ever, the notes differ from the cheques: the cheques are payable to Bearer without any indorsement by anybody, and so have a much more *generalized* purchasing-power than the notes, which have to be indorsed by the payee (not named indeed in the notes but in the letter accompanying them), as they are negotiated in a way preliminary to their ultimate payment by the single bank on which they are drawn; and also the notes, like all other foreign bills of exchange, are subject in their value to the fluctuations of International Exchange, while the cheques in their value are independent of commercial exchanges "in favor" or "against" any country, and entitle the bearer to so many pounds sterling in value according to English coinage without any possible discount or premium. These London Cheques, accordingly, approach much nearer to the character of Money than any other form of Credit yet devised, except Bank bills undoubtedly convertible; and already take their place as one of the *media* in the international trade, and are sold in New York by authorized agents of the Cheque-Bank, as they have long been by such agents in all English and Colonial and in many foreign cities.

These *Ten* are the principle instruments in Credit-Exchanges throughout the world; and we pass now, as proposed, to the next section of our subject, namely, the Advantages of Credit.

3. As introducing these advantages and also as illustrating them, we call attention first to the antiquity of many of the forms of Credit, a point upon which much fresh light has been cast by recent discoveries in, and ability to decipher the cuneiform writing of, the ancient Assyria and Babylonia. It is to the credit of Credit, that the earliest of civilized men seem to have perceived its nature, to have seized upon its powers, and to have realized for themselves

some of its advantages. Credit is natural and legitimate. The moderns have invented new forms of it, and have tested its capacities to the utmost, but the ancients know it well in several of its instruments, and vindicate their own insight into the recesses of Exchanges by tablets and documents now known and read of all men.

In an earthernware jar found some years ago in the neighborhood of Hillah, a few miles from Babylon, were discovered many clay tablets inscribed with records relating to banking, and, what is more, to banking as carried on for generations by a single family or firm, which the cuneiform archæologists have translated as "Egibi & Co." These tablets are now deposited in the British Museum. Those who can read them say, that the founder of this banking-house, Egibi, probably lived in the reign of Sennacherib, about 700 B.C. This family has been traced in banking transactions during a century and a half, and through five generations down to the reign of Darius. They were the Rothschilds in the region of the Euphrates: they acted in a sort as the national bank of Babylon.

The Tigris is always associated with the Euphrates and forever will be. Nineveh on the former river, like Babylon on the latter, has yielded from its tablet-records information as to the use of credit in the more northern capital of Assyria. "Within the palace of Asshur-bani-pal, the Sardanapalus of the Greeks, who reigned at Nineveh from 668 B.C., Layard discovered what is known as the Royal Library. There were two chambers, the floors of which were heaped with books, like the Chaldean tablets already described. The number of books in the collection has been estimated at ten thousand. The writing upon some of the tablets is so minute that it cannot be read without the aid of a magnifying-glass. We learn from the inscriptions that a librarian had charge of the collection. Catalogues of the books have been found, made out on clay tablets. The library was open to the public, for an inscription of Asshur-bani-pal says, "*I wrote upon the tablets; I place them in my palace for the instruction of my people.*" The Assyrian tablets embrace a great variety of subjects; the larger part, however, are lexicons and treatises on grammar, and various other works intended as text-books for scholars. Perhaps the most curious of the tablets yet found are notes issued by the Government, and made redeemable in gold and silver on presentation at the King's treasury. Tablets of this character have been found bearing date as early as 625 B.C. It would seem from this that the Assyrians had very correct notions of the promise-character of paper (tablet) money" (Myers).

In the Metropolitan Museum of Art in New York are Babylonian tablets bearing distinct records of credit transactions that took place in the reign of Nebuchadnezzar. The earliest tablet is of the year 601 B.C. On it are memoranda of loans of silver made by Kurdurru as follows: "1 mina of silver to Suta, 1 mina to Balludh, ½ mina to Buluepus, 5 shekels to Nabu-basa-napsate, and 5 shekels to Nergal-dann, — total, 3 minas, 5 shekels of silver." There are more than 50 similar tablets in this collection; the latest dated, "Babylon, 18th day of 14th year of Darius," that is, B.C. 505. M. Lenormant, who can read them, divides these credit documents into five principal types. 1. Simple obligations; 2. Obligations with a penal clause in case of non-fulfilment, 3. Obligations with the guarantee to a third party; 4. Obligations payable to a third person; and 5. Drafts drawn upon one place, payable in another. These last are letters of Credit. They contain the names of several witnesses. They are evidently negotiable, but from the nature of things could not pass by indorsement, because when the clay was once baked

nothing new could be added, and under these circumstances the name of the payee was often omitted. It seems to follow from this peculiarity, that the drawee must have been regularly advised by the drawer. One of the credits in this most interesting collection had 79 days to run.

