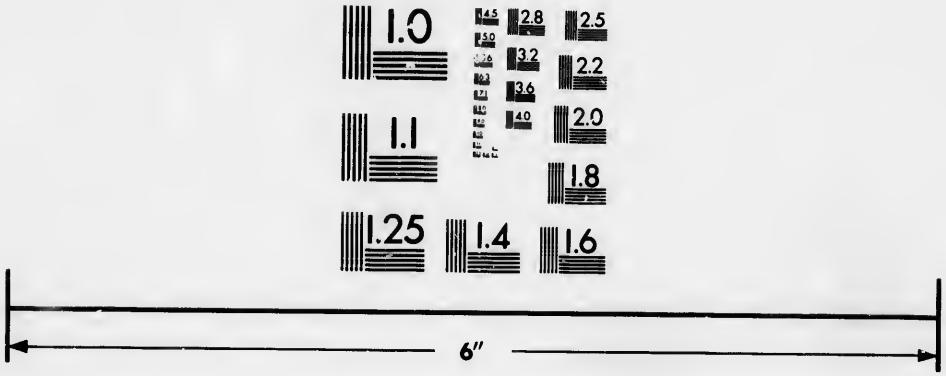
IMAGE EVALUATION
TEST TARGET (MT-3)



Photographic
Sciences
Corporation

23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503

Technical and Bibliographic Notes/Notes techniques et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming, are checked below

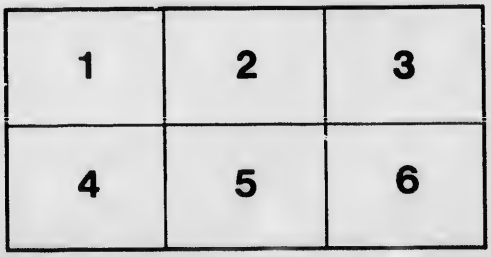
L'Institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modification dans la méthode normale de filmage sont indiqués ci-dessous.

- [ ] Coloured covers/ Couverture de couleur
- [ ] Covers damaged/ Couverture endommagée
- [ ] Covers restored and/or laminated/ Couverture restaurée et/ou pelliculée
- [ ] Cover title missing/ Le titre de couverture manque
- [ ] Coloured maps/ Cartes géographiques en couleur
- [ ] Coloured ink (i.e. other than blue or black)/ Encre de couleur (i.e. autre que bleue ou noire)
- [ ] Coloured plates and/or illustrations/ Planches et/ou illustrations en couleur
- [ ] Bound with other material/ Relié avec d'autres documents
- [ ] Tight binding may cause shadows or distortion along interior margin/ La reliure serrée peut causer de l'ombre ou de la distorsion le long de la marge intérieure
- [ ] Blank leaves added during restoration may appear within the text. Whenever possible, these have been omitted from filming/ Il se peut que certaines pages blanches ajoutées lors d'une restauration apparaissent dans le texte, mais, lorsque cela était possible, ces pages n'ont pas été filmées.
- [ ] Additional comments:/ Commentaires supplémentaires:

- [ ] Coloured pages/ Pages de couleur
- [ ] Pages damaged/ Pages endommagées
- [ ] Pages restored and/or laminated/ Pages restaurées et/ou pelliculées
- [x] Pages discoloured, stained or foxed/ Pages décolorées, tachetées ou piquées
- [x] Pages detached/ Pages détachées
- [x] Showthrough/ Transparence
- [ ] Quality of print varies/ Qualité inégale de l'impression
- [ ] Includes supplementary material/ Comprend du matériel supplémentaire
- [ ] Only edition available/ Seule édition disponible
- [ ] Pages wholly or partially obscured by errata slips, tissues, etc., have been refilmed to ensure the best possible image/ Les pages totalement ou partiellement obscurcies par un feuillet d'errata, une pelure, etc., ont été filmées à nouveau de façon à obtenir la meilleure image possible.

This item is filmed at the reduction ratio checked below/
Ce document est filmé au taux de réduction indiqué ci-dessous.

10X	12X	14X	16X	18X	20X	22X	24X	26X	28X	30X	32X
						✓					



[UNFINISHED WORK—A BLUE BOOK FOR THE HUSTINGS—CHIEFLY COMPILED FROM BLUE BOOKS—IMPERIAL, COLONIAL, AND UNITED STATES.]

