

flexible curteney, rather than of an enlarged one, is that the United States and in fact other leading nations, have an abundance of money awaiting investment.

In July last the money in circulation consisted of :

Gold coins.....	\$456,000,000
Silver certificates....	331,000,000
Greenbacks.....	226,000,000
National Banknotes..	216,000,000
Treasury notes.....	95,000,000
Subsidiary silver.....	60,000,000
Silver dollars.....	52,000,000
Gold certificates.....	42,000,000
Currency certificates..	32,000,000

Total.....\$1,510,000,000

A part from this the Treasury amounts to 795 millions, less 664 millions in certificates treasury notes and bullion leaving a balance of 131 millions or a grand total of 1641 millions cash.

Now this is quite a large variety of money for a progressive country like that of our republican friends.

I have described the national bank note system and presume I need not enlarge on the familiar history of the greenback issues beyond saying that many expedients were resorted to in order to inspire confidence but without effect; though as Mr. Sherman said they had been carefully limited in amount and invested with every quality to improve their value and condition. They illustrate the theory that national issues, unless with substantial backing are the most dangerous element in currency.

The Treasury department is defined by an American economist as "a bank the counterpart of which exists nowhere in the world to-day; a bank with unlimited credit, which it cannot use; vast resources not available; issues out of all proportion to reserves; cellars full of hundreds of millions of useless silver; no power to operate; with

none of the privileges of the ordinary bank or individual, paralyzed completely on the side of executive action; its doors wide open to the outflow of gold, furnishing itself the legal instrument of suction to be used over and over again to exhaust the precious stores, but on the other hand cut off completely from power to replenish except through one small antiquated aperture—the 5 per cent bond.

It is only a few weeks past that in order to protect the Treasury leading national banks and foreign private bankers had to come to the rescue and agreed to furnish up to \$75,000,000 in 60 day bills of exchange and other documents at a price below the cost of gold exports, thus checking the outflow of that metal. This attempt at artificial protection is a serious comment on the system, but the action of bankers averted the panic into which the country had been about to pass.

I must acknowledge that the enormous extent of its trade and commerce, the immenseness of its resources warrants the handling of a large circulation but I find that the supply is not incommensurate with requirements when it is compared with that of other countries.

And I readily believe that were the system reorganized on the basis indicated, and which is not a new suggestion, there would be sufficient money to respond to the legitimate needs of the people.

A fair supply of circulation indicates wholesome activity, a large one is dangerous and has disturbing and distressing effects worse than scarcity. Money unemployed is unproductive. When employed it is profitable because it stimulates production which otherwise would be restrained and would create loss. It utilises labor which produces wealth and commodities.

(To be Continued.)

