

CHAPTER II.

The Use of Money in Social Service.

Is it true that "the love of money is the root of all evil"? True! Isn't it tremendously true? Whenever we question its truth we are influenced, I suspect, by a false emphasis. We think of money—not "love of money," mind you, but "money"—as being the root of all evil, and at this our common sense revolts. But instead of questioning our loose interpretation of the epigram and correcting the careless emphasis that causes it, we rashly question the epigram itself.

Love of money is indeed the root of all evil. It is essentially the same thing as love of dominion. Either includes love of theft, love of power to take something for nothing, love of getting service without giving service. But this phase of the subject of money belongs with its abuse rather than its use, and we ought to consider the latter first. That is what you would advise, Doctor, wouldn't you, if the subject were physiological? Wouldn't it be putting the cart before the horse, to consider the pathology of a subject without a fairly definite apprehension of its—may I say its "healthology"?

We did reflect somewhat upon the social use of money, you and I, in rounding out our after-dinner talk at Joseph's restaurant, though only in a general way. Some consideration of it was necessary, however, for we were talking of social service. Indeed, it was unavoidable. Money is to intimately associated with the phenomena of

social service that neither can be considered without the other.

The circumstances of that occasion brought out very concretely the subject of the social use of money. Had you not just given money to our friend Joseph, the proprietor of the restaurant, for our dinner? And had he not taken it with satisfaction—even with a “thank you,” as if the service had been from us to him and not from him to us? Had we not seen, also, that whenever and wherever we got social service of any other kind, whether in the form of street car rides, or groceries, or clothing, or house accommodations, or what not, we discharged our obligation by paying money, or by ordering a bank to pay money out of our account and on our behalf?

Your greenback was the acceptable quid pro quo for our dinner at Joseph's, although it was only a little oblong strip of greenish paper with printing on it, and although Joseph gave you back in the change a prettier greenback quite as large and at least twice as new. So my two nickels were taken for our street car ride, although they were only two little pieces of stamped metal. The strip of paper was of no use to you nor the metal to me, except as we might pass them on to other persons for social service. But we found them so useful for that purpose that we asked ourselves the reason.

You remember our conclusion. We satisfied ourselves that Joseph's reason for taking the greenback for our dinner, and the conductor's for taking the nickels for our street car ride, was that the greenback and the nickels were certificates or tokens of title to social service. Each took them from us in exchange for social service, because he knew that others would take them from him, likewise in exchange for social service. He took them, that is, because he knew that they

were currency; because he knew that they would pass current as tokens of service in the intricate exchanges of the social service market; because he knew that they would be redeemed at sight in social service by anybody who wished to swap one kind of social service for another kind. They were in effect, then, what we have already called them—certificates of title to social service.

And that is the character of all money. It is a certificate or token, passing current from hand to hand, in common testimony or proof to all whom it may concern, that the possessor has good right and perfect title to a certain measure of any kind of service in any kind of form which he demands and which the social service market affords. If he had a bill of sale of a particular bicycle, the bill of sale would entitle him to a particular set of social services exerted and assembled in the form of a certain bicycle. It would entitle him to nothing else. But since he has money, his title runs to any bicycle, in fact to any set of social services whatever, exerted and assembled in any form he pleases. It is limited only in extent; and the extent is limited only by the value which the money denominates. It may, therefore, be rightly said that money is, within the limits of its value-denomination, a bill of sale to any social service which the possessor asks for.

If by this time we do not realize that the social use of money must be investigated at the outset of any inquiry into the intricacies of social service, our reflections are to little purpose. At the very threshold of the inquiry, look we in whatever direction or at whatever concrete manifestation we may, the money function confronts us. Doubtless we shall find it obtrusive throughout, if we pursue our general inquiry, but at the threshold it confronts us in a peculiarly impressive way—in

a way so impressive as to send our thoughts awry if we do not have a care. A little intellectual indifference, only a little careless or crooked thinking, and we might find ourselves making a fetish of money in more senses than one. We might forget that money is only a social token or representative, and think of it as a social reality or substance. We might forget that the terms of money, such as "dollars" or "pounds" or "francs" or "marks", are only nouns in the vocabulary of the social service mart—mere expressions for denoting and registering units of social service in exchange. Verbalists put the word above the spirit, the phrase above the thought, the token above the substance; and you and I, unless we are cautious in our thinking about social service, may fall into the pit of verbalism by putting mere money tokens, or mere money terms, above the substance of social services whose transmutations and transfers and relative utilities the money tokens merely measure and the money terms merely register.

