

the value of the gold guinea, wishing apparently to prevent the exportation of the silver coin. They did not, however, reduce it from 21s. 6d., the then current value, to 20s. 6d., the actual value, but only to 21s., leaving it still above the market value of the coin in silver. The effect was to confirm the tendency of the people to pay in gold coins, and gold has ever since, by law as well as habit, been the current money of the country. Silver coins ceased to be used in large transactions; various statutes, commencing in 1774, deprived it of its character of legal tender, except for payments of small amount, and it was ultimately reduced to its present condition as a token coinage.

The interesting point of this history is to see that the present gold coinage has obtained its place, not by law, but to a great extent in spite of law; that law was powerless to force upon the country a currency which it did not want, but all-powerful when it followed and stereotyped the practice of a people; that this practice was suggested by motives of convenience and inclination differing from and counteracting the motives which arose from a mere consideration of market values; and that even in such a matter as currency, speculations founded on the effect of law, or even on mere considerations of value, have been and are likely to be at fault unless corrected by a careful consideration of special wants and circumstances.

Political economists ought to be well satisfied with these results. They illustrate and confirm the position that the value of coined money is, like that of other things, a question of supply and demand; that it depends on human wants and habits; and that if law is to be effectual it must follow and consult these wants and habits; in other words, that the value of gold and silver money is at bottom "natural," just as other values are natural.

These words will serve to call attention to Lord Liver-