

Convention. But this has not as yet been held, and, it is possible, that the result of the coming Presidential election, in the United States, may have the effect of either precipitating or retarding this desirable event.

It would be a splendid achievement worthy of the renown the nineteenth century has acquired through its marvellous social progress and scientific development, should the historian upon whom shall devolve the writing of its history, be enabled to announce the solution of the international monetary problem. But the world seems to be moving so rapidly nowadays, and the life of the present century is ebbing away so fast that we could scarcely hope, yet who knows what events the next four years may develop?

It is impossible to forecast the future because of the influence which the political events now developing in the United States, which is an important factor in international matters, may have at home and abroad, but I am convinced that no monetary congress would adopt bi-metallism as it is understood in the United States. Yet, I can make bold enough to prophesy that when the question is finally settled, there shall be a uniform decimal metric system of "money of account," that gold shall be the sole international and unvarying measure of value; that silver shall be an auxiliary or subsidiary money for domestic purposes - in quantities determined by population and local requirements; and that, around this immutable conventional money, bullion silver and every other species of property shall constantly revolve, subject, however, to such changing phases - regarding the average value of gold metal in the commercial world - as the economic laws of Supply and Demand may determine.

THE MEDIUM OF EXCHANGE-- MONEY-- CREDIT AND BANKING.

The more commerce develops, the more it becomes evident that the measure of value - "Money" - should

not be one in name only, but that it should, *de facto*, be a common denominator, an absolute unit of value. It should be constructed on such a scientific basis of stability and usefulness, as to ensure absolute confidence, otherwise transactions between men or nations might be frequently disturbed, and a depreciated currency would reduce all business to pure speculation. My definition of money is that it is an idea, a principle, and that gold is the nearest in affinity to money. This may appear paradoxical, but it is not. It is not money in its character as a unit - a conventional sign covered by the political authority of a nation that fluctuates, but the metals of which it is composed.

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The medium of exchange does not consist in one idea alone. There is another idea, another principle just as important, and that is "Credit" -- which I need not describe otherwise than to say that it is capital, that it multiplies specie and places property in the hands of those who will make it valuable.* It is one of the most powerful factors in the commercial and financial operations of the world. It is certainly the chief underlying factor in periods of activity and prosperity as well as in periods of inflation and depression. Credit is in fact an elastic capital which may be rendered productive of good or evil, according as it is employed. Abuse of credit disturbs the stability of prices and produces those terms of depression with which every country is visited, and which are the reflex of a wave of stagnation that may be looked for as regularly, every decade, as the recession of the equinoxes.

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I have defined "money" and "credit" as being ideas and principles with methods and forms of their own. But to set all their machinery in order and keep it in constant motion an agent is required, and the medium of the media is the "bank," for banks are dispensa-

* In this definition is considered that of Demosthenes, Dutot and Jevons.