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# 货币立法论

Money and its Laws: Embracing a History of  
Monetary Theories, and a History of the Currencies of the United States

[美] 亨利·瓦卢姆·普尔  
Henry Varnum Poor



经济科学出版社  
Economic Science Press

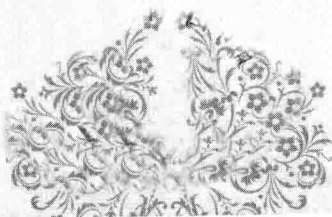




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## PREFACE

IN the following pages the subject of Money has been treated as coming within the range of the exact sciences; the conclusions being assumed to be in the nature of demonstrations. That they wholly contradict those laid down in the books, which have been accepted as fundamental truths for more than two thousand years, is due to the fact that a subject which could only be made to yield to rigid analysis has been treated after the manner of Aristotle and the Schools. Although the laws of Money are assumed to be sufficiently laid down in the first part of the work, the writer, from the universal prevalence of erroneous opinions, has lost no opportunity of illustrating them in the discussions which follow. If he have not in all cases clearly established the connection between his conclusions and premises, the reason will, he believes, be found in the fact that he has not, with all his efforts, yet been able entirely to emancipate himself from the methods of the Economists and Schoolmen.

BROOKLINE, Mass., 1877.

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## THE LAWS OF MONEY

THE first lump of gold or silver dug from the earth, as soon as its beauty and uses were displayed, became the object of universal admiration; each beholder sought to become its owner by exchanging therefor such articles of merchandise or property as he possessed, not necessary to his immediate wants.

This preference expressed nothing less than an instinct or sentiment common to mankind. In the earliest periods of which history or tradition gives any account, and which are far anterior to any possible concert or agreement between different peoples, the precious metals sustained precisely the relation to the nature and wants of man that they do to-day. They have had, through all time, the same importance in the arts. They always served as money in trade, and have always been esteemed the most desirable of all kinds of property to hold. Their owner has always been able to command whatever a people possessed, whether civilized or savage, among whom he might happen to be cast. No other articles of property have a similar power; for, with the exception of the precious metals, what is highly prized by one is often little valued by another; but in the desire for gold and silver, in this *auri sacra fames*, all nations and races, barbarous and civilized, Asiatic, African, European and American, meet on the same plane. To all they have an attractiveness equal in durability and intensity; and among all, they have rendered those who possessed them masters of the property and services

of those who did not.<sup>1</sup>

Articles for which such an universal preference was felt, based alike upon their beauty and utility, necessarily became, by virtue of such preference, the highest form of capital, the universal equivalent — MONEY; for the reason that every person possessed of any other kind of merchandise or property not required for his own present use or consumption, has always sought to exchange it therefor, from the certainty of being able, by its means, to obtain whatever he might wish to acquire. Of all objects those are most prized that minister in the highest degree to our sense of beauty. The value of gold and silver often sinks into insignificance compared with that of a diamond, or of some exquisite piece of painting or sculpture; but the latter values are exceptional and local, and have none of the attributes of universality and uniformity which gold and silver have maintained with equal intensity from the dawn of civilization to the present hour.<sup>2</sup>

The qualities, other than these named, which gold and silver possess which fit them to serve as money, are their durability; their divisibility without diminishing their value; the capacity of each piece, however minute, to receive an impress, denoting its quantity, and, consequently its value; and the uniformity of their cost and supply. No other articles whatever, for the want of similar qualities, are fitted to become money, no matter how great may be their relative or positive value.

It is the durability of the precious metals which has secured to them no small part of the esteem in which they have always been held. They resist all action

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<sup>1</sup> The Book of Genesis, which is among the earliest records which have come down to us, and which describes the very infancy of the Hebrew race, speaks of the precious metals as articles of established use and value from the very beginning of their chronology; that is, from the creation of the world. "And a river went out of Eden to water the garden, and from thence it parted and became into four heads. The name of the first is Pison; that is it which compasseth the whole land of Havilah, where there is gold: and the gold of that land is good."— Genesis, ii. : 10,11,12.

