

*likeness.* The single respect in which all valuables whatsoever resemble each other is their common possession of purchasing-power, be it more or less. Therefore, as a yardstick, itself possessed of length, and because it is possessed of length, if assumed as a standard of comparison with other objects that have length, may be used to measure all such objects whatsoever, and may accurately express in units or fractions of itself the simple length of anything and everything; so, any valuable may be selected as a *standard* with which to compare all other valuables, and by means of the terms of which to express numerically the reciprocal relations between all valuables whatsoever. This is just what is done whenever any valuable is selected as Money; and this is the exact and single purpose of such selection.

What is the precise change, then, in the valuable chosen as Money when it becomes money? This: it was a valuable before, else it could not by any possibility serve the present purpose, but now it has become a *standard* valuable, with which other valuable things may be compared in the single point of their *value*. Valuables are now commensurable. That is all. But that is a great deal. As we have already learned to the nail, Valuables are all Services; and now some one Service has been selected from the rest, capable in its very nature of *measuring* all the rest, and so capable of becoming immensely *useful* to mankind.

What, accordingly, is the bottom characteristic of Money? And where shall we find the terms for an immutable definition of it? *The core of Money is this quality of being a Measure of Services, taken on in addition to the usual and universal qualities constituting anything a Valuable.* This additional quality arises under the choices and action of men, just as the ordinary qualities constituting

anything a valuable arise under the choices and action of men. But it is an *additional* quality, distinctly conferred, and vastly important. The valuable chosen as Money was a Service to start with, was constantly rendered as such then and there, and was consequently fitted by qualities already possessed to assume a further and a *unique* quality, namely, the capacity to measure and express relatively to itself all other valuable Services whatever.

As each and every Valuable is the outcome of a *comparison* instituted by two persons as between two things, as is thoroughly unfolded in the first Chapter, it is not at all strange, rather it is natural and inevitable, that there should arise in connection with Valuables as a whole class some such further *comparative* measure, as Money is now shown to be; because, without some such common measure of Services in general, itself a Service of the same kind, it would be inconvenient, not to say impossible, to carry on any considerable traffic anywhere. For instance: a baker has only loaves of bread, and wishes to buy a hat, a horse, a house. How many loaves shall he give for each? Unless there be some common Service, in the terms of which these differing Valuables can be expressed, and by means of which they can be brought into commercial relations with each other, it would be an awkward piece of business to effect even the *three* exchanges; and every time the baker wished to buy another article, there must be a rude and slow calculation from independent data, in order to decide upon the terms of the exchange. Let now some Common Service be introduced, in the terms of which each of these values can express itself independently, and the difficulty disappears in an instant. "My loaves are worth ten cents each," says the baker. "My hat is worth ten dollars," says the hatter. Their saying so does not indeed *make* it so; that matter is a preliminary; but each has

come to that approximate conclusion by a relatively easy comparison of two Services, his own and another common one; and if the loaves will duly bring ten cents and the hat ten dollars, the terms of their own exchange are one hundred for one, and there is no need of parleying. So of the rest; so of everything that is ever bought and sold. Money becomes by common consent a Measure of them; because it measures them, it makes the interchange of them a very facile matter; because it measures them, it easily becomes a medium between them; and, accordingly, because the money rendered is itself a Service, it is a natural and universal measure of all other Services.

MONEY IS A CURRENT AND LEGAL MEASURE OF SERVICES. With this final definition of "Money" the writer is more than willing to take all the risks. It was new when propounded many years ago in one of the editions of his earlier book. All subsequent testings of it in form and substance have but confirmed the original confidence in it. The word "legal" in this definition is not always to be pressed to its utmost signification, but denotes anything sanctioned by law or usage *equivalent to law*. The other words are to be taken in their full and technical meaning. It is believed that, while this definition is short and simple, it just covers the whole ground and no more. It is not enough that a certain valuable be "legal" as Money; it must also be "current" in order to be a true money. In the United States between 1862 and 1879, to take an example, gold coins, though legal tender all the time for all debts public and private, were not "current" in the full sense of that term, and hence were *not* the Money of the country. Till the last-mentioned date, the gold dollar of 25½ grains standard fine was required by law to pay customs-taxes with and the interest on the public debt, and was used to a small extent in a few branches of

private business, and was not otherwise in the hands of the people. These dollars, accordingly, were not strictly money, but bore a premium over the "current" money of the country. To be Money, then, a Valuable must be recognized as money by law or custom as strong as law, and also circulate among all classes of the people as a medium in their exchanges.

