and, therefore, is part of the monetary mechanism of the country. Yet only one in the series, namely gold, in doing its money work, stands on its own feet. It has all the qualities of money, and all the qualities of goods, and is thus both goods and money. The values of the other parts of the mechanism are not their own, but theirs merely as representative. These paper instruments of exchange are like persons of plebian birth admitted to high places in virtue of the livery which they wear or the services which they perform, but wholly without right to be present on any claim of their own. In gold standard countries, it is in gold alone that we find the point of contact between the world of goods and the world of money, and hence the means of keeping the quality and value of money adjusted to the quality and value of goods. Gold as an article of commerce has its value determined by cost of production relatively to other articles. If, on the average, the quantity of gold needed can be got more profitably by mining it than by selling some other product for it, then it will be mined in increasing quantity, as at present. If the reverse is the case, then less capital and labour will be devoted to the mining of gold. Now, since all the paper takes its value from the gold, we observe the self-acting mechanism by which, assuming banks and governments to be honest and prudent, the paper money of the country is kept at the proper value with reference to goods. In all such cases gold is the standard of money.

Just here it might be well to point out that, where there is no free coinage of silver, even though in coin, silver may be unlimited legal tender, yet as money it is precisely in the same position as paper where paper is also legal tender to any amount, as in the case of our Dominion notes or the United States greenbacks. The silver is a servant of nobler birth than the paper, but, like the paper, is present at the golden court only in virtue of its livery.

Though gold is both goods and money, and in the most important commercial countries, the sole connecting link and adjuster of values between goods and money, yet as a practical medium of exchange, it is not nearly so convenient, on account of its bulk, weight and intrinsic value, as most of its paper representatives. For the work of common currency the bank note is the most convenient; for the work of larger business payments a bank account and check book is much better; and for international or distant payments the bill of exchange is to be preferred. Thus while gold is the standard of money, it is but sparingly used as the medium of exchange.

It follows from this division of labour in the money service, that the volume of business to be transacted bears no necessary relation to the quantity of gold needed to insure the proper quality of the money. More depends upon the intelligence and integrity of those who control the monetary system of a country than upon the mere quantity of gold held in reserve. It has even been found possible, when great care is exercised, to maintain by artificial regulation and without any natural and automatic money standard such as gold, a proper equivalence between money and goods. In the English and American business centres, where such a large percentage of the world's traffic goes on, over ninety per cent. is conducted without either coined money or bank notes, and even in the retail trade of the country nearly one-half the volume of business is done without coins or bank notes. When we turn to the bank reports and observe how small the proportion of cash in hand is to the notes in circulation and the deposits, we may form some estimate of how cheaply the world gets its money service performed, and how little the volume of business to be carried on is affected by the quantity of gold which adjusts the volume of money to the work required of it. It is as misleading to speak of the growth of commerce making proportional demands upon the monetary standard, whether gold or silver, or both, as to speak of the growth of transportation making proportional demands upon the world's stock of horses because horses are still a necessary link in transportation. True enough, if any great crisis, due to the corruption or blundering of governments, the blundering or fraud of bankers, or a period of reckless speculation, should shatter public and private credit, and largely cripple the mechanism of exchange, the gold in the world would be quite inadequate to take its place, but so would silver or anything else. Tons of silver could not be moved with the facility of bills of exchange for like amounts. Even if half a dozen metals were employed at present as joint standards of money, it would not increase the amount of service required of the money standard which is a service of quality rather than of quantity, and hence, in time of crisis, while there would be much more bulk to call upon, there would not be much more value. The danger which threatens, and of which we have already had a foretaste in the United States, is not from any scarcity of gold for the normal work required of it, but from the well-meaning ignorance of democracies. The people are, rightly enough, anxious for good prices for their typical products. They know little, however, of the fundamental conditions of good prices. When prices fall in some essential product the first reason which comes to hand is eagerly grasped, namely that money is too dear or too scarce. At once appeal is made to the great fetish or special providence—the government—to set things right by doctoring the money, and this is the beginning of evil.

In brief, then, the answer to our question, what is the nature and function of the money standand, is simply this: In its nature it must be something which is naturally and freely both goods and money, while its special function is not to do the actual work of exchange, but to maintain a uniform value, to keep on the same level with each other the various parts in the mechanism of exchange, and to adjust the amount of money to the work required of it—a qualitative rather than a quantitative function.

We have next to ask what substance is practically best fitted to meet these requirements. A. Shortt.

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The Manitoba School Case.—I.

THIS celebrated case has assumed so many curious phases, it is of so peculiar a nature, and it has been so often misunderstood that it seems desirable to endeavour to review it from its inception. In doing so, I do not profess to have a better understanding of it than those who have followed it through its extraordinary course, but having, in common with others of my own profession, easy access to the statutes and authentic reports of the several arguments and judgments, I propose, first of all, to state as clearly as I can the actual course of the litigation through all the courts, and then to state the position occupied by the Dominion Government with respect to it.

In the first place, it must be premised that the subject of Education is assigned to the exclusive jurisdiction of the Provincial legislatures by the British North America Act. No Province could exceed its jurisdiction in dealing with education, whatever the nature of its legislation, but for the limitations imposed upon the exercise of its powers by the same section of the Act which gives jurisdiction, and which will be presently noticed To illustrate: In the United States, although the individual States may make laws respecting contracts, no law shall be passed impairing the validity of any contract. If such a law is passed it is null and void. The jurisdiction does not shift, so to speak, to another legislative body. The power remains unimpaired to the same legislature, and it may again exercise its powers with the same object in view, and validly do so, provided that it does not infringe upon existing contracts.

With our Provincial Legislatures the case is different. Although they are restricted as to the subjects or topics of legislation, they are unrestricted in the mode of dealing with them. They have absolute power to alter a man's will, to discharge existing obligations, to take a man's property from him and give it to another. The only limitation upon the exercise of their rights is the high, moral sense which controls British legislation, and the power of disallowance which is incident to a superior executive body having a supervising power over an inferior legislative body.

It is only with respect to Education, and even there in a very restricted form, that any limitation is imposed upon the constitutional powers of the Provincial Legislatures. Thus, no law can be passed which "shall prejudicially affect any right or privilege with respect to denominational schools which any class of persons have by law in the Province at the Union." In the four original Provinces of the Union, viz: Ontario, Quebec, Nova Scotia and New Brunswick, two only, Ontario and Quebec, had denominational schools at the time of the Union. And consequently, in those two Provinces the Legislatures are constitutionally unable to pass any law prejudicially affecting any right or privilege relating to such schools which existed at the time of the Union. Any attempt