<sup>2</sup> If a Greek, who lived 2,500 years ago, could revisit the world, the only articles which he could bring with him which would have the same value and significance they possessed in his lifetime, would be gold and silver, either in the form of coin, or of ornaments wrought from them. His coat of mail, his polished arms, the implements of his industries, his household goods, — whatever constituted his wealth, or ministered to his comforts or his tastes, — all, with the exception of his gold and silver, would have long since been mingled in common dust. His language might be wholly unintelligible, but with the coins in his pocket, still retaining their wonderful beauty of design and workmanship, which might have been paid out to him directly from the mint, and with which he might have traded and travelled, in the infancy of Greece,— he could start upon a tour around the world, with a certainty that they would be received without question, at a value determined by their cost, at every public house, caravansary, railroad and steamboat office, and supply every want in his long journey of 25,000 miles.



of the elements, and are absolutely indestructible when at rest. As the demand for them has always existed with equal uniformity and force, their durability fits them to become, in a preëminent manner, *reserves* in which the earnings and means of every member of society, no matter how humble, can be treasured up for all future time. Possessing them, he is at once raised above the possibility of want; and by the ease with which they can be transported or concealed, is enabled to secure a degree of independence and immunity from want, without which, in many countries, life itself might become wholly intolerable.<sup>1</sup>

It is in overlooking the original and universal attractiveness which the precious metals have for the race that nearly all the errors in monetary science have arisen. "Gold and silver," it is urged, "cannot feed, clothe, or shelter us; they cannot even help in any way to sustain life. How idle, then, to claim a greater value for them than for articles which can!" There is no doubt that in extreme cases a person would part with untold gold for a morsel of bread, a cup of water, or a plank to save from drowning; but all such examples are exceptions, not rules. When famine or want threatens, or when political or social disturbances make men distrustful of the future, their first care is to lay in abundant stores, not of food and clothing, but of gold and silver, assured that with these, they can never be long in want of other articles, whatever may happen.

Without some article or articles, for which a supreme preference was felt,

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<sup>1</sup> The precious metals possessed, in many respects, a far greater importance in ancient than in modern times, and among Eastern than Western nations. So long as no considerable progress was made in the arts, they necessarily served as the materials with which were fabricated, in a great measure, articles of ornament or luxury. The Eastern races have never been able, like the Western, to oppose an effectual resistance to the tyranny and exaction of their rulers; and most pitiable would have been their condition had there not been some form of property, the possession of which could be effectually concealed, its value in the mean time remaining unimpaired. Their whole history has been one of oppression on one side and of arts to foil it on the other. "The Rajahs," says Mr. Scrafton, in his tract upon the government of Hindostan, "never allow their subjects to rise above mediocrity. The Mohammedan governors look upon the growing riches of their subjects as a boy on a bird's nest; they eye their progress with impatience, and come with a spoiler's hand and ravish the fruits of their labors. To counteract this, the Gentoos bury their money under ground; and often with such secrecy as not to trust even their own children with the knowledge of it; and it is amazing what they will suffer rather than betray it. Their tyrants use all manner of corporal punishments, but that often fails; for with a resentment prevailing over the love of life, they frequently rip up their bowels, or poison themselves, and carry their secret to the grave. The sums lost in this manner in some measure account why the silver in India does not appear to increase, though there are such quantities continually coming into it and none going out."

there could have been no adequate motive to industry; for without them, industry could have produced nothing beyond the food, clothing and shelter necessary to sustain life upon its lowest plane. There cannot, in the nature of things, be a continued or superior preference for food over clothing. Each is indispensable in its way; but a person possessed of one is not necessarily nearer any article of merchandise or property he may wish to acquire, than if he possessed the other. With either, he could only reach such article by the exchange therefor of that which he possessed. Exchanges made in this manner involve, as a rule, labor and expense greater in amount than the value of the article sought for, after it is acquired. So long, therefore, as a people have no other mode of disposing of their products, but by the exchange of one article of consumption for another, they will produce only such as they can directly consume. They will necessarily remain barbarous or savage; and every civilized society accustomed to the use of the precious metals as money, in ceasing to use them as such, inevitably tends to that condition of barbarism from which, with almost infinite toil, it has so slowly arisen.