But we are bound to observe that Money becomes a *medium* in men's exchanges, because it first became a *measure* in their Services. Some economists think that these two functions are separate, and are of equal rank; but it is easy to see that one only is original, and that the other is derived from that. Even Aristotle perceived that Money is a Measure, inasmuch as he defined property "*anything that can be measured by money*." We may be pretty sure, in opposition to Professor Jevons, in his *Money and the Mechanism of Exchange* at page 13, who thinks there are *four* characteristics of Money, that Money as such has but *one* primary characteristic difference from other forms of Value, namely, this *measure*-quality, this *standard*-quality, this publicly recognized function as a *common measure* to which all other valuables are constantly referred. This additional attribute put upon a money-valuable by law or custom is not what *makes* it valuable, since an ounce of uncoined gold standard fine is worth within a very small fraction as much as an ounce of gold coins, but it makes the money a far more convenient instrument to purchase with, inasmuch as money, having now the attribute of making all other valuables easily commensurable with itself, becomes at once something which everybody is ready to receive, because everybody knows in general what its power will be to purchase all other things. In other words, Money becomes a *medium* in exchanges just because it has already become a *measure* of Services in general; and there are

not consequently two prime functions of Money, still less four, but only one. This view seems to simplify the whole subject of Money very much; and we may be sure that it will be found to be scientifically correct, and that we shall find many means of testing its accuracy as we go on.

To maintain, as we do, that "Money is a measure of Services," is much better than to say, in connection with many economists, that "Money is a Measure of Value." That phrase is objectionable because Value is always relative to two Services exchanged for each other; and to say that money is a measure of that *relation* is neither so simple nor so ultimate as to say that it is a measure of each of the Services entering *into* that relation. The Services may be conceived of and spoken of separate from the Value into which they merge, although they come into existence solely for the sake of that resultant Value, and it is more exact and final to propound that Money, itself a Service, is a measure of all other Services considered as constituent elements of the Values into which they fall. We are not without strong hopes, accordingly, that competent economists will concede, that here is a radical improvement in the nomenclature of our Science.

In the place of our expression and definition, and the foregoing explanation consequent upon its use, President Walker in his Money, pages 280 *et seq.*, prefers the mathematical and excellent phrase, "*the common denominator in exchange*"; Professor Bonamy Price, in his Practical Political Economy, page 363, shows his fondness for the formula (and it is a good one), "*the tool of exchange*"; and Henry Dunning Macleod, in his Elements of Banking, page 17, insists with much less reason, that "*Money is the representative of Debt.*" He says: "The quantity of money in any country represents the amount of Debt which there would be if there was no

money; and consequently when there is no debt there can be no money." The unfortunate use by some countries of a paper money, which is indeed a form of debt, gives some plausibility to the notion that Money is a representative of Debt; and perhaps the fact that Money is often used to pay debts previously contracted, and that debts are almost always contracted in the terms of Money, may give some additional plausibility to this view; but as Macleod himself goes on to say that "no substance possesses so many advantages as a metal for money," and that "all civilized nations therefore have agreed to adopt a metal as money, and of metals, gold, silver, and copper have been chiefly used," we do not see how he can logically hold that a gold dollar, or a gold sovereign, whose value is as substantive and independent as that of any Valuable in the world can be, becomes through coinage and circulation "a representative of Debt." Instead of saying as he does, "where there is no debt there can be no money," it may be confidently asserted on the other hand, where all transactions are settled at once in solid money there can be no debt.

7. Having thus looked into the nature of Money, and seen what is its one essential characteristic, and its one obvious and universal function as the result of that, it will help us now in our further discussion, to examine some of the material commodities that have served as Money at different times and places.

*Cattle* appear to have been the earliest money of which there remains any record. Homer, near the middle of the sixth book of the Iliad, indicates in the following lines that oxen were an incipient money in the Heroic age:—

"Then did the son of Saturn take away  
The judging mind of Glaucus, when he gave  
His arms of gold away for arms of brass  
Worn by Tydides Diomed, — the worth  
Of fivescore oxen for the worth of nine."

We cannot certainly infer, when it is said in Genesis that "Abraham departed out of Egypt very rich in *cattle* and silver and gold," that any of these were anything more than articles of valuable merchandise; but on the other hand it is certain from the Latin name of Money, *Pecunia*, which is derived from the root *pecus*, which means "*cattle*," that Cattle were the Money of the early Romans; and Pliny writes expressly that King Servius Tullius stamped the first bronze money of Rome with the *image of cattle*, undoubtedly indicating by that some equivalence in current value between the two. At any rate cattle have been used as Money among pastoral peoples very widely in place and in time. and are still so used in various parts of Africa.

