

was the result which of all others it was the interest of the province to avoid. It is clear, then, that though they have been the best possible Institutions, and their paper circulation the most undoubtedly safe to the holder, the Banks have not realized the higher object which it is the interest of the Province, as well their own interest, they should subserve. They have been little more than Exchange Brokers, and they could not possibly have been any thing else. For what purpose then, it may be asked, was the establishment of Banks and of a paper circulating medium demanded by the people? The purpose of the people in increased circulation, could only be INCREASED EMPLOYMENT TO CANADIANS. They had been told that THE MORE MONEY, THERE WOULD BE THE MORE DEMAND FOR CANADIAN LABOR, and (as a necessary consequence of more BIDDERS) a greater price for it. It was, however, concealed from them that this law of supply and demand had already IN FACT been violated in the admission of the principle of the money law of Canada, in existence before the Banks were created, so that FIRSTLY, the Canadian Banks' notes cannot safely be advanced, except to parties who can sooner or later produce something convertible into Foreign Exchange—and, SECONDLY, the increased demand (that apparently greatest blessing to the producer) IS NOT ALLOWED TO SHED ITS BENIGN INFLUENCE IN RAISING THE PRICES EVEN OF COMMODITIES FITTED FOR EXPORTATION; for the Foreign or Export Merchant, always having it in his power to exchange his Bank notes for gold near the price it will fetch abroad, will not of course take wheat or other Canadian exportable commodity at any higher price; and indeed from this price has to be deducted a margin to save him from the contingencies of markets, besides the freights and charges to the foreign market. THIS PERPETUAL INCLINATION TO THE BAREST RAW MATERIAL PRICES FOR OUR EXPORTS is, as I have fully explained in the following pages, A VERY SERIOUS CONSIDERATION FOR THE CANADIAN FARMER, and the more so as while this is the highest price he will get, THERE IS NO CERTAINTY THAT HE WILL EVEN GET THIS PRICE FOR HIS PRODUCE, unless he goes to the trouble of himself sending it to the foreign market.—[From "*Britain the Country versus Britain the Empire*", by Isaac Buchanan, Esq., M.P.P., Hamilton]