The main elements of their civilization came to the Greeks, and especially to the Greek cities in Asia Minor demonstrably from the Eastward; the Greek West proved itself quick to catch up the thoughts and the modes of the East; accordingly, Isocrates in his plea against the banker, Pasion, describes a formal bill of Exchange bought by Stratocles in Athens, payable in Pontus, and guaranteed principal and interest by Pasion; the practical Romans were pupils of the Greeks in all such matters, and so it came about in course of time, that Cicero wrote as follows in a letter to Atticus, — "Let me know, if the money my son needs at Athens can be sent him *by way of exchange*, or if it be necessary for it to be taken to him, — *permutarine possit an ipsi ferendum sit*"; and after that the Jews and the Lombards carried the Letter of Credit all over the world.

It goes without saying, when the most civilized and advanced people of the world were the first to adopt and have been since the quickest to expand the use of Credit, that there must be pretty obvious and very solid advantages from such use and expansion; and we must now note and weigh a few of these advantages.

(1) There are young men in every advanced community in the world who have integrity and industry and skill, but little or no *Capital*; and when such men are enabled to borrow money, as by the Scotch system of "cash accounts" or otherwise, to start themselves in business or to enlarge a business already in successful operation, the general interests of Production as well as their own personal

interests, are greatly subserved by such credit; because in all probability much capital thus passes out of hands which are *less* into hands which are *more* able to use it *productively*. Those who are best able to make capital *tell* by increase are generally those who are most desirous to obtain it, and frequently those who can offer the best security for its replacement. Nothing, therefore, is to be said against, but everything in favor of, such a loaning of capital as shall bring it under safe conditions from the hands of the idle and the aged, from those indisposed or incompetent to use it productively, into other hands at once competent and honest. Such credits as these are a benefit and only a benefit to all the parties concerned, and to Society at large. The active operators retain something of profit after replacing the capital with current interest upon it; the lenders receive more than if their capital remained idle, or they employed it themselves; and Society is benefited by a more complete development, and rapid circulation, of Services. Despite all the instances of broken faith, it is still an honor to human nature, that men do so gain by good character the confidence of their fellows, that they are and ought to be trusted with capital on their simple word or note; and it is the glory of free political institutions, that under their influence more than elsewhere, young men do rise by the help of so slight a stepping-stone as this, in crowds, to the high places of opulence.

In the important point of view, that thus all of the available capital of a community is brought out into productive activity, too much can scarcely be said of Savings-Banks, which take the surplus earnings of the poor, and not only keep them safely, but pay a fair interest on each deposit, and loan the aggregate at a higher rate on choice securities, thus stimulating frugality in a wide circle of depositors, and at the same time aiding Production by opportune loans to the best class of borrowers. In the year 1881, there were $443,000,000 invested in savings-banks in the State of New York, and $230,000,000 in the small State of Massachusetts.

In this first category of the advantages of Credit, come also the ordinary bank discounts, made for short periods only, holding the debtor to the strictest rules of payment, only professing and only enabled to help customers over the transient hard places in their business, and *not* to furnish the funds on which the business is mainly conducted. Loans drawn from the banks on interest should never be put into the form of fixed capital, and should only be a *part* of the quick or circulating capital, since only the passing necessities of a business having an independent basis and movement of its own, can safely be met by bank discounts. The cash credits of Scotland are quite different both in what they are and in what they imply from the short and sharp discounts of the banks of our own country.

So far as the capital stock of banks is made up, as it usually is, of a large number of comparatively small subscriptions, there is the great advantage just spoken of, of calling a multitude of otherwise idle sums into activity in production; and so far as no undue privileges, unjust to other corporations and individuals, are accorded to banks by law, there is no branch of industry more legitimate and beneficial than banking. It is no essential part of the functions of a bank, that it manufacture and issue paper money; that feature is always rather a source of weakness than a ground of strength; the money the bank circulates should always be the national money; and if that too, unfortunately, should be credit-money, the element of credit in the *money* should be sharply discriminated in the public mind from that other and quite different element of credit by which the bank *loans* it to its customers.