Shall we avoid that danger? We may find it worth our while, even at the expense of a little laborious thought. Thinking is indeed laborious—exact thinking—but it pays. And though it were only for amusement, what could compare with the unraveling of such a tangle as that into which the use and abuse of money and the terms of money involve the processes of social service? Wouldn't you rather have the fun of unravelling this tangle than the fun of winning with your "partner's best" at euchre, or keeping your chum out of the "king row" at checkers? And really no great learning is needed. There isn't an illiterate dishwasher in Joseph's kitchen who cannot do it if he tries, just as he can untangle a perverse fish line if he tries. Although intellectual training is necessary, the peculiar training of scholarship is not. The necessary training is only what is requi-

site for all good work, from the humblest up—the training, that is, that quickens clear thinking. Some of the greatest scholars, men distinguished as economists and sociologists, men of wide reading and phenomenal verbal memories, get confused in social service tangles. It is because they do not think clearly. Other men, without scholarship, without pretension or distinction, with little reading and abominable verbal memories, readily resolve the confusions of social service into their simple elements and unravel the tangle. This is because they do think clearly.

What do I regard as the most baffling confusions in which the use of money involves us? To answer that question I shall have to recur, even at the risk of repetition, to the common tendency to ignore the importance of the simplest and most obvious characteristic of money—its quality of being in the exchanges of social services only an intermediary. We agree to this readily enough, but even while the statement echoes in our ears, and though our tongues may glibly repeat it, we seem oblivious to its importance as soon as we set about unravelling the social service tangle. Haven't you forgotten it already? Don't apologize. This is one of the points at which most of us neglect to think clearly. It is a point therefore at which our faculties for clear thinking need quickening.

But that is not an easy matter, let me tell you. The fallacy that money instead of service is the one thing needful in social life, is bred in the bone. One of our earliest cognitions as children is the potency of money to secure the gratification of our wants. A penny will buy candy. Our inclination, therefore, if we want candy, is to consider not how to render a service in exchange for it, but how to get a penny to buy it with. The problem may be solved by a generous grandfather, or, if you are

a country boy, by the lucky find of a horseshoe in the road which will sell for a penny at the blacksmith's or the foundry, or by an opportunity to help drive marauding cattle out of the cornfield for a neighbor, or to turn a flock of sheep from a byway back into the highway, or, if you are a city boy, to run out and get your father a Sunday paper. But the thought of the boy is always centered upon the penny. He is indifferent as to whether it is earned or unearned. His thought is centered upon it as upon something magical for getting candy with, and never upon the human reality of a swap of social service in candy form for social service in some other form. And in this respect the boy is father to the man. As he grows up, one experience after another confirms the boyish habit of thought. He may try to force himself into straight thinking about it, but the habit pesters his thinking processes in spite of himself. Like the man who could never tell which way to turn for east without stopping to "figure it out," we are seldom able to realize instinctively, but must always "figure it out," that money is a mere trading certificate or token.

Some men never reach the point even of "figuring it out." Very well do I remember the earnest way in which a good Greenbacker friend of mine once assured me that money is the one thing needful for human comfort. "It is the last thing you want," he urged with waxing eloquence, "before you go to bed at night, and the first thing you want when you get up in the morning!" "Oh, no," I interrupted, "money is not the first thing I want in the morning. What I want then is my breakfast." In a tone of gentle impatience he replied: "But if you have money you can get your breakfast." Isn't that like the child? Just as the child thinks of money as the open sesame to any of the candy jars in the store, grown-ups

think of it as the open sesame to any of the good things of the world. "If I only had the money!" It is the universal cry. "If I only had the money, I would buy"—this or that. And don't we reckon the social power and usefulness of men by their money's worth?

In a sense, then, my friend was right. Truly, I could get my breakfast if I had the money. Didn't we get our dinners the other day because you had the money to buy them with? With money we can get any commodity in the market, we can command any service that men are accustomed to rendering their fellow men. In fact, we may in some circumstances command services they are not accustomed to rendering, and which they recoil from rendering—if we have the money. But though we beg our brethren to serve us, yet if we have no money they will either turn away or serve us superciliously, meagerly and grudgingly. However great our need, we cannot satisfy it if we are without money. Should we go into a restaurant hungry, but having no money, we shall find neither food nor service at our command, unless we are trusted, which will be only if we are known to be able to get money presently and to be willing to pay our debt? Instead of being served at this faucet of the world's great reservoir of social service, we shall be turned out upon the street—if we have no money. Though we offer commodities in exchange for a dinner, the Josephs who know us not will either decline them or accept them with reluctance and as a great favor. If we offer to work for our meal, the kind of work that we can do will be rejected. It is not needed at the moment, and with money it can be got of others when it is needed. Or if it so happen that we can do work that may be needed at the moment, such as shoveling snow from the sidewalk after a blizzard, the restaurant

