debtors, adversely to mortgagees, and favorably to mortgagors. If a man mortgaged his house in 1907 for a term of five years, the gold dollars which the mortgagee received in 1912 have less purchasing power than those which he gave the mortgagor five years before. From the point of view of pure justice, this is no doubt to be lamented, but there does not appear to be any remedy in sight. Various economists have proposed some more stable standards of deferred payments than gold has of late shown itself to be, but these are theoretical rather than practical, and gold as a standard money apparently reigns supreme in the hearts of the great majority of civilized mankind. There is no prospect of its being displaced by any merely theoretical standard money.

What Does "Money" Include?

Now at the end of our lesson, we come to the very thorny question: "Just what is to be included under the term money?" Here economists and financial writers widely disagree.

The most restricted definition of money is perhaps that given by Conant in his work on "The Principles of Money and Banking," vol. 1, p. 4. He says that money is "that commodity of intrinsic value acceptable in exchanges, which has become by law or custom the usual tender for debt." This would appear to exclude even silver token money such as ours.

A wider definition is "money is all that is authorized by law to be used in the payment of debts—all legal tender." This would include Dominion notes.

A third and still wider definition is "money is that money does." All is money that serves as a medium of exchange. This with us would include not only bank notes but bank deposits. "Bank deposits," says Taussig, "as well as bank notes constitute part of the actual circulating medium." One pays his debts by checking upon his deposit just as satisfactorily as by paying them in legal tender notes or gold.

Any of these definitions may be defended or attacked.