The first step, therefore, necessary to be taken by a person possessed of property other than gold and silver, in order to reach by means of it, some other article, was to convert it into them. Such conversion is itself an act of barter; for gold and silver are merchandise equally with food and clothing; but it is the only act of barter which is certain, by one further exchange, to secure to the seller what he may wish to obtain. A person possessed of food will not necessarily have any adequate motive to exchange it for clothing, for such exchange might not advance him a single step toward the object of desire. No prudent man ever thinks of exchanging his stock of merchandise for one of other kinds, because that which he possesses does not happen to be in active demand. If it be made up of articles indispensable for consumption, he will hold it till a demand arises. He will rest assured that, sooner or later, some one will take it off his hands at some price, to be paid in money. He may lose by holding; but he might incur a greater loss by any attempt to sell or exchange it for merchandise other than that which he wished to secure or consume, as he would be in the same dilemma in the latter case as in the former. Such an exchange, if made at all, would have to be at the estimated value of his merchandise in money, leaving him as far from a sale for cash as before the exchange was made.

If without the precious metals there could be no exchanges but in kind, still less could there be division of labor, upon which every thing deserving the name

of wealth is based, and without which only the rudest fabrics can be produced. Division of labor is possible only where the laborer or workman can be paid in some article which he may not produce, but by means of which he can by direct exchange, reach any other article he may wish to acquire. If it were possible to exchange a skin for a quarter of venison, it is not possible that a person who polishes and fits the main-spring of a watch should have that which, in itself, would be received in payment for food and shelter.

All sales of merchandise, therefore, before commerce could assume any considerable dimensions, were, from the very nature of things, made payable in the precious metals. For the same reason, all contracts arising from such sales, or for labor or service, to be executed presently or in the future, were held to be payable in them, whether or not they contained such provision, not only for the purpose of securing to the party to be paid that by which he could reach by direct exchange any other article of property, but for the purpose of defining the extent of liability to be incurred on either side. If a person were to receive 1,000 bushels of wheat at the expiration of ten years, he could form no idea of what it would realize to him till it was received and sold for coin. If he were to receive \$1,000 in coin in ten years, he would know its value as well when the contract was made as when it was to be executed. Its value would be the same, or very nearly the same, at either period. The wheat might not have one-half, or it might have double, the value when it was to be paid, that it had when the contract for its payment was made. Neither buyer nor seller, therefore, could with any safety enter, nor would either as a rule, enter into contracts not presently to mature, that were not to be discharged in coin.

As the precious metals are always in demand at the cost of their production, their value is ABSOLUTE; depending upon one condition,— cost. That of all other articles is relative, depending upon two conditions, — demand and cost. From absence of demand, their value, either in the precious metals or in other articles, may not equal one-half their cost. In all transactions the former pass at their absolute value. As all other articles must take the form of the precious metals, or of that which possesses a value equivalent thereto, before they can be made available to their owners; and must be accepted in exchange, at their absolute value in gold and silver, the latter must be the STANDARD of value by which that of all other articles is measured. As they are money by virtue of their value, they are standards of value by virtue of the same attribute. When they pass as

money, the standard, as well as the instrument of exchange, passes in the same article, by the same act. The thing itself, unlike a foot-rule or pound weight, is the standard, — the measure of value. Other measures, those of extent or quantity, do not pass in the sale of that which they measure. The value of such measures has no relation whatever to that of the articles measured. But money, the medium of exchange,<sup>1</sup> and money the measure or standard of value, are identical things. The words that express them are, in the strictest sense, synonymous terms.

From what has preceded, the transcendent importance of the precious metals in the development and progress of society will be at once appreciated. They are the instruments, and the only ones, by virtue of their being the highest form of capital, the universal equivalents, which render possible the very first step towards a higher life. They are the foundation upon which rests the vast superstructure of civilized society. Without them there could have been no exchanges, no wealth, no government, no institutions, no history; nothing but the eternal iteration of savage or barbarous existence. The moment they are disused, society is without any adequate standard by which the value of its industries can be measured. Without them, utter chaos would at once take the place of the order which now conducts to prosperous ends the industry of every laborer,—whether he be a cotton-spinner in England, a farmer raising wheat on the banks of the Missouri, a cultivator of tea in China, a grower of rice on the banks of the Ganges or the Nile, or of sugar in Brazil, — and awards to each an exact compensation, measured by a common standard, for the value of his contribution to the general stock from which all are fed and sustained. With them, a people, consuming the products of another, have no need to inquire what those of their own industries will bring in the countries from which their imports are to be made, but only what their own products are worth in the precious metals, at their own doors. By their means, at the close of each day, the most unlettered, equally with the most intelligent and learned, can measure exactly the value of his industries, and apply the necessary corrective, should it be found that they had not