In the region of the Euphrates and Tigris the precious metals became money in very remote antiquity; for the art of coining, and all other arts, came thence westward to the Greek cities of Asia Minor, and to Greece itself, and we learn that Pheidon, King of Argos, coined silver money on a scale derived from the East in 869 B.C.; and a better proof still is the fact that burnt clay tablets are found in the Royal Library at Nineveh, discovered by Layard, which are really credit-money, notes issued by the Government, and made redeemable in gold and silver money on presentation at the king's treasury. Tablets of this character are extant bearing date as early as 625 B.C. But the gold and silver money must have been circulating a long time in their own right as valuables, before such a credit-money, such a promise-money, as those tablets are, could have originated in connection with them. Abraham, who himself migrated from "Ur of the Chaldees" about 2000 years B.C., not long after reaching the Mediterranean, "weighed unto Ephron the silver which he had named in the audience of the sons of Heth, four hundred

shekels of silver, current money with the merchant." This is expressly said to be "money" and "current money." Perhaps it was coined money. At any rate, it was cut and piece money. It was indeed weighed out, and not counted out. This is still the more accurate and speedy manner, when the facilities for the weighing are present. The Bank of England at this day weighs, and not counts, the coins received and paid out. The Romans first coined silver money in 269 B.C., and gold money in 207 B.C., and gold coins were stamped in Greece about the time of Alexander the Great, say 333 B.C.

Other metals than those called precious were also early used as money. Long before Pheidon's silver coinage in Greece, *copper skewers* were used as money in that country, of which six made up a *drachm*, which was afterwards both a coin and a unit of weight, the coin being worth about 17 cents of our money, and the weight being about 66 grains avoirdupois. The word *drachm* is derived from *δράγμα*, a *handful*; and the sixth part of it, called an *obol*, from the Greek word meaning a *spit*, became also both a coin and a weight, all which makes it evident that these were used in connection with roasting meat, and that one skewer or obol was originally a unit both of value and of weight. In Adam Smith's day, in certain districts in Scotland, *nails* were still used as small money, which is a forcible reminder of these old Greek skewers. Iron became money in Sparta; money of lead was known to the ancients, and is still current in the Burman empire; the earliest Roman coins were of copper, which were cast rather than stamped, for no die would have sufficed for pieces so large and heavy, and the *denarius* was the unit divided into ten *asses*, the *denarius* being nearly the equivalent of the Greek *drachma* whether of copper or silver, because the Romans reckoned from the first the ratio of

copper to silver as 250 : 1; bronze is a mixture of copper and tin, and brass of copper and zinc, and copper coins with both these admixtures — used for the purpose of hardening the copper, it being a general law of metals that a mixture of two is harder than either — have been very common in ancient and modern times; Sicilian, Roman, and old British coins of tin alone are known to have been struck; and Herodotus makes the statement that the Lydians of Asia Minor were the first to make a coinage of *electrum*, which, as some claim, was a mixture of gold and silver, and of which ancient specimens are still existing.

Cowry *shells* are still used in the East Indies, and also in Africa in the place of small coins, and have sometimes been imported into England from India to be exported in trade to the coast of Africa, being reckoned in Bengal at about 3200 to a silver rupee, which is about 46 of our cents. The New England Indians also used beads or shells of periwinkles (white) and of clams (black), of which 360 made up a belt of *wampum*, as they called it, the black being counted worth twice as much as the white; and the English colonists accepted the wampum in their exchanges with the Indians, regarding a string of white as equal to five shillings, and a string of black to ten shillings, and afterwards made it legal tender among themselves for small sums, and even counterfeited it. Cakes of *tea* have passed as money in India, and elsewhere; and it is said, that at the great annual fair at Novgorod, in Russia, the price of tea has first to be determined before the prices of other things can be settled upon, since that is a kind of standard of Values in that great mart. *Salt* has been current money in Abyssinia; *cod-fish* in Ireland and Newfoundland; and *beaver-skins* in New Netherlands, New England, and the western parts of America.

