

convenience of foreign intercourse? The financial statesman will tell us both are essential. But, he could not, we apprehend, say that we should only use that particular material for a domestic medium which would be accepted in a foreign market. If such a rule were to prevail there are few countries that would be found to have gold or silver enough to carry on all the transactions of their domestic commerce. And after all, the value of gold as a standard is entirely arbitrary, and only remains less fluctuating than other metals by virtue of its limited quantity. Had Mr. Chase adhered to a currency convertible into gold he would have been brought to a stand-still long before the fourth year of the war, and the country would have been bankrupt. He had wisdom enough to see that currency was indispensable to call into operation the latent resources possessed within the United States; but he also perceived that currency was not necessarily coined metal. And here we may illustrate what the American Secretary seems to have discovered by quoting an English writer upon "Banking and Currency Reform":—

"Currency is coin or notes that have been declared legal tender by Act of Parliament; all else is only capital or money. Gold, Silver, Copper Coin and Bank Notes is, strictly speaking, currency and not capital, for they are the means of transferring property from hand to hand irrespective of their intrinsic value, which is the use and object of Currency.

"Currency is coin and legal tender notes or circulating medium, by which property or capital is transferred from hand to hand. It is therefore quite distinct from capital, for the thing which transfers cannot be the same as the thing transferred. Such being the important functions of currency, it will be understood that great calamities must ensue whenever a want of it occurs, or a want of confidence in the ability of the system to supply it in the future. Look at a game of cards when a short-coming of counters occurs. A kind of panic and a stoppage of the game takes place, although every one knows there is sufficient capital in the pool to meet engagements. This panic, it will be observed, occurs not from the want of capital, but from the want of currency, as in the case of the money crisis through which we are now passing, which has caused a serious stoppage of trade, as shown by the falling off of our imports and exports. Coin and bank notes may be considered mere counters; and all we have to do to perfect the system is to see that there is always enough of counters, and these of a sound description, equal to any strain that may come upon them. At present we have neither enough counters, nor