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### POLITICAL ECONOMY—MONEY—BANKS.

Man has been defined as an *exchanging animal*—a being who buys and sells, a characteristic possessed by no other living creature, and therefore suitable as marking a distinctive character, though others much more exalted might be found. The practise of exchanging one article for another is doubtless coeval with the first associating of mankind together. Men's tastes and talents are as varied as their personal appearance is dissimilar. One delights to follow the chase, another to cultivate the soil; while a third, who neither delights in the one nor the other, generally contrives to be "in at the death." These varied tastes lead the individual man to produce more of one article than he requires, and which he would gladly exchange for the surplus products of his neighbour who follows a different calling. The rudest savage ever found on "Greenland's icy mountains, or Afric's burning sands," is disposed to "drive a trade" with his white brother, even before his dread of unfriendly intentions has been fully removed.

"In a rude state of society, exchanges are made by bartering one article for another, according to some kind of understood value. 'But when the division of labour first began to take place' (says Smith), 'this power of exchanging must frequently have been very much clogged and embarrassed in its operations. One man, we shall suppose, has more of a certain commodity than he himself has occasion for, while another has less. The former, consequently, would be glad to dispose of, and the latter to purchase, a part of this superfluity. But, if this latter should chance to have nothing that the former stands in needs of, no exchange can be made between them. The butcher has more meat in his shop than he himself can consume, and the brewer and the baker would each of them be willing to purchase a part of it; but they have nothing to offer in exchange, except the different productions of their respective trades, and the butcher is already provided with all the bread and beer which he has immediate occasion for. No exchange can,