We do not here try at all to give a full list of the things

that are known to have been used in the early states of society as money; and there would be no ground for surprise in any list, however large and varied, when we remember how great is the need of some such form of value generalized in order that exchanges may grow to any considerable size and vigor. Two points only need now to be noted, (1) that the tendency everywhere has been sooner or later to come to the metals as the best form of money, and among the metals to reach gold and silver as the only ultimately satisfactory materials for Money; and (2) that no instance has ever been found in the whole stretch of inquiry over all the earth, of anything becoming a Money that had not been previously a Valuable. We might be perfectly sure of this beforehand, without any search at all among the moneys of primitive times and states of civilization, because, from the *very nature of the case* nothing could ever serve the purpose of Money except what was already a valuable to make the comparison with, — nothing could ever possibly serve as a measure of services except a service. It has several times been claimed, that actual exceptions to this law have been historically discovered, but when the alleged exceptions have been closely scrutinized they have been found to be apparent only. To take two or three of the most plausible examples: the Carthaginians had a kind of leather money, which originally enclosed bits of the precious metals, and circulated in virtue of them, though they afterwards came to circulate as bits of leather only, as counters and pledges, in a way that will be explained later. According to the Venetian traveller, Polo, China had in the thirteenth century a money made of the bark of the mulberry tree, cut into round pieces and stamped with the name of the sovereign, which money it was death to counterfeit or to refuse to take in any part of the empire. If we had the whole history of this money, it would

surely ally itself either with the other commodity-moneys now being treated, or with the modern credit-moneys made legal tender to be treated hereafter. It is just as certain as anything can be, that these circles of stamped bark did not start out as money in their own right. The French writer, Montesquieu, asserted that there was in use in the last century among the people of the coast of Africa, what he called "an ideal money," "a sign of value without money," the unit of which was called a *macoute*, which was subdivided in ideal tenths, called *pieces*. This statement was startling, as implying a denomination without the thing denominated, as implying a standard of value which had no basis in a valuable thing. It was afterwards discovered, however, that this money of account had its origin, just as we should suppose it must have had, in an actual *macoute*, a piece of stuff, a fabric, which they had used first as a commodity-money, and afterwards its *name* as a money of account. A valuable thing may become money, and then its name may become a *denomination* of value, and still later a bit of leather or a bit of paper may be called by the same name, and in a certain sense take the place of the same thing. All this will be as clear as day pretty soon.

8. Contrary to what has often been affirmed by Economists, the real measure of Services is the service itself, the *thing-dollar* and not the *denomination-dollar*. The denominations are used in bargainings and calculations as representatives of the money itself, and thus indeed in a secondary sense serve as *measures*; but the subtle connection between the thing and its name, between money and its denominations, and the differences between the two, need to be clearly unfolded, because most of the current fallacies about money take their rise just at this point. An illustration will best serve us here. The original measure

of Services in France and England and Scotland was the pound weight of silver. No coin of that weight was ever struck; but the pound of silver was cut into 240 coins called pence. Twelve of these pence were called a *solidus* or shilling. Thus, as applied to silver, the symbols lb. and £ denoted equivalent weights, the former of uncoined metal, the latter of metal coined. But in course of time, more "pence" than 240, and at last in Elizabeth's reign 744 "pence were coined out of a lb. of silver." Yet all the while 240 of these pence were called a £. £ and lb., both a contraction of the Latin *libra*, were no longer equivalent. The lb. of weight continued stable; the £ of money had dwindled to less than one-third. Yet the *name* pound continued to attach to 240 pence, although the pence embodied a less and less quantity of silver. Each actual penny had less silver in it, and though it was still called a penny as before, the *denomination*, though spelled and sounded as before, represented less silver, and therefore less *value*, than before. The denominations, then, always follow the fortunes of the coins, whose names they are, to the frequent loss and shame of the unthinking, who suppose the same *name* must represent the same *thing*. Unfortunately it does not.

Take another illustration. In 1834 the gold eagle of the United States was reduced in weight from 270 to 258 grains troy, and the alloy increased from one part in 12 to one part in 10. These changes took out more than 6 parts of gold from every 100 parts in all the gold coins of the country. Yet all these coins bore the same names as before. The things denominated changed, but the denominations changed not. Other things remaining equal, the coins lost six *per centum* of their purchasing-power, or in other words, general prices rose in that proportion; the *measure* became so much smaller; and the names, *eagle*,

*dollar*, outwardly unchanged, varied simultaneously and equally with the change in the coins.

