

This complexity introduced by the use of money and credit would seem to increase the difficulty of exchanging goods for goods, but in reality it facilitates the process immensely. While seemingly the most expensive mode of making exchanges, in reality it is the most economical. The profits and salaries paid to the merchants and bankers are added to the cost of the finished cloth, and the planter must give so much more raw cotton for it, but if these middle men did not exist it is likely that the planter would have to manufacture the cotton and the cloth himself at a hundred times the real final cost. This is a case where the most indirect route is in reality the shortest and cheapest.

19. *Money and credit representatives of wealth.*—Money and credit are representatives of wealth rather than real wealth. This statement seems to involve a paradox because of the habit which has been acquired of regarding as wealthy a person who has control over a large sum of money or credit. The popular conception of a wealthy man is very likely to approximate the cartoonist's idea of a rotund individual wearing a silk hat and a costume with a dollar-mark pattern and surrounded by bags of specie.

The wealthy person in reality is one who has control over a large amount of goods or real wealth. However, in estimating wealth we find it convenient to reduce it to a sum of dollars' worth rather than to enumerate all the items of goods contained in it. A millionaire is not a person who owns a million dollars in money, but whose property rights are estimated in terms of dollars. The millionaire may rarely have in his personal possession more than a thousand dollars in money, but because his property rights are more or less convertible into money we fall into the error of carelessly