may give us a meal for it; but this will be somewhat as a favor, and we shall probably be obliged to eat on the back steps like a beggar, or in the kitchen, instead of in the dining room. We shall not be treated in those circumstances like an independent social servitor with ready money in testimony of his social usefulness. But if we have money everybody will serve us with alacrity, be we hungry or thirsty or unfitly clothed, or whatever our need. They will do it for the asking, if we have money; and when we pay them they will thank us. And as with them toward us, so with us toward others. Money is the one thing that they think they want; it is the one thing that we think we want.

Wasn't my friend right in his estimate of the supreme importance of money? Yes, in a sense; I have already said he was right in a sense. He was right in the same sense in which all of us are right when we speak of sunrise and sunset. There is, in fact, neither sunrise nor sunset, and we all know it; but there is an appearance of both, and we have a habit of mind which makes us think and speak of these false appearances as if they were actualities. For all colloquial purposes it is as well, it may be better, to think and speak simply of sunrise and sunset in preference to using some paraphrase indicating the sun's stability and the earth's rotation. But the science of astronomy will tolerate no such looseness. When we reason about the phenomena of suns and planets, we must banish mere appearances from our minds and think of the relations of the sun and the earth as they are. So it is with the use of money. In indefinite conversations or musings, in business intercourse where all speech is in terms of money, in any of the superficial social relations in which money cuts a figure, we may speak and even think of money as the one thing needful for human

comfort. We may in those circumstances regard it as the object of the services we render and the magical charm that commands for us the services of others. We may think of money as "making the mare go," or the world for that matter, much as we think of the sun as rising in the morning and setting at night. But just as in astronomical inquiries we recognize terms like "sun rise" and "sun set" as figures of speech, so when we try to reason definitely about the relation of money to the intricate and often confusing processes of social service, we must strike through the crust of superficial appearances and get down to the final facts.

What is required of us in doing this is not difficult in itself, though we encounter all the difficulties of overcoming loose habits of thought. We have only to subject familiar things, things of common observation, to the simplest operations of clear thinking. When we do this we realize that there is no inherent social power in money. No one takes money for its own sake. In itself it satisfies no human want. The material might, if deprived of the money stamp; but the money itself, in its current form as money, is useless for any other purpose than that of a token for effecting exchanges of things that do satisfy human wants.

When money performs this function it is because it is current in the community in which it performs it. Outside of that community it may have no currency, and when this is the case it does not facilitate exchanges of social service. It is no longer money. Did you never "get stuck" with a Canadian quarter? It was as good a piece of silver as any one of our own quarters, and in the melting pot would have been as useful and worth as much. But not so for fare on an American street car at a considerable distance from the

Canadian border. Though current money in Canada, it is not current money with us. Money that passes current does so because everyone who takes it knows it will be taken on equal terms by anybody else to whom he may have occasion to pass it. It is useful, therefore, because and only because, and to the extent that and only to the extent that, it is current in the social service market.

So long as money has the quality of currency, it makes no difference of what material it is made. Though the material be nothing but a strip of paper, yet if it passes current, that paper is money. One strip of paper may buy us a dollar dinner, while another of the same size and the same general appearance may buy us a fifty dollar suit of clothes. But why only a dollar's worth in the one case, and fifty in the other? And why even a dollar's worth for a strip of paper? Because people engaged in social service all about us are known to be ready and willing to render service in exchange for those strips of paper—a dollar's worth of service for a strip with the figure 1 upon it, and fifty dollars' worth for a strip just like the other but with the figure 50 upon it. These strips of paper are commonly recognizable as certificates of title for social service, and as such they pass from hand to hand. They are therefore current money. For all the purposes of exchange in the social service market they are just as effective as if the material itself, simply as a commodity, were worth as much as the social service the money exchanges for. It is not its material that makes a piece of money current; it is its stamp or imprint.

