

prevent fluctuations in exchange—and lastly, cognisibility—so that it may be easily recognised as money. Now as gold and silver possessed all these properties in a very remarkable degree we find that the early nations adopted them as money or the media of exchange, but in those early days they were not used as coin, they were measured out by weight and mercantile men had to carry about with them weights and scales in order to complete their bargains. Well, there are many of us here who have lived in the gold districts of the Province and who have experienced the inconvenience and loss attending the weighing out of gold dust as a medium of exchange.

In order to overcome this inconvenience in the early ages, certain individuals of undoubted credit, affixed their seals to ingots of gold and silver as certificates of their weight and purity and this is the first historical evidence we have of the introduction of coinage and it dates back in the realms of history to about 900 years before Christ. This *private* money has its counterpart in the present day in the bank notes, stamped and signed with the name of the banker.

It is easy to see that the transition was an easy one from the private stamp or seal to the government coin by law established, from the credit of the private individual to that of the State, and I would now ask the House to take special note of this point in the argument, that it is the State, it is law, which gives to money the greater part of its value. I have good authority for this assertion because the Ancient Greeks in their great wisdom and high state of civilization, gave to money the name of "nomisma," which is derived from "nomos" signifying law, and we have the high authority of that great philosopher Aristotle who tells us that it is by law and through law that money derives the greater part of its value. That such is the case is very easy of demonstration when we remember that the very fact of making gold and silver legal tender as money, at once creates a greater demand for those precious metals, and as the supply is limited, this increased demand gives a proportionate increase to their value. It is well to remember this because there are certain rabid gold monometallists and others who have not studied the question, who will laugh in your face and tell you that it is impossible that *law* can create value in a commodity.

As the centuries rolled on we find that silver was the metal principally used as money rather than gold. Now, why was this?