(2) There is another class of advantages in Credit, which do not depend so much on the transfer of Capital from less to more productive hands, as on the facilities which credit affords in economizing the general operations of Exchange. Here the advantages are derived from the convenience of *settling accounts* arising out of exchanges, rather than from the *character* of the exchanges themselves. Look a moment, for example, at foreign Bills of Exchange. They serve to settle up the accounts arising from the Commerce of two or six Continents, with but little transmission of money from any, and with but very little loss of time. Commercial bills drawn in New York on London have been usually payable at sixty days' sight; the New York merchant despatching a ship is able to realize at once the value of her cargo, minus interest for the time his bill has to run; since bankers' bills have so largely taken the place of "commercial" bills, the time is much shortened thereby, and this is one reason why bankers' bills bear a higher price in the market; the merchant or sender is indeed still liable in part to see that his bill is ultimately paid by the drawee; but the commercial integrity of the leading houses and leading banks in all countries is with justice so firmly believed in and acted on, that on the whole but little anxiety springs from this source. It is one of the noble things in international commerce, that men trust each other across the oceans, and lay millions of value on the faith of a single firm.

Inland bills of exchange equally facilitate settlements within the country itself; and cheques, which are of the same essential nature as inland bills, contribute to the same end even more simply and surely, passing readily in payments wherever the parties are known, and through credit and set-off doing the work of money more conveniently and economically than, and within certain limits just as

safely as, money itself could do it. The face of a cheque drawn to the amount of his deposit in favor of another depositor in the same bank is transferred in the banker's books from the credit of the drawer to that of the payee by the stroke of a pen, no money at all passes in the premises, while the banker is released from one debt by creating another of equal amount, the drawer is released from one debt by another to be transferred to the payee, and the payee is paid by the drawer by the former's receipt of another debt more acceptable to him.

(3) Besides the two essential functions of all banks, namely, the receiving of deposits and the discounting of bills, most of them perform a variety of other legitimate operations in Credit, which must be classed among the advantages of Credit. They buy and sell debts of all sorts. They make collection of debts for their customers. They sell their own drafts on distant places. Since 1863, our national banks have done an immense business in handling the debt of the United States: they were instrumental in diffusing the national bonds among all classes of the people: they collect for their customers the coupons at maturity: they have been and still are the factors of the government in exchanging, for those who desire it, one species of bond for another; and the entire debt of the United States has been several times changed, mainly through the agency of the banks, from bonds at high rates of interest and for short times of maturity to bonds at lower rates and for longer times.

(4) The fourth, and probably the chief, advantage of Credit is the fact, that a new purchasing-power is created by means of it, a new Valuable, something additional to all existing before in the world of Values. One can buy other things with Credit, as well as with material Commodities and personal Services. Credit, therefore, becomes

a Salable under the two peculiar limitations already explained, those of future Time and personal Confidence, just as Commodities become a Salable under the peculiar limitations belonging to *them;* and, what is more to the present purpose, just as some Commodities (all of them salable) become Capital under the action of the abstinence of their owners, so some Credits (all of them salable) become Capital under the action of the Abstinence of their owners. Some commodities and some credits are expended, that is, sold, for the immediate gratification of their owners, without ever a thought of a future increase to accrue; but also, some commodities and credits are reserved by their owners for use in further production, that is, for future buying and selling; and the motive in all such cases is the same that creates all Capital everywhere, namely, the increase to accrue as the result of such abstinence; and, consequently, we lay down the postulate with all confidence, and enumerate it as one of the main advantages of Credit, that some Credits are CAPITAL, with all the powers in production of that potent agent already exemplified.

It is only fair to apprise the reader right here, that almost all Economists deny that any new capital is created through Credit. These deny *in toto* that the relation of debtor and creditor involves anything more than the exchange between the two parties of certain *titles to tangible goods.* Let the reader now hear, and then judge for himself. Bonamy Price of Oxford University, a professed Economist and a teacher of acknowledged ability, writes as follows:[1] "*Omitting the capital which a joint stock company puts into a bank, the banker possesses no capital, except his premises and any coin that may be in them, however much commercial and monetary literature may ascribe capital to banks. Lines and names in ledgers, cheques at the Clearing-house, debts due to depositors, debts due upon bills by borrowers, are neither wealth nor capital. They are words and nothing more. Incorporeal property, under which these kinds of written words are summed up, is not wealth; it is merely a collection of title-deeds, but from which the reality is absent. The corpus is not in those deeds, but the right to acquire that property, even before possession is obtained, is itself a property. If a title-deed or a mortgage is declared to be actual wealth by Political Economy, then the sooner it is consigned to the waste-basket, the better.*"

[1] Practical Political Economy, 1877, p. 452.