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<sup>1</sup> The term, “medium of exchange,” is one of recent origin, growing out of the use of paper money, from which the idea of value has become in great measure dissociated. So long as exchanges were effected in kind,—one article of consumption being exchanged for another,—each were equally “media of exchange.” The term, as ordinarily used, is one of the great stumbling blocks in the way of a proper elucidation or understanding of the subject of money. It is one of Bacon’s “Idols of the Market.”

been properly directed or sufficiently remunerative. As without such standards there could be neither industry, wealth, nor civilization, the inference is irresistible that the universal demand for the precious metals at their cost, and the uniformity of their supply, are, equally with moral laws, part of God's providence with man.

As gold and silver are capital as well as money, and are always in demand to serve as the basis of reproduction, either by their conversion into forms other than that of coin, or in exchange for food, implements, and the like, every one possessed of them, where governments are sufficiently strong to enforce the fulfilment of contracts, will seek to loan whatever he may have in excess of his own immediate wants, for the income they will yield. The opportunity for loaning them at usury does not depend, as is too often supposed, upon the necessities of governments or individuals for capital for their ordinary expenditures, but upon the uses to which they can be profitably applied. The greater the progress made in knowledge, and in the arts and sciences; the more perfect the means of production and distribution, the greater must be the disproportion of capital to the demand that must exist for it; the more powerful the motives to industry and toil, and the higher the rates of interest which borrowers can afford to pay. From the material progress that has been made within the last fifty years, a significance and value have been given to capital never before known. That it must steadily increase in importance rests upon the fact that God is Infinite and man finite. The mission of man is to unfold His laws, and render them the instruments in promoting his own welfare. The greater his progress, the wider the field spread out before him. Every step he takes becomes an incentive and an aid to the next. The more he achieves in any direction, the stronger the motive and the greater the power for new acquisitions. Every new discovery is a fresh demand for capital. I need only refer to the vast sums now called for, for the purpose of utilizing the discoveries which the present generation has made in electricity, and the almost infinite sums yet required for the full development of that mighty force upon which seem to rest all the phenomena of the universe.

When loans of the precious metals could be safely made at usury, a principle or element of almost infinite value and power was introduced into human affairs. With gold and silver to serve as the instruments of exchange, the means of acquisition were for the first time given to the race. By loans of them, with interest payable in kind, its acquisitions could be treasured up, and be made to bear fruit for all coming time. Until interest could be obtained for their use, every person retained whatever

he acquired, in his possession, until forced by his necessities to part with them. So soon as they could be safely loaned, no one would keep the possession of an amount greater than that required for his immediate wants. Thenceforth the whole face of society was changed. Order and good government were the conditions necessary to induce the possessors of capital to loan it, for they were the only conditions under which the borrowers could prosecute their industries in a manner which would enable them to repay their loans. Order and good government, consequently, have in modern times been the work of the industrial and commercial classes. The moral well-being of mankind rests upon its material well-being. In the promotion of both, the precious metals, with loans of them at usury, stand forth as the prime and paramount factors.

With loans of the precious metals at interest, their possessor could not only make provision for himself, and for his family after his decease, but he could found institutions for the culture of learning, of art, of science, or for the support of some charity, — provisions that should suffer no abatement, but secure the same results one hundred or one thousand years after his death, as during his lifetime and under his own supervision. In other words, he could invest himself, as it were, with the attributes of immortality. He could make no such provisions by dedicating thereto great stores of food and clothing. All such articles are speedily perishable, so that with an abundance of both, unless exchanged for gold and silver, their possessor might presently come to want. No permanent foundation, therefore, can be made, resting upon such kinds of property. Should such an attempt be made, no one could ever be found who would receive them on loans, agreeing to pay for their use interest *in kind*, — to pay, for example, six bushels of wheat, annually, for a loan of one hundred bushels. He would not run the risk of the fluctuations in its value ; or he might wish to change his residence to countries or districts, from which the cost of sending wheat to the place of payment might exceed many times its value. It is impossible, therefore, that there should be any other final solvents of transactions but the precious metals, while human nature is what it is. No commercial people ever have adopted, nor will they ever voluntarily adopt, standards of value other than those Providentially appointed. If other standards are ever used, it is only because governments interpose to set aside natural laws. But all such attempts prove in the end utterly futile; for no government can long compel the people to act in direct violation of their highest interests. However great the departure, the natural standards will always be returned to; but often, unfortunately, not until both government and people are involved in common ruin.