Put a thousand new one-dollar gold pieces into your trunk, and you are equipped for a journey anywhere in the United States. The stamp will be recognized and the dollar piece be received in

exchange for any kind of social service you want, and by any one. Instead of new gold pieces, take old ones, considerably abraded. The gold will be worth less, but the stamp being legible these pieces will serve you just as well as the others. Hammer out the stamp, and neither the old ones nor the new ones will serve you as current money at all. You will have to go to a gold dealer whenever you need money, and ask him to weigh and test and buy your gold, and in the end you will get less for the old pieces than for the new ones. Go out of the United States into some community where the American dollar stamp is unfamiliar, and you will have the same experience with your gold pieces, whether the new ones or the old ones, as you would have in the United States if you obliterated the stamp. Now put a thousand new one-dollar greenbacks into your trunk, and you will be as well equipped as if they were gold pieces, for a journey anywhere in the United States, and for the same reason. The familiar denominational stamps will give to the greenbacks as to the gold pieces the quality of currency. Take old greenbacks instead of new ones, and your experience will be the same. Tear off a corner from one of the greenbacks, and nevertheless it will pass without question; the rest of the greenback will still be identified as current money. Tear off a considerable piece, and the remainder will lose its currency. Destroy the currency stamp on your greenbacks by putting them into a crucible, and you will have neither currency nor material left; the residuum will be charred paper. Destroy the currency stamp on your gold pieces by putting them into the crucible, and you will still have the material though not the currency; the residuum will be merchantable gold—something that you can sell like wheat, but nothing that you can pass like money. Here, then, is the only difference

between gold and paper as currency. Destroy the currency quality of the gold, and you still have a valuable commodity left; destroy the currency quality of the greenback, and you have only worthless paper left. But so long as it possesses the currency quality, one is current money as well as the other.

Nor does it make any difference, so far as the matter of distinguishing differences goes, what the form of the currency stamp may be nor who affixes it. While usually it is a government stamp, it need not be so. The essential thing is that the material, whether of gold, silver, copper, nickel or paper, shall present an appearance of length, breadth, thickness, squareness, roundness, yellowness, greenness, or what not, which the people among whom it circulates as money readily recognize as characteristic of their currency. If an old shoe came within that description, it would be as good money as coin fresh from the mint. Money is simply a commonly recognized representative of, or certificate of title to, the value of the social service which it indicates. So long as, passing readily from hand to hand, it performs that function, it is money, be the material what it may be; when for any reason or no reason it ceases to perform that function, then, however valuable the material as such, it is no longer money.

Even the genuineness of the money stamp, like the value of its material, is of no importance provided the money be current. Of course, its genuineness is likely to be, and it usually is, an exceedingly important factor, just as the value of the material may be, in causing and maintaining its use as currency. But it is the currency quality, however caused and maintained, and not the cause of this quality, that distinguishes current money from other things.

You seem especially skeptical about the unim-

portance of genuineness. But doesn't your memory go back to the Civil War, when counterfeit shinplasters known to be counterfeit passed current? The fact that they were counterfeit made no difference so long as nobody cared and everybody took them. And surely you have heard the old Greenback story of how ten purchases were made with one counterfeit treasury note. The first purchaser had found the note. Supposing it to be genuine, but unable to discover the owner, he passed it to a grocer for groceries; the grocer passed it to a dry goods merchant for dry goods, and he to another kind of merchant for something else, and so on, all supposing the note to be genuine, until the ninth merchant had got it and paid it to the first buyer for goods in which the latter dealt. Discovered then to be counterfeit, the note was destroyed. But it had paid for all those goods—for all those social services. That is to say, it had paid for them in appearance. In fact, however, none of those goods, none of those social services, were paid for by the counterfeit treasury note. They were paid for by one another, through the commercial exchanges which the note as a token facilitated. But the counterfeit note thereby served the purpose of current money, and it served it just as well as if it had not been counterfeit. In this story, nobody suffered loss. But if the note had not got back through the circle of exchanges to the first purchaser, somebody would have given social service without receiving social service in return, just as if the note had been good and been stolen. As it was, however, a complete series of exchanges was effected by that counterfeit, and genuine money could have done no more.

Yes, it is quite true that the genuine shinplasters and greenbacks of the Civil War period passed at a discount relatively to gold money; or, rather, that gold sold at a premium. But this

does not alter the fact that it is the currency quality that makes money serve its use. The difference in value between gold money and paper money was not due, in individual transactions, to fear that the paper money would not be fully redeemed in gold by the government. Whether or not that may have been the remote cause, the immediate and all-sufficient motive was fear that it would not be fully redeemed in social service by the next individual to whom it might be offered. Had confidence in this respect prevailed, it would have passed current at par with gold. What influenced those who took it in exchange for commodities or services, is what always determines the currency of money—the question of what the next man will do. And that is what regulated its value. It is what regulates the value of all currency.

A simple word, isn't it?—that word "value." It is in such common use that we ought to have no difficulty about it. But here again confusion creeps in. We fall into the habit of mixing the idea of value with the idea of desirability, as if the former were wholly due to the latter, or even identical with it. From this habit our thinking often gets all snarled up. Don't you remember the knife you described as one of the most "valuable" things you possessed? You used "valuable" in the sense of desirable, which is truly enough one of its meanings. You didn't happen to mislead me, for in explaining what you called the "valuable" qualities of the knife, you described its various convenient contrivances, from a nail blade to a cork screw, and said nothing about its salability, which would have suggested the other meaning of value. You really meant desirable, not valuable, didn't you?

In such conversations careless speech is seldom ambiguous. We may refer to things as "valuable," with the meaning sometimes that they have a high

degree of desirability, and sometimes that they have a high degree of exchangeability for money; for it is not very important, even if we are not exactly understood. But when we try to think analytically of the phenomena of social service, we must not indulge in verbal looseness. The same word must always be used for the same thought, and not only with our tongues but in our minds. Value must be habitually distinguished from desirability.

This is no mere verbal distinction without a substantial difference. An object may have great desirability, and yet have no value. The ocean, the air, the sun, are familiar examples. Nothing is valuable in the exclusive sense of the word "value," unless it is both desirable and scarce. If it is not desirable, no one wants it; if it is not scarce, no one will pay anything for it. The principle also holds good, of course, as to degrees of desirability and scarcity, and therefore as to degrees of value. You recognized it when I asked you what you would sell your "valuable" knife for. Your reply was: "If I couldn't get another I wouldn't sell this one for a hundred dollars." But as you could have bought another for about five dollars, you would have sold yours for much less than a hundred. No matter how high the degree of desirability of such knives might have been, the degree of their scarcity was low, and consequently the value of your particular knife was low. While its degree of desirability was estimated by you at a hundred dollars, its degree of scarcity was demonstrated by the social service market to be only five dollars. Don't you see, then, that your use of the word "value" in that instance would be too ambiguous for exact thinking? It carries an element of meaning which does not necessarily belong to the idea of desirability—the element, namely, of scarcity. For pur-

poses, then, of clear thinking about the phenomena of social service, we must not use the word "value" as a synonym for "desirability." We must use it only for denoting the relation of desirability to scarcity. "Desirability" means one thing; "scarcity" means another; and a third results from the conjunction of those two. The third thing needs a distinctive name, and "value" seems appropriate enough for the purpose.

There is another confusion over which we are apt to get our thinking about value into a snarl, a confusion which is not unlike the one with reference to money. We fall into the habit of looking upon value as something by itself, quite apart from the commodities or services which we consider valuable. But value is not an actual entity. It is merely a verbal generalization of values, and values are only terms of comparison in trade—terms of exchangeable comparison. As we compare the length of objects by linear measure, and their mass by weight, so, after a manner—though not literally, for we cannot have definite standards of value as we have of length and weight—but after a manner, analogically as you might say, so do we compare degrees of exchangeability in terms of value. The fundamental consideration in all these matters is not the terms or language of comparison, such as length, weight, or exchangeability,—feet and inches, or pounds and ounces, or dollars and cents. Neither is it the volume of any of those measurements. It is the objects themselves. If you and I were to swap knives even, the value of the two knives would be equal in our joint estimation. That is to say, the difficulty of replacing either would in our judgment be the same. Were you to give me your matchbox to "boot," that would imply that in our judgment the difficulty of replacing my knife would be the same as the difficulty of re-

placing your knife and your matchbox. Translate these negotiations into the language of the social service market—where, however, the stricter measurements of business intercourse would prevail—and my knife is in the one case of the same value as yours, while in the other it is of the aggregate value of your knife and your matchbox.

That indicates all that value is. It has no substance. It satisfies no desire. It is not a thing by itself. It is merely an expression of judgment. Its terms are terms of comparison, enabling us to compare the desirability, as modified by the scarcity, of commodities in the social service market. Valuation is useful as a process of measurement. So is the multiplication table. But both exist only in the mind as abstractions. The political economists who reason about value as if it were a commodity, a desirable object, a thing in itself, must be