between one man's mind and another man's mind is the foundation of all the bargaining and higgling that takes place in trade. This mental conception, too, may be different to-morrow from what it is to-day, and different as between different individuals. A man's mental conception may be different from that of yesterday in one direction, while another's may be different in the opposite direction. The play of all these divers influences is expressed by the varying figures that (like a thermometer) measure the heat or cold of the market, the desire or absence of desire of persons to get or to part with any commodity, ranging from the utmost eagerness to get, to the utmost eagerness to get rid of – midway been which is a state of perfect indifference. All these influences are operating every day with regard to every commodity that is used by mankind, and operating all over the world in tens of thousands of minds, giving rise to tens of thousands of conflicting thoughts, which finally settle themselves in the markets of the world, in certain figures which are called prices, which prices are just the final result day by day of thousands of conflicting mental conceptions. It would be vain to attempt to arrest this process as carried on day by day all over the world, that is to say, it would be utterly futile to attempt to fix a permanent exchangeable value for any commodity in existence.

It is here we touch that very interesting old problem of the limitation of legislative power.

The legislature of any given country has the power to regulate Weights and Measures, but if any Government were to attempt to regulate the *value* of any material commodity that can be weighed and measured, it would find itself baffled by the varying operations of these mental conceptions in the minds of men, arising out of changing circumstances of the world from day to day.

Let us illustrate. The Congress of the United States could, undoubtedly, pass an Act that a bushel should be larger or smaller than the standard bushel now in use, and when this was universally known, everything within the United States would adapt itself to the change But if Congress were to follow up this by decreeing that everywhere throughout its jurisdiction, a bushel of wheat should be exchangeable for a dollar, what would ensue? (We must carry out our illustration and suppose this law in effect for several years in which changing circumstances and elements come into play) There might be a time, and we will suppose that that time coincides with the passing of the Act, when in the produce exchanges of the United States the higgling and bargaining between the man who wanted wheat, and the man who wanted to part with it, had settled into a quotation of a dollar for a bushel. But the quantity of wheat in the world is constantly changing an enormous quantity is consumed every day, and an enormous quantity of new growth is taking place every day. It is upon men's calculations and opinions of the operations of these two forces that the price in the open market is determined. Now, let us suppose, (and such things do happen, it is not mere fanciful supposition) that the course of growth which finally results in harvest, is of such a character that the world has a very large supply. Those who have the commodity in the United States, find that the Government has established, that they can exchange every bushel of it for one dollar. So far, so good. But no bargain can be concluded without the intervention of two persons. There must be a buyer, as well as a seller, and in the mind of the buyer there will arise the conception that this quantity of the wheat is not worth a dollar, seeing that an equal quantity can be purchased abroad for less than a dollar. The man who has the dollar will send it to another country, and the commodity will be brought in in the course of trade. But the man who has the wheat wants money in exchange for it—his want is money, his demand is for money; in fact, he must have money in order to live. The exchange of his wheat is a matter of life and death to him. He will, therefore, under the operation of that necessity which knows no law, undoubtedly, part with his wheat for less than a dollar. On the other hand, if the process of growth results in a small crop, those who have wheat will find that persons who have money are very eager to get their wheat, and are ready to part with more than a dollar for a bushel of it. They would, in that case, undoubtedly, refuse to sell for a dollar, and as the eagerness of the buyer increased, it is certain the barriers of law would be broken down by the necessity of things. Unless, therefore, the law were to go so far as to impose penalties for every bargain that did not conform to its requirements, and unless the United States closed its ports to the whole outside world, for commodities whose value was fixed by law, it would be impossible for a single day to maintain a fixity of value. But these suppositions are both of them an absurdity. Any absolute monarch that made such decrees would be dethroned, and any legislature would be turned out.

Exchangeable value, then, cannot be determined by the action of a legislature without such further arbitrary and despotical conditions as would put an end to the legislature itself. In fact, it may be set down as an axiom that no action of any government has power to maintain the exchangeable value of any existing commodity. To this it may be replied that the government of England has done this very thing which is declared to be impossible; namely, it has fixed the value of an ounce of gold at a certain sum expressed in sterling figures.

But it will be obvious, in considering this matter carefully, and looking beneath the surface, that what the government of England has done in reality is simply to *determine the weight of the coin* which represents the pound sterling. This coin is called a sovereign, and consists of a definite weight of gold, very nearly a quarter of an ounce. The government stamp on this piece of gold is a warrant to the holder that the metal is genuine and that it is of a certain weight, nearly a quarter of an ounce. The value of an ounce of gold is fixed by law at £3 17s. 10½d. It will be obvious that so far as the gold is concerned, any sale, so called, is simply the exchange of a lump of gold of a certain weight, *for the coins that can be made out of it*, and is no proper exchange at all. But with regard to the shillings and pence, it may be contended that here is a *bona fide* exchange of one metal for another metal in such a way as to fix a relative price between the two. By the same law which ordains that an ounce of gold shall always be worth a certain sum of silver, it is ordained that twenty pieces of silver of a certain definite weight and with certain government stamps, shall be equivalent to a pound sterling. Here, it may be contended, is a genuine and perfect example of two metals passing current side by side, whereof a definite weight of one bears a definite relation of value to a definite weight of the other. This argument however plausible though it be will not stand the test of examination. For these silver coins, whereof twenty are declared to be equivalent to a certain weight of gold, are only allowed by law to pass current at that value in the shape of pocket money. As much silver as a man can conveniently carry in his pocket, viz., £2 worth, and with which he can make the small purchases of life, is allowed to be current at a definite value as compared with gold. This so-called value is purely arbitrary and limited. There the legislature has stopped, and has stopped by force of circumstances. No man can gather up a quantity of these silver coins exceeding £2 in value, and demand gold in exchange for them at the fixed ratio. Any man in England can buy one pound's worth of an article or pay a debt of £1, either with the gold sovereign or with twenty silver shillings; and he can go to the extent of £2 in this direction, but no further. He could not discharge any debt deserving to be called a commercial debt with silver. The law does not allow it. The Bank of England could not give one hundred of these silver coins in exchange for one of its promises to pay £5, and there are no smaller notes current in England. The law allows none of the operations of commerce to be carried on on a silver basis, still less the operations of banking. *The silver coin is nothing but a silver token*, and the fluctuations as measured in gold in the value of the metal, large as they are, do no harm whatever when the coins are restricted in their exchangeable value to such minute quantities. The same argument holds with regard to copper coins.

The silver shilling, then, being considered arbitrarily as a definite proportion of a single pound, which is a piece of gold, it becomes quite clear that the selling of an ounce of gold at the standard price fixed by law, is simply the exchange of a piece of gold of a certain weight, for three or four other pieces of an equal weight, with the government stamp affixed to them, that is, it is an exchange of gold for gold, which is not a commercial operation at all, and has nothing whatever to do with value. *A* has a bar of gold weighing one hundred ounces, *B* has a number of sovereigns weighing one hundred ounces. It is certain that *A* would not exchange