A HOME MARKET FOR THE FARMER, OUR BEST RECIPROCITY.

BRITAIN THE COUNTRY,

VERSUS

BRITAIN THE EMPIRE.

OUR MONETARY DISTRESSES—THEIR LEGISLATIVE CAUSE AND CURE.

"If political economy is against us, then are we against political economy."—*Late speech of a Working Man in Hyde Park.*

"*This that they call* 'organizing of labor' *is, if well understood, the problem of the whole future for all who will pretend to govern men.*"—THOMAS CARLYLE.

"Peelism seems altogether incapable of seeing that in all countries the goodness or popularity of a government is just in the proportion that it sides with the *labor*, as opposed to the *money* power—seeing that to the moneyed class the monetary distress of the country is prosperity—low wages, or want of employment, and high-priced money being convertible terms, and *vice versa*."—*From an article of* ISAAC BUCHANAN, *in the* "Glasgow Examiner," *of 4th November*, 1848.

"—— *Tentanda via est, qua me quoque possim,*
"*Tollere humo.*—VIRGIL.

"Canada, too, must independently attempt something, must strike out some path or method, by which she may raise herself from the ground—by which she may rise into celebrity—by which she may soar aloft."

DEDICATED TO HIS CONSTITUENTS,

BY ISAAC BUCHANAN, M.P.P. FOR HAMILTON.

HAMILTON, C. W.:
PRINTED AT THE "SPECTATOR" JOB OFFICE, PRINCE'S SQUARE,
1861.

DEDICATION.

"Perissent les Colonies plutot qu'un principe."—These words of Robespierre embody the principles of the British Political Economists.

"O Freedom! [freedom of trade] what crimes have been committed in thy name!"—*Madame Roland.*

TO MY CONSTITUENTS.

A work, suggested to me by the presence of such unprecedented distress, or want of employment, in the City of Hamilton, may most appropriately be dedicated to my Constituents; and they, I trust, will receive it as an evidence of my gratitude for their having so kindly stood by me, when, in 1857, I was attempted to be ostracised. The peculiar claim on me at the moment, to throw together these thoughts and authorities, was, that it seemed certain that, (overwhelmed by unforseen additions to the already too numerous calls upon me of private business,) I must retire from the Representation, as finding myself unable to continue to do justice to the public business for which I was elected. And I saw, also, that the sympathies of the whole Province could be elicited in favor of Hamilton, if the peculiar hardship of her case were generally understood, and if it were made clear how much it is for the interest of the Province that all municipalities be enabled to remain in the category of rising communities.

In pursuing my scrutiny into the cause of the distress of Hamilton, I could not overlook that, up to a certain point, she suffers in common with the Province, which is sufficiently proved by the fact, that the population that has left Hamilton has not gone to some other part of the Province, but to the United States. There no doubt exists throughout Canada (as there also exists throughout Britain and the United States, though in these countries, there is the temporary alleviation of large continuous arrivals of gold from Australia and California) a common cause of ever recurring monetary distress, the

direct effect of a bad, because unpatriotic, principle of legislation—our Provincial industry and our Provincial money market being perpetually overwhelmed by importations of British manufactures, quite disproportioned to our exportable resources. While our legislative violation of the law of supply and demand, in regard to the exportable commodity *gold*, (a five-dollar bill being made by law synonimous, or nearly synonimous, with a sovereign) violates the law of supply and demand in respect to our farm-produce, and all other exportable articles; as these cease to be exportable, (the exportation of gold being more profitable), the moment they are affected in the least by local prosperity, or become dearer than gold at its fixed raw material price.

