvation price I assumed as 1s), the American, if he got 4 sovereigns for his ounce of gold, could buy 53 yards of the cloth, whereas, were the market price of gold down to 60s an ounce, he being paid in paper pounds, would only get 40 yards of the cloth at 1s 6d for his ounce of gold. Thus it is clear we should get more gold from America by sustaining our present money law, and this is vital for us, not only as securing us larger sales of manufactures, but as the less gold the Americans retain to themselves the slower will be the development of their banking system, and the less ability they will possess to hold their cotton for high prices, and to increase their manufacturing opposition to us in their own markets and those of other countries. Had the Americans not required to send away, to carry on their war in Mexico, the gold they drew from us in 1847, they could have held their cotton for speculative prices last year, and thus aggravated indefinitely our manufacturing distress in this country.

I hope the vast importance of the SUBJECT OF MONEY at this particular moment will be held suffi- cient apology for the great length of this attempt to satisfy those who have no time to reflect on such sub- jects, or whose habits disable them from forming a judgment for themselves, that (although with gold scarce and tending in value above our fixed price, our money ought to be paper pounds convertible into gold at its market price in this country), it will become the interest of our industry to sustain our present money law if the price of gold should fall so much abroad as to leave THE SOVEREIGN so far above the foreign price as to be what monetary reformers have always desired to see the pound, PRACTICALLY AN INCONTROVER- TIBLE COUNTER.

Yours very respectfully,

ISAAC BUCHANAN,

Formerly Member for Toronto in the first Parlia- ment of United Canada, and President of the Boards of Trade of Toronto and Hamilton, Upper Canada.