As soon as any considerable progress had been made in commerce and trade, contracts to pay money would be authenticated by convenient and proper instruments. The transfer of these would operate to transfer that which they repre-

sented. With the progress of social order, some of these instruments, for greater convenience, would be made payable to their possessor or bearer, and would transfer, by mere delivery, their constituents. In this way, bills of exchange representing merchandise; promissory notes; and, later, notes of banks and bankers payable on demand to bearer, came into use.

While exchanges of property must always be made at the standard of the precious metals, it by no means follows that they may not be made without their actual intervention. Their use is always an act of barter, in which equivalents in value are mutually exchanged. There is no generic distinction whatever, between an exchange in which a barrel of flour is given for a hat, and one in which ten gold dollars are given for it. The first may be termed *simple* barter, as articles which each party may produce are directly exchanged. But the use of gold and silver involves two exchanges before a party possessing merchandise can reach that which he may wish to acquire,—the exchange, for example, of the barrel of flour for ten gold dollars, and the exchange of ten gold dollars for the hat. The latter process, therefore, may be termed *double* barter; for in it a third agent, or factor, has to be present, which is not, in the function it performs or in the manner in which it is used at the moment, the subject of consumption.

When the vast magnitude of the transactions now taking place is considered, the importance of eliminating from them an agent or factor having a value equal to the articles exchanged will be readily appreciated. The value of the merchandise moving between Great Britain and the United States equals many hundreds of millions annually. Were the precious metals required to move between them as currency, in equal volume, the interest on so vast a sum would have to be added to the price of the merchandise to be paid by the consumer. To this would have to be added the loss by attrition, estimated as high as one per cent annually; and the cost of its transportation which would equal many millions every year. But such burdens might be by no means the greatest of those resulting from an attempt to effect all the exchanges of property by the use of a metallic currency. The hope of seizing it in transit would cover every sea with pirates, from whose vigilance none could escape, and whom no punishment would deter. Instead of sailing singly, a large number of vessels would have to go in company, convoyed by powerful ships of war. Were all the payments within the same community to be made in it, a file of porters, guarded by soldiers, would be required by every great merchant where an office-boy now suffices. Had no mode been devised of effecting exchanges but by the actual intervention of the precious metals, commerce



and trade would not have reached one-tenth their present colossal proportions.

The manner in which the use of gold and silver are discharged from transactions between nations, and between communities widely separated, comes within the experience of almost every man of affairs. An importer in the city of New York does not accompany his order upon a manufacturer in England with the corresponding amount of coin,<sup>1</sup> but buys of a neighbor shipping breadstuffs

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<sup>1</sup> Coinage—by means of which pieces of metal receive an impress denoting their weight and fineness, consequently their value, and which has been adopted by all civilized nations — is of comparatively recent origin. No traces of it have been found among the remains of Assyrian or Egyptian art; and Egyptian civilization, running through periods far greater than those which measure the life of subsequent nations, had begun to decline before coinage was used. Among all the ancient nations, including the Hebrews and Phoenicians, as well as the Assyrians and Egyptians, the precious metals passed by weight. When Abraham weighed out at 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,”— he undoubtedly used scales and denominations of weight common to the whole East. The language indicates as thorough a familiarity with the use of money as does that used in financial newspaper articles of the present day. So Joseph gave to Benjamin “three hundred pieces of silver.” These pieces were undoubtedly of very nearly equal weight, — consequently of value. The word *piece* had a significance precisely similar to that which we attach to the word dollar.