This passage shows how the word, "wealth," tangles men up inextricably, who, by discarding it utterly, might have become clear thinkers and useful expositors. It also shows, that Professor Price never analyzed Valuables into their three kinds, never thoroughly mastered in a preliminary way the Idea that underlies Economics, never precisely understood what Money is, and certainly never found out the radical nature of Credit. Nevertheless, the passage just quoted really concedes the whole matter in the present dispute, — "the right to acquire that property, even before possession is obtained, is itself a property," — that is all that we claim, namely, that rights are property, and that new rights (which are property) are created by Credit, and that some of these new property-rights thus created may become and do become a new Capital. These new rights, however, this new and acknowledged "property," are not "*titles*" to any specific valuables whatever, as Price supposed; "*a title-deed or a mortgage*" is a totally different thing from a Credit, since the one always describes and gives a qualified title to *some specific and tangible thing,* while a credit-right is always a claim against *a person;* the Roman law drew this distinction perfectly, a credit-right was a *jus in personam,* while a title-right was a *jus in re;* the common Latin language as spoken and written marked the difference by separate words, a credit-right or true debt was a *Mutuum*, while a title-right or thing loaned was a *Commodatum;* and the Law of our present national banks explicitly recognizes this universal and fundamental distinction, by requiring the banks to loan money *on personal security only*, that is to say, no tangible things whatever, not even real estate, are allowed to be taken as *original* security for any loan. Banks deal only in true debts, — *mutua*, — and when they keep custody of concrete valuables — *commodata* — for their customers, it is as trustees or bailees and not at all as debtors.

Our late Oxford friend was far too well informed in general to contend, that a cheque, for example, is "the right to acquire possession" of any *specific* property anywhere; the drawer has indeed deposited money with the banker on whom the cheque is drawn, but that money became the banker's money the moment it was deposited and no longer his own; the cheque, accordingly, is a general claim on the banker, and not at all on any special fund in the banker's hands; it follows, therefore, that the excess of the banker's average deposits over his average reserves to secure them, is a new creation of Credit, a new resource of Production, a new Purchasing-power now available to the banker not previously and practically available to anybody, a new Valuable which he proposes to use and does use for the sake of profits accruing, consequently a new Capital.

Now let us listen to the objections to this view by a practical banker, J. H. Walker, of Worcester, Mass., in a little book of his on Banking published in 1882: "*A man always borrows something of intrinsic value. What he borrows is not a piece of paper, whatever may be on it, but a farm, a house, a factory, or a part of them; a store, a mine, or goods. No man can borrow or lend anything else. The*

borrower gets from the lender what puts him in possession of the things he seeks, and it must be some one of these things. So of all money (except coin). It has no value in itself. It adds nothing to the capital of the world. It purports to be and is only a title to property, a convenient device for transferring the ownership of property."

This author is led astray by the worse than useless adjective "intrinsic," having never yet learned that there is only one kind of value in the world of Economics, namely, purchasing-power; he sees men as trees walking through the haze cast over paper-money by John Law in the last century, as if paper-money must be "*based*" on something tangible and specific; he makes a narrow and false assumption that the only objects ever bought or borrowed are corporeal "things," denying that the debts in which alone he deals as a banker are *realities* as much as any "thing" can be; and it all comes in his case, as in the case of hundreds of others, from a totally inadequate analysis of Valuables into their three separate and virtually independent kinds, namely, Commodities and Services and Promises. Mr. Walker, although he writes a book on purpose to do this, can not explain at all under his view the Deposits and Discounts of his own bank, and would be as dumb as an oyster when confronted with the "Cash Credits" of Scotland.