And it became necessary for me to dispose, first, of the consideration of this legislative cause of distress which is common to the Canadas, (though, in Lower Canada, it operates little, from the Lower Canadians consuming comparatively few imported goods) whose effect on the body politic is the same as a tumour on the leg or any part of the body physical —the only thing for which is removal by the knife. The cause of the public distress alluded to is, that for the sake of Provincial Revenue, importations of foreign labor were, till lately, instigated by a Tariff not one half as high as that found necessary in the United States *for the protection of their currency*—and that foreign importations are still unduly instigated by our hard money system, *the effect of which is, that the foreign manufacturers paid the same price in Cash, as the Canadian manufacturer in Trade or Barter.* Our law (by making a five dollar bill and a quarter of an ounce of gold synonimous) fixes the article, gold or foreign exchange, in *price*, and prevents it being *priced* according to its *value*, by the law of supply and demand, like the Canadian articles which have to compete with the foreign goods, (of whose cost that exchange forms part, just as does the freight and other charges on them) thus giving the latter (the foreign labor) an undue advantage in the race of competition, and unduly instigating importations—a course no more excusable, (no more good policy) in the government of a country, than if a municipal council, for the sake of increasing the money-means of the corporation, were unduly to increase the number of tavern licenses, thus making prodigal, and ruining, the individuals and their families on whom the prosperity of the municipality depends, thus, in a word, 'killing the goose for the golden egg." If to run a Locality or Municipality into debt is to be prodigal, and if to run a country into debt is to be prodigal, that unpatriotic

the dist
THE UNI
CANADA
no furth
raising
manent
I find
for the
ed to ma
cipal in
to call
ciple of
no long
by way
of our
paragra
"Eve
betwix
in TRA
possess
it to be
not bet
which
pay TR
momen
to say,
equally
ignore
of the
Ameri
(or *pro*
filled)
TRADE,
that a
in the
disorga
by the
(falsely
ing the
cash a
peculia
our leg
contin
"M

the distant market of Britain. And why is this? BECAUSE THE UNITED STATES HAVE A MANUFACTURING POPULATION, WHICH CANADA AS YET HAS NOT. The Canadian farmer should require no further proof of the necessity to him, *in the present*, of the raising up of home manufactures in the Province, and, *permanently*, of the American Zolverein proposed in these pages.

I find it out of my power to give sufficient time at present for the due consideration of the important suggestions I intended to make as to Canada's best course, with regard to her municipal indebtedness,—and as I am anxious, at the present moment, to call immediate attention to my view of the erroneous principle of our Monetary Legislation,—I have made up my mind no longer to delay the issue of these long promised pages. And by way of giving a greater prominence to this vital subject of our monetary legislation, I reproduce here the following paragraphs which will be found elsewhere in this volume:

"Every backwoodsman in America knows well the difference betwixt a payment by him in CASH, and a payment by him in TRADE, as he calls an exchange of one commodity in his possession for another which he wants. Practically he knows it to be the difference between prosperity and adversity, if not between honesty and dishonesty, to promise to pay cash which he has not, and cannot get, instead of promising to pay TRADE, or commodities of which he is possessed at the moment. And so should it be with the nation; but strange to say, Presidents of the United States in messages to Congress, equally with the Queen of England in speeches to Parliament, ignore this important difference. And the common attempt of the Political Economists is to conceal that payments in America to the *Foreign Merchant* are practically hard cash, (or *promises* to pay hard cash or specie which cannot be fulfilled) while payment to the *Home* manufacturer is practically TRADE, or an exchange of commodities in our possession, so that a piece of cloth purchased at home is already paid for in the natianal point of view, the currency being in no way disorganized, as occurs in payments to the foreign merchant by the removal of its basis, specie. All writers on the science (falsely so called) of Political Economy are guilty of circulating the common fallacy, that there is no difference between cash and Trade as a payment, whatever other fallacies may be peculiar to each writer. *And this indeed is the fallacy in our legislation from which flows all our distresses on this continent.*

"My object in giving such prominence to the foregoing is

that it points to the rock on which the hopes of every industrious family in the Empire, as well as in the Canadas and in the United States, has since 1819 been, and still continues to be, wrecked. And firmly convinced of this, I have long felt that if people could only be induced to reflect upon the monstrous practical evils which, individually and as a society, they suffer from the present state of our MONEY LAWS, an immediate remedy, through legislation, must be the philanthropic result. For thirty years I have seen, and, in season and out of season, explained, (generally to a very heedless auditory), that the practical cause of our being unable to cope either as a Province, as municipalities, as merchants, or as individuals, without our ever recurring monetary distress, is that it is originated and perpetuated by our Legislation! Our Legislation, in a word, makes the Banks and the Banks' note circulation the mere handmaid of the foreign trade; for all must admit that, seeing Bank Notes may immediately be converted into Exchange, nothing, under our Money Law, is a legitimate commodity for the Canadian Banks to advance on except it is exportable, and will thus bring back gold; and it follows, that *as the Banks are bound to pay in specie*, they ought to deal in nothing which in due time cannot be turned into specie, or, in other words, in articles whose sale abroad will fetch specie, and, IF THIS IS ALLOWED MY CASE IS PROVED.