The invention of coinage has been usually ascribed to Pheidon, who reigned about 750 B.C., in the island of IEGina, a dependency of Argos, and at that time one of the greatest commercial emporiums of Greece. Previous to its invention, the form in which the precious metals were used as money was that of pins, or wires, silver being the metal chiefly employed. Of these, a certain number made a conventional handful, or *drachma*. This form was gradually exchanged for that of solid pieces, or wedges, which may be considered as a step toward coinage. To secure pieces of uniform value, coinage was properly made a function of government, its insignia or stamp being the proper guaranty for the value of the coins uttered. The IEGinian scale, as it was termed, was adopted in Peloponnesus, in all the Dorian States, in Bosotia, Thessaly, Macedonia, and throughout Northern Greece. Another scale, however, soon arose, called the Euboeic, which was adopted in Athens, and in the Ionic states generally, as well as in Euboes. Their denominations were the same, —100 drachmas to the mina, and 60 minae to the talent,—but the value, by weight, of the scale of the latter to the former was as six to five.

From Greece coinage was first introduced into Egypt, by the successors of Alexander the Great, about 800 B.C. It was not until about 150 B.C. that Antiochus gave permission to Simon Macca bæus to coin money “with his own stamp.” This is the first instance of coinage among the Hebrews. Through the Greek colonies, which were numerous along the shores of the Mediterranean, the art was gradually diffused throughout the then known world. As coinage gradually came into universal use; as every nation, as well as almost every community of any considerable importance, had its mint, — a vast number and variety of coins were issued; and as the impress they received commemorated events, or symbolized ideas or sentiments, and as great numbers have come down to us, they have proved of almost inestimable value in illustrating ancient history and life.

While all communities and nations have entertained a similar sentiment in reference to the desirableness or value of the precious metals—a sentiment which transcends all agreement or concert between them—they no sooner came to the subordinate matter of *coinage* than they were as wide apart as the poles. Nothing could be more convenient than a coinage common to all nations; yet nothing can be more dissimilar than the denominations of their money. It does not seem probable that they will ever be any better agreed in this matter than now. If money, as all writers have claimed, be an *invention*, why was not a common standard of coinage invented at the same time? That all nations are agreed upon the value of money, and none upon the forms or denominations to be used, although uniformity in this respect is a matter of very great importance, is of itself sufficient evidence that the value of the metals from which it is coined, rests upon a law far higher than the convenience of their use as media of exchange.



to that country a bill drawn against such shipment, paying the value of such bill or shipment in the local currency of the city, at the standard of coin, and sends it forward in the place of so much money. The English manufacturer collects the proceeds of the same in the local currency of that country, and credits his New York customer with the amount. The use of such bill, in the manner described, obviates that of a corresponding amount of capital in the form of money. Proceedings reciprocally the same are had by an English importer of American produce. In this way, by the use of bills, merchandise is offset against merchandise, and payments are made thereby as effectually as if made in money. If the exports of the two countries, the one to the other, were the same in value, no money—coin, or bullion—would move in the operations between them, no matter how great their magnitude. It would only move when there was a want of bills, and consequently of merchandise, to make good the deficit of those kinds which are the ordinary subjects of consumption. The balance arising on either side would be a debt for which the creditor, for the reasons already described, would receive nothing but gold and silver, —the highest form of capital. All balances arising in commerce, the world over, are held to be payable in the same manner. Every transaction, therefore, is upon the basis of coin, as to value, even when it does not interpose, and all balances have to be actually paid in it, or in promises to pay it, coupled with an agreement to pay interest for any forbearance of present payment.

The exchanges, therefore, between communities widely separated are now in great measure effected, not by the use of the precious metals, but by symbols, or evidences, of merchandise moving between them. Such symbols, or evidences, serve as money equally with coin. They perform in the exchange of merchandise precisely the functions of coin. A bill, for example, drawn by a competent party in San Francisco against a shipment of breadstuffs to Hamburg, is purchased by a merchant or banker in the former city for remittance to New York in place of a corresponding amount of coin. The New York merchant or banker credits his San Francisco customer with the amount as so much coin, and sells the bill to a party having a payment to make in Manchester, England. From Manchester it is again purchased for remittance, as cash, to London. From London it is remitted to Paris, whence it is sent for collection to its place of payment. In the mean time, it has served, by virtue of what it represented, in the hands of each holder, all the functions of coin which, but for such bill, would have had to follow in