

ore at the mine to the finished steel rail there is no change of ownership of the materials.

12. *Integration of industry.*—As a consequence of this integration of industries there is much greater simplicity and much less risk of industrial maladjustment than before. The economy of this integrated tendency will be more apparent when we have learned how industrial crises, speculation or trade depressions are caused by failure of the mechanism of exchange to work properly. As we decrease the number of exchanges in the normal production, we reduce by so much the opportunities for breakdowns.

These fundamental economic facts and principles are mentioned here to give the student a proper idea of the relation which money and banking bear to our whole industrial system. Money is an instrument and banking an institution to assist production of wealth and thereby increase the material welfare of the people by facilitating the indispensable operations of exchange, without which all other productive effort would have but a fraction of its efficacy. Without which we should still be in the state of industrial barbarism.

The idea of private property is not, as a great many would imagine, innate in the human mind; it is a product of centuries of slow evolution developed by necessity. Among the most primitive peoples communism is general, except in things peculiarly personal. The first exchanging was not between individuals, but between tribes, and originated in mutual gifts rather than any contract of *quid pro quo*.