

knows when five men are bidding for one article that the price will go up, and that when five sellers are offering their goods to one man the price is likely to go down. He is not likely to understand, however, how prices in general may go up in consequence of a new discovery of gold in the Klondike or an increase in the amount of bank credit outstanding. Yet these latter forces are just as potent, and even more enduring, than the former in affecting prices.

To offset the enormous damage chargeable against the panic of 1907, we must place on the credit side of the account an item whose importance is becoming more and more apparent. This item is the education of the American business man in the science of currency and banking, at least to the extent that he appreciates as never before the relation between a defective currency system and his own prosperity. He feels that much of the loss and suffering of that disaster was unnecessary, and that in the future the severity of panics may be considerably mitigated.

If an architect should plan the construction of a building which collapsed in the first severe storm, he would probably be held for criminal neglect in disregarding the laws and principles of scientific construction. Should not the architects of our currency and banking systems be held equally responsible for the collapse of their structures when they have disregarded scientific principles clearly established?

The study of the science of currency and banking is not only obligatory upon the architects of our monetary system, but it is also profitable to those who must adapt their business to existing systems. If the system is defective, they must know how to escape the consequences of such defects; they must know enough to move out of