value and capabilities, which render them of greater importance than the ordinary products of labor is a pernicious and erroneous one. Legal enactments cannot alter the inherent properties of these metals, and make them valuable and worthless at the fiat of a Government any more than they can make leather or paper such. From this it would seem that for convenience the lightest material should be used, and one which had no use in the arts and sciences, or, in other words, one which had no commercial value, for, as we have shown before, it must be regulated by supply and demand, and consequently fluctuate as a standard and measure of value.

The common opinion that the material of a currency must be something scarce and difficult to procure, that the limited amount may render it permanently valuable, is a fallacy, and arises from the misconception of supposing money to be dependent upon the material to represent and measure value. These are legal powers.

Again, it is argued that a dollar derives its value from the labor required to mine and coin gold and silver, of which it is composed. They say that if a day's labor be required to mine the silver for a dollar, and a day's labor be required to raise a bushel of wheat the gold and the wheat are of equal worth, and that legal acts of the government cannot alter the value of either. But if the equal amount of labor expended make the dollar and the wheat at equal value, why will this dollar at certain periods buy two or three times more wheat or more labor than it will at other periods? Why does not the value of labor and of wheat increase equally with the value of the dollar? Or why will not the dollar of gold *measure* as it should do always equal values?

CHAPTER IV.

Demand and Supply do not Give Value to Money—The U. S. Greenback—Increasing the Currency by a Legal Tender—Increasing our Present Bank Issue—A Circulating Medium Settles Down.

Demand and Supply do not Give Value to Money.

In the last chapter money was shown to be a measure of value, and to perform similar offices to weights, measures and yardsticks, &c But it may be objected that the analogy is faulty, and would not hold good in its application to money, as, no matter how you increase the number of yardsticks, it would not affect the length of the yard—36 inches, or 108 barley corns,—but if the gold or paper measure (a dollar) was increased indefinitely their measuring power would be decreased, or that the dollar would fluctuate according to supply or demand. But this is a fallacy, for, as the barley corn, the unit of English measure of length, is the standard by which all distances are measured, so should the unit of the currency be the standard of all values. The latter should be fixed and unalterable as the former. Now what farmer would not laugh if he were told that the distance between London and Hyde Park had increased or diminished according to the plenty or scarcity of a crop of barley corns.

Demand and supply are supposed to give value to money, but it would be as reasonable to assert that demand and supply fix the length of the yard, the weight of the pound, or the size of the bushel, as that demand and supply regulate the value of money. One is a legal instrument to determine value, *its own value being fixed by law*; the others are legal instruments to determine length, weight and quantity, *their own length, weight and size being fixed by law.* If there was not a single yard stick in the world at the present time the distances would still be the same, and if there was not a single dollar in the world the value would yet be the same, and the world just as rich in actual wealth. But grave bankers and financiers will tell us that the values of the whole property of a nation of many billions is inflated on adding a few millions of currency, each unit of which is exactly of the same value or legal measure as that of the currency to which it is added.

The U. S. Greenback.

It has been supposed that the depreciated greenback of the United States furnishes proof that increasing the volume of a currency causes a consequent rise in prices and a derangement of values. But this will not