

one-half of the transaction, the man who was to get the precious metal, the money, had to carry around with him a pair of scales and also be his own assayer, because he could not trust the fellow who was giving him the money, either in quality or quantity, without testing it and weighing it. So, for ages mankind, when they used gold and silver for money to any extent, when the transaction was at all large, tested it with an assaying apparatus and tested its weight. As a memorial to that, there is not to-day in any modern language that I know of, a word we use for a coin that is not the name of a weight.

Government Started to Coin.

The inconvenience of this constant weighing and assaying for every trade forced governments at last to say, "We will take your metal from you, assay it, weigh it, cut it up into convenient little pieces, and certify it to the weight we find it." This is what coining is, and what coining meant originally, and if you look up the Dominion acts that define the word dollar you will see that it is a short name for a certain weight of gold, that is all, and it can be nothing else. Look up the English act and if it is a pound or sovereign it is the name for your money according to weight, and the same thing applies to the currencies of every other country. The franc is the name for such a weight. If you will analyze it and work it out you will find that names of coins are only names for such and such a weight in gold.

Governments, however, took a long time to realize the obligations under which they were to the public. They regarded their duties in this matter as a privilege given to the realm, and most crowned kings in middle Europe saw in this an opportunity for making royal gain; they would put their kingly image on a coin and state on the reverse side that it contained such and such a weight of gold and such fineness, and it was their advantage to make a profit, sometimes done with most excellent motives, but it was done all through the middle ages, and the example thus set by the kings was copied by others, who used to take a little of the gold off in the hopes that the coins would still pass, but we can hardly imagine that a civilized government would attempt anything of that sort.

Go to the Mint.

When you see King George's head on a gold coin, sovereign or pound, you know that there will be as nearly as they can weigh it exactly the correct number of grains in that coin. And to-day this royal privilege of coining is jealously guarded by kings as a public service and public utility. They assay the gold, weigh it, and cut it up into convenient pieces. They have got to act as public servants to-day without any cost to us, for we have the privilege of taking any amount of gold we like to the Mint, and it will come back to us put in convenient form, and if we choose to wait for it you will get the coins back with exactly the amount of gold that you gave to the Mint without any charge whatever. The privilege of a king is to serve, and to serve without reward. There is no real objection to any private individual coining gold coins provided he puts the true amount of gold in each coin, but you will find it difficult to pass one. The public has not got the perfect faith in your goodness as it has in the goodness of the government. Private coining did occur, however, to an enormous extent in the early days, in California, in San Francisco, for instance, and if you go to Washington and look at the gold coins that are set out in the Mint you will find samples of those gold coins that were issued. Gold coins were issued even by the

saints at Salt Lake City and in Colorado also, but I am sorry to say that almost all these gold coins did not come up to the standard, they did not contain the proper amount of gold and proper fineness that they were supposed to; even those turned out by the Latter Day Saints being 25 cents short in each \$5, in the hopes, again, of making the difference.

More than a century ago silver and gold were coined freely at the Mint, but if the Mint is going to coin gold and silver freely it has got to lay down a ratio and say that for one ounce of gold it will give in value so many ounces of silver. The first people to give it up were the English, but it didn't have much effect, and the English got so used to the single gold standard and they got used to the silver coins that they made it final, the one money metal of the country. After they had done this the other countries gradually adopted it, but what happened in all cases can be illustrated by what happened to the Americans.

Beginning of American Mint.

A long time after the Revolution, the Americans decided that they were going to have a Mint like any other country, and they fixed the ratio, we will say, at 15 to 1, (as you know, the ratio is nearer 30 to 1) and after they had fixed that ratio the price of silver fell in the London open market; that is to say, the ratio rose to about 15½ to 1, the price of silver fell but the ratio in the States was 15 to 1. Therefore, any man could sell 15 tons of silver in the States which was worth 1 ton of gold by their law, take that ton of gold over to London and buy with it 15½ tons of silver and bring the silver back to New York, thus making half a ton of silver on the transaction, and nothing on earth could stop him. The American law said 15 to 1 and the open market in London said 15½ to 1. Naturally, he filled that open market with gold and America was being stripped of her gold and got instead silver.

The Americans stood it for a time, and then made up their minds they would stop it, so they changed the law to 16 to 1. Suppose the London rate stayed the same, exactly the reverse process would take place. Sixteen tons of silver could be bought in the States by the new law with one ton of gold and all the New York man had to do was to buy gold in London and sell it in New York and get 16 tons of silver, so that the States were then being stripped of their silver. England was the stumbling block with a single gold standard. The Americans finally made up their minds half a century ago to adopt the English plan, that gold, and gold alone, should be the money, and they then put so little silver into their silver coins that it would never pay anyone to ship them out of the country. This is the principle of practically every civilized country to-day. Gold, and gold alone, is the money, and silver coins are worth so much less than their face value that silver coins are quite subsidiary. There is only about 12 cents of silver in our quarter. While the Mint will coin gold for anybody, it will only work for itself for silver; there is a loss in coining gold because it has to be coined free of charge, but there is a very large gain in coining silver as there is only about 50 cents worth of silver to every dollar.

Gold and Paper Money.

To-day in the world, as far as real money is concerned, gold is money, and this is the real definition of money in the strictest sense of the word. But how did paper money come in, and why? We could not do without it now. As a matter of fact, it came in in