FINANCIAL PRE-EMINENCE OF THE UNITED STATES.

The recent address of Treasurer Roberts in Richmond, would have been interesting anywhere, but its educational value is particularly great in a State where the sentiment in favour of what was supposed to be cheap money has been dominant ever since the decline of silver dangled before the eyes of men, a few of whom were none too honest and many of whom were victims of words and bad reasoning, the possibilities of a depreciated currency. The sophistry of the silverites is easy to follow, and it is equally easy to see through, so it has never ceased to be one of the greatest of wonders that so many people, the bulk of the population of many of our States, failed to see through it. Money, says the silverite, is what all of us are trying to get, and what we try to get we desire to have as cheap as possible, therefore, it cannot be other than a great blessing to have dollars worth fifty cents instead of dollars worth a hundred. But it ought to be equally clear that all the dollars we get we exchange for objects of consumption or investment, and the fifty-cent dollars will bring us only half the amount of things we desire that the hundred-cent dollar will, therefore, we make nothing by the cheaper coin.

There is one kind of cheapness of money that is of value to every producer, to everyone except the person who lives on its investments, and that is money that can be hired for a low rental or interest charge. Mr. Roberts showed, that the interest on Government bonds had been reduced here lower than anywhere else, and that the average rate for money here was lower than in the monetary centres of Europe, except Paris, and was often lower here than in Paris. Real and useful cheap money, therefore, has come with the single gold standard. The amount of money offered to be loaned is affected in great measure by the sense of security; the assurance that a loan will not be repaid in depreciated money, therefore, increases the amount of money seeking investment, and reduces by natural competition the rate of interest. There was never a greater delusion than that demonetizing silver, to use the common but inaccurate expression, "struck down half the money of the world." The certainty that monetary units would not be allowed to decrease in value has increased the amount of capital seeking investment and reduced the charge which the producer must pay to the capitalist, which the present generation must pay the past generation.

For the rest of his address, Mr. Roberts gave the reasons for believing that the increase of National bank currency under the law of March 14, would not be excessive, and argued that the bank currency was not without elasticity. On the last point he was not very successful, for the facts are against him. By taking a period of seventeen years, he was able to show changes in the volume of the bank currency; this hardly amounts to elasticity even though some of the changes are up and some down. The notable fact is that the large changes were contractions at a time when population and business were increasing, and the bank currency ought certainly to have been increasing. Elasticity of bank currency means the capacity of the currency to respond to greater or less demands from business. The chief and almost the only influence that has affected the bank currency has been the decreasing profit from bond investments, causing a heavy, though irregular, shrinkage in the volume of the currency.—N.Y. Bulletin.