Also, coins are liable to change in their function as a measure of general Services from unavoidable changes in the general purchasing-power of the precious metals themselves. If for any reason an ounce of gold will buy less of general Services than formerly, of course the coins cut from that gold will buy less than formerly; and this change in the *measure* is followed instantly and inevitably by a corresponding change in the meaning, though not in the spelling, of the *denomination*. Not so with all other tables of denominations. These have a *basis* independent of the things which they help to measure. The French *metre*, for example, is not variable by the lengths or breadths or heights of the things it measures, but is an invariable unit of length the world over; so is one of Troughton's inches; but this feature does not hold at all of the denominations of Money; because *sovereigns, dollars, marks, francs*, are denominations of *Value*, which is itself a variable relation. Such denominations, consequently, are *not* an independent standard to which values themselves can be referred, as lengths are referred to metres and inches, but vary with the varying purchasing-power of the coins themselves. The "*dollar*," as a denomination, means more or less, just according as the "*DOLLAR*," as a coin, buys, that is, measures, more or less.

Still, essential as is the point now made to any just understanding of the subject of Money, it is vastly important for all the interests of Exchange that the accepted measure of Services be as little liable to fluctuations as possible, especially in all cases in which lapse of time is involved before the exchange is fully consummated. An inflexible standard there cannot be from the very nature of the measuring, but also from the very nature of all

measuring, the money-standard should be and should be kept as nearly inflexible as it possibly can be. For the same reason in kind, only multiplied a thousand-fold in force, that the bushel-measure should be of the same capacity in sowing-time and in harvest-time, to sell and buy by, always a bushel, no more and no less; and the yard-stick an inflexible measure of length, always 36 of Troughton's inches, no more and no less; so, as far as it is possible in the nature of Values, ought the current measure of Services, and hence its denominations, to represent, year in and year out, a uniform degree of purchasing-power.

9. This brings us logically to the historical fact, that, no matter what measure of services any people may have adopted in their primitive times, there has always been a steady force at work tending to displace these in favor of gold and silver. This has become the universal result the world over among all advanced peoples. Governor Bradford in his History of Plymouth Colony gives a quaint account of the origin of money among the Pilgrims, and in connection with that of the fee-simple in lands: "*The Pilgrims began now highly to prize corn as more precious than silver, and those that had some to spare began to trade one with another for small things, by the quart bottle and peck; for money they had none, and if any had, corn was preferred before it. That they might, therefore, increase their tillage to better advantage, they made suit to the governor to have some portion of land given them for continuance and not by yearly lot, for by that means that which the more industrious had brought into good culture (by such pains) one year came to leave it the next and often another might enjoy it; so as the dressing of their lands were the more sleighted over and to less profit; which, being well considered, their request was granted.*"

The neighboring Colony of Massachusetts, settled about ten years later, used Bullets for small change, reckoning them at a farthing apiece, and made them legal tender for debts of less than one shilling; for larger exchanges Wampum and Beaver-skins were long used; but the steady force just spoken of induced Massachusetts in 1652 to supplant these with a silver coinage of her own, called the Pine-tree shillings and sixpences and threepences and twopences. This mint existed (sometimes idle) for over 30 years, but all the pieces coined bore the dates of 1652 or 1662. In 1691, the two Colonies were forced into one government through a new charter granted by William and Mary; and after lengthened trials of inferior moneys, not needful to be described now, Massachusetts determined in 1749 to have no other than silver money circulate in the Colony, and became thereafter till the Revolution the so-called "Silver Colony," and business rapidly and steadily revived and enlarged in consequence of the change, and in contrast with the rest of New England.

Gold and silver, thus ever urging their way in to take the place of tentative and transient standards, and ever coming back again to stay if displaced for a time by cheaper and changeable moneys, have never been anywhere of equal value, weight for weight. An ounce of gold has always been more valuable than an ounce of silver. Probably in the Euphrates country where coinage began, and certainly in Asia Minor deriving thence its weights and measures, gold was strictly the standard with silver as subsidiary to that; in Greece, when Philip's victories established a double standard there, gold was reckoned relatively to silver as 1:12½; in the Roman world, where silver had been the standard after 217 B.C., Augustus Cæsar legalized gold as a co-standard in the ratio of 1:12; in 1717 a double standard was established in Great Britain,

gold being rated in the coinage as 1:15½ of silver, but in 1816 by a law still in force, gold was made the sole standard for the United Kingdom, the legal use of silver being limited to 40s. in any one payment; in France the legal relation of gold to silver was fixed in 1803 as 1:15½, and so continued till 1876; in the United States the ratio first established, in accordance with the recommendation of Alexander Hamilton as Secretary of the Treasury, was 1:15, but in 1834 this was changed to the relation of 1:15.98, and so it remains to this day; in 1871, the new German Empire adopted the sole gold standard, and limited silver to the amount of 20 *marks* in any one forced payment, still allowing the old silver *thaler* to circulate at the rate of three marks to a thaler; and since 1875, the Scandinavian Union permits gold alone to be coined for private persons, and limits the debt-paying power of silver to 20 *crowns*. A crown is 26.78, and a mark 23.82, of our standard cents.