(5) The fifth advantage of the use of Credit, and the last one to be mentioned in this connection, is, that it dispenses with the use and wear of large amounts of expensive Money. It is perfectly certain that Credit answers many of the purposes of Money. Suppose A has bought of B $100 worth of goods, and B has bought of A $125 worth of goods. Three ways are open to close up these transactions. A may pay B and B may pay A *in money*. This would take $225. A may pay B in money,

and B may send that back with $25 more. This would take $125. Or A and B may mutually balance their credit-books, and B pay the difference in account. This would take but $25. It is clear then, that, as one or other of these general methods prevails in practice, the quantity of expensive money required to do the business of a country is very different. Just so in international trade. Foreign bills of exchange lessen enormously the quantity of metallic money that would otherwise have to be transported.

It is not strange that some thinkers and writers, seeing these unquestionable benefits of Credit even within the peculiar sphere of Money itself, have come, like Herbert Spencer and many more, to think and teach that Credit might answer *all* the purposes of money. Credit *does* take the place of money in part. Can it take the place of money entirely? Let us see. We have defined Credit as *a right to demand something of somebody*, and Debt as *an obligation to render something to somebody;* the denominations of Money are certainly needful in order *to measure* this right or obligation; and how can the denominations of money be established or maintained at all separate from the use of *some* money itself as a circulating medium? Moreover, great as is the undoubted power of Credit, vast as are these five advantages from its current use, still, each particular piece or form of Credit waits for something beyond itself; it waits for its own *extinction* in future time; which can only come about in one of three ways, (a) by *set-off* against another debt with or without a balance, (b) by *renewal* which creates a new debt and extinguishes the old, (c) by its *payment* in money; and now how can these extinctions come about without the current use of some money, at least to settle the balances at the clearing-house?

Furthermore, there have always been heretofore in all

commercial countries longer or shorter periods, called "crises" or "panics," during which there was a popular reluctance to accept in exchange the ordinary instruments of Credit. Money, and much of it, was then found to be indispensable. Indeed the very advantages of Credit itself, which have now been explained at length, are dependent on this, that there be alongside of it to sustain and limit it, *a current and legal measure of Services in metallic form*, in whose denominations Values may be reckoned, in whose coins the balances of Credit may be struck, and whose presence secured everywhere by natural laws alone may enable *fulfilment* to join hand in hand with *promise.* If ever Credit should try to usurp the whole domain of Money, a tolerable standard of Value or measure of Services would be no longer possible, Credit itself would lose its foothold, and the vast balloon of Promise, sailing for awhile through the blue, the joy of projectors and the wonder of credulous spectators, would of a sudden descend to the earth collapsed and ruined.

4. There are too some disadvantages inhering in Credit. This admitted fact makes no valid argument against the use and extension of it; because there are disadvantages connected with all human devices whatever, — with all means contrived to reach earthly ends — and even a child may discover many of these; some objections lie against everything, and against everybody, and the practical question always is, Which preponderates, the good or the evil? In respect to Credit there can be no doubt, that the good outweighs the evil many fold; still, in accordance with the purpose in this book of both writer and readers to look on both sides of each significant point in Economics, we will now give attention to the chief disadvantages inhering in the nature of Credit.

(1) In the first place, when credit is much given by

dealers to ordinary retail buyers, the reverse results take place from those but just now characterized as happening under bank credits, namely, capital passes out from the hands of productive operators into hands less able and less willing to use it in further production. Indeed, in most such cases it ceases to be capital, and is expended in immediate gratification. It is much easier for the average man of fair character within the present customs of Society to "get trusted" than to pay "as he goes." Such a man is even called "easy-going." He almost always over-estimates his resources for the future, and under-estimates his obligations at the present. It is always a disadvantage in the long outlook for both parties when such men easily and largely "get trusted." Let us take a sample case: when an industrious artisan or efficient merchant has given credit for six months or a year to dilatory customers, it is so much withdrawn for so long a time from his active capital; and in order to make up his consequent loss of profit to the average and expected rate, there must be an addition to the prices of his wares sold to other parties; and, besides, some bad debts belong to such a system, and there must be additional prices somewhere to compensate for this; and thus the customers who pay promptly bear a part of the burden of the delinquents, who at least do not wholly escape, inasmuch as they ultimately (if they pay at all) pay a price enhanced by their own delay. Thus, if the current and expected profit on his capital be 12%, and the artisan or merchant sells and gets returns four times a year on the average, something less than 3% profit may be charged to each article on the average; while if he only gets returns at the end of the year, at best 12% must be put on everything at the average, and in reality considerably more, because of the bad debts that stick like a burr to that way of doing business. Hence the excellent maxim, "Quick sales and small profits."