"The object of this explanation is simply to endeavour to get Members of Parliament, as well as their constituents, to ask themselves whether this was the intention of the country in establishing Banks, and in establishing a paper circulation? There was a day in the Province when those Banks and that circulation did not exist. And was it then the intention of the people, in applying for these to the Legislature, that the result should chiefly* be to increase Foreign Trade, or more properly, to increase the importation of Foreign Labor, thus *beggaring the Province?* So far from this being the people's object, it 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 realised the higher object which it is the interest of the Province they should subserve. They have been little more than Exchange Brokers, and they could not possibly have been anything else. For what purpose, then, it may be asked, was the establishment of Banks and of a paper circula-

* The other great use the Banks have been to Canada is that they have facilitated the moving to market of her crop.

ting 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 (as shown above) *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 increasing 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! The Foreign Export Merchant, always having it in his power to exchange his Bank notes for gold near the price it will fetch abroad, will not 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 a very serious consideration for the farmer, and would be still more so if the country, instead of importing on an average ten millions of dollars worth more than she exports, had the balance of trade in her favour. In such case, the price offered by the foreign merchant, for our exports, would be reduced, at least, by the reduction in the Exchange he would get for his Bill of Exchange. I mention this view, not as anticipating the likelihood of such a state of things, but to show the *absurdity* of our monetary principle, which, while it at all times debars the farmer from getting more than the price abroad for his produce (as shewn above), does not *secure* him even that! It debars him from having the advantage of an adverse state of the Balance of Trade, such as we now have, and which would be indicated by an increased rate of Exchange when the extra premium would be an addition to the price of the farmer's produce (an immense advantage in settling his accounts,) while it does not secure him against the disadvantage of a favorable state of the Balance of Trade, which would be indicated (as the law now stands) by a decreased rate of Exchange, when *the reduction in the premium would be a reduction in the price of the farmer's produce*

exported. And if the law is to remain as it is, there is even the more necessity for the farmers protecting themselves through raising up a home market, in which they will always find themselves on equal terms with the parties from whom they draw their supplies.

"But it cannot be supposed possible that Canada will long be content to remain in this hopelessly degraded position industrially—about one-fourth of her wheat, (*of what the fly spares,*) being taken to convey it to England, and about one-fourth being curtailed from the supplies got from England in return, so *that the Canadian farmer taking the most favorable view of it, realizes about one-half the price the English farmer does!* She, however, no doubt must so remain, until she repudiates the interference of England in her monetary legislation, and asserts for Canadian industry an independence of all influences external to the bounds of the Province. CANADA MUST HAVE A CANADIAN PRICE FOR GOLD AND SILVER, equivalent to the value of these in Canada, not in England—and the true way to establish this, is not to fix it *arbitrarily* as is done in England, but allow it to be regulated by the law of supply and demand, the same as all other commodities. *This same thnig was proposed by the Directors of the Bank of England, to the Chancellor of the Exchequer, in* 1818. [See Appendix, page 164.]"

The present Canadian Banks are Banks of Issue, and are admirable Institutions—far superior to any that exist to any extent in the United States—but, under our present currency law, their chief use is to facilitate the foreign trade, and to find better and quicker markets for our produce. And I may here mention that it has long been evident to me that if PRODUCTION and agricultural improvement are to get justice in Canada, we must originate a system of large, reliable, NON ISSUING INSTITUTIONS which we might call AGRICULTURAL BANKS, from which our farmers could get an advance to the extent of one third, or so, of the value of their real estate—which advance they might pay up at any time, but would not be bound to pay up till the end of a certain period, say thirty years—the borrower making an annual payment to cover interest of money, a sinking fund to provide for payment of the principal in thirty years, and a life insurance premium to secure his property being free from debt in case of his death before the loan is paid off.