Moreover, the relative value of gold in silver never continues the same for any great length of time, even after the law has sought to ascertain and fix it. Indeed, any law fixing the ratio between the two has very little, if any, effect towards maintaining the ratio. Demand and Supply determine the value of the precious metals each in each at any one time as absolutely as they decree the value of Hindoo rice in silver. France managed to maintain her legal ratio at 1:15½ for 73 years, because all the conditions were on the whole favorable; but when the Germans threw a portion of their silver on the world's market in hopes to reach the single gold standard, and the mines of Nevada poured forth on the same market their millions of silver, the ratio could no longer stand, the right of private individuals to have silver coined for them was taken away in behalf of the government, and only the five-franc silver



pieces continued to be legal-tender to all amounts, the other silver coins becoming then (1876) only legal to pay debts to the amount of fifty francs. A franc is 19.29 of our standard cents.

And this brings us to notice what are called *subsidiary coins*. France, England, Germany, and the United States have debased their smaller silver coins in weight, so that the *nominal* value of these coins is from 7 to 15% above their *bullion* value. For example, two halves, four quarters, ten dimes, of our silver since 1875 weigh 385.8 grains, which is also the exact weight of the French five-franc piece, while our standard silver dollar weighs 412½ grains, both  $\frac{9}{10}$  fine, so that our "subsidiary" silver is debased in weight 6.48%. There are three advantages in thus treating the smaller silver: (1) there is so much clear profit to the Government minting them, thus lessening taxation; (2) a security to the peoples that they shall not lose their convenient small change by export to neighboring countries; and (3) this scheme allows a very considerable rise in the market value of silver without tending to throw the subsidiaries out of circulation. As these are never legal-tender except to very small amounts in domestic trade, there are no serious objections to their use in limited quantities. The English can pay debts in their silver to the amount of £2, and we in ours to the extent of \$5. Coins of copper and of other inferior metals are also *subsidiary* in principle and motive. Our 5-cent and 3-cent nickel pieces are 75 parts copper and 25 parts nickel, and the 1-cent piece is 95 parts copper and 5 parts tin-zinc; and debts of 4 cents can be paid in 1-cent pieces, of 60 cents in 3-cent pieces, and of 100 cents in 5-cent pieces.

10. The steady experience of civilized men for two millenniums and a half seems to demonstrate, that gold and silver constitute the best Money; and we must now inves-

tigate the reasons, one by one, *why* they are the best money. The reasons appear to be three. Of these the first is by much the most important.

(1) The first and main reason why gold and silver make the best money is to be found in *their comparatively steady general Value*. Since Money is a Measure of all other valuables, its success as a measure must depend on its own *steadiness* of value, and gold and silver meet this test better than anything else. Money is a valuable, and not in any sense a *representative* of value; except as to the subsidiaries, a coin does not owe its value at all to the *stamp* impressed upon it or to the *law* authorizing it, since the metal in it is worth as much out of the coinage as in it; coin-values arise under the same conditions as all other values, and are variable by any change in any one of the four elements which alone can vary the value of anything; and it would seem that nothing more is needed in order to remove the last vestiges of the dark cloud which has so long overhung this subject of Money, than to familiarize ourselves first of all, as we have already done, with the true doctrine of Value in general, and then to hold fast the truth exemplified on every hand, that the value of Money is just like every other value. Let us examine then, first, why the value of gold and silver is so steady.

(a) On account of the comparatively steady Demand for these metals. Gold and silver are wanted for two general purposes: first, to be used as money, and second, to be used in the arts; and the usual estimate is, that about  $\frac{2}{3}$  of the aggregate quantity in the world is in the form of money, and the other  $\frac{1}{3}$  in the form of plate and utensils and ornaments. Now, so far as the element of Desire controls Value, the purpose for which any article is desired is a matter of indifference. The aggregate desire for it for all purposes, accompanied with the offer of something with