

ciated : and the *second*, that no continued drain upon the coffers of the Bank of England can ever take place, except by an unfavourable state of the Exchanges.

As regards *the latter*, experience has proved it to be erroneous. Demands by foreign powers, for political objects, and by communities, for speculative ones, backed by local panics and bad harvests, may produce as serious mischief as Foreign Exchanges.

The effect of the existing system is to produce the *reverse of the first principle*, and really to make Notes of more value than Gold ; for, by the application of pressure, Gold is forced into this country, not to be exchanged for Paper at the intrinsic or Mint par of £3 17s. 10½d. per oz., and an Agio for the charges of transportation and insurance, but at the price of £3 17s. 9d. per oz., and the seller bearing all the charge of bringing it over, thus Paper is made dearer than Gold.

Not content with this, when we have lost our Gold, we resort to no other means of bringing it back but that of making it *dearer* in this country than any other country in the world, and this by making commodities cheaper.

No wonder, then, under the present system of bringing back Gold, and making it cheaper than Paper, the Commercial and Manufacturing Interests are made to suffer the greatest distress ; they must be put under the screws until they submit to sell all their commodities for Gold at a lower price than any other nation will sell, and a percentage lower still, say equivalent to the expense of bringing home Gold bought at par or £3 17s. 10½d. per oz. to sell at £3 17s. 9d. to the Bank of England. The Monied Interest contribute nothing to this expense : their commodity becomes of greater value, and they are benefited in proportion as the others suffer.

By the system I propose, Gold may be brought back at a less cost to the nation, if not less to individuals. If a Banker procures Gold, he procures to himself a positive advantage ; the privilege of issuing Paper Money. When, therefore, the circulation became low and money scarce, he might find it to his advantage to import Gold at a loss of the charges or even a small percentage