(2) There is a greater inherent *uncertainty* in values connected with credits than in those connected with commodities, or than with those connected with personal services. We have already seen repeatedly that Value has its sphere of operations in the Past, in the Present, and in the Future. There is some uncertainty connected with what *has been done* in reference to value, since the market may prove to have been miscalculated, and the commodities to have become unsuitable; there is perhaps more uncertainty connected with what *is now being done* in reference to value, because the services bargained and being paid for may prove to be less steady and skilful than was supposed; but in the very nature of the case there is still greater uncertainty connected with what *is to be done* in relation to its value, because in the first two cases some at least of the conditions are already fixed, while in the last one all of them are at least open to hazard. There is sufficient certainty in all three of the grand divisions of Time to justify, and probably to reward, operations in each in reference to value under the peculiar limitations and conditions of each, but credits are naturally more sensitive in the law of their value than either commodities or services.

(3) Largely in consequence of what has just been expressed under the last head, credit-exchanges are more likely than commodities-exchanges or than services-exchanges to become unduly multiplied and consequently to fail of ultimate realization. The majority of men are sanguine in relation to the future. Unless they are in actual contact with their limitations, they are apt to belittle the rigidity and inevitableness of such limitations. As the outcome of this, promises are apt to overpass the powers of fulfilment. No more bales of cotton of any one year's crop can be actually delivered to buyers, than have been actually grown and marketed; the services of no more

men in any capacity can be contracted for and rendered, than there are men able and willing to work; here are impassable limits; but the field of the future is buoyant with possibilities; and hence credits, whose sphere is the future, though legitimate and potent under the proper conditions, lie in a field whose limits are invisible, and within which *Hope* is ever a tempter to overdoing.

Is speculation proper? Certainly; if by the word "speculation" is meant the buying of anything with an expectation based on rational probabilities of being able to sell it again under different conditions at a higher price. Speculation in this sense is both proper and beneficial to the immediate parties to it, and to the general public as well, because the values of things thus bought and sold neither fall so low nor rise so high as they otherwise would do, which is a public gain. Speculators as a rule buy on a falling market, *which tends to lift it*, and sell on a rising market, *which tends to lower it.* It is better for all concerned, that the necessaries and conveniencies of life should bear as steady a market as is possible in the nature of things, summer and winter, year in and year out; and the ports of every nation should be open with the slightest possible hindrance in the way of tax to the corresponding necessaries and conveniencies from abroad, whenever combinations and "corners" attempt to lift their prices beyond the level determined by a natural and free Supply in contact with the current Demand.

Credits occupy the field of Probabilities; that is to say, probabilities seeming to be such to men of sharp insight and cultivated forecast. When such men *on such grounds* buy and sell "futures" in cotton or corn; when they buy and sell stocks either "short" or "long"; when they seem to themselves to perceive a sound reason for lurching over from the "bulls" to the "bears," or *vice versa;* and when

they really think that what they are wont to deal in has touched bottom in price, and they buy now in view of a rise, Economics has nothing to say in blame of any or all of these operations, for they are the same in substance and motive as all other buying and selling; but nevertheless, it has this to say, that all these operations in credit-futures lie adjoining to and in dangerous proximity with another field, for operations within which it has nothing *but* blame to utter. Gambling occupies the field of Chance. There is a great difference between chances and probabilities. Political Economy has no trouble in drawing a fast and hard line between them.

But practically the operators in credit-futures experience an immense difficulty in keeping within this line of rational probabilities. The coolest heads are apt to become heated, and to lose sight of distinctions, in the close air of the Stock Exchange and the offices circumjacent. Some operators openly confess they know nothing which way the index of reason points, by buying "straddles," as they are significantly called. A friend and old-time pupil, who has for years been accustomed to these excitements in New York, said recently to the writer, — "*The Stock Exchange is a great gambling hell, and that's all there is of it!*" In buying and selling of all kinds, both sides gain: in gambling of all kinds, what one side gains the other side loses: therefore, under a sound money, healthful public opinion, and good law, gambling never can become formidable. In every lottery scheme, no matter how honestly managed, the sum of the *prices* of the tickets is greater than the sum of the *prizes* offered, otherwise nothing would be left for the profits of the managers; therefore, he would be a very foolish man, who should buy all the tickets of a given lottery with the certainty of drawing all the prizes; and *he* is a still more foolish man, who should take his *chance* of drawing all the prizes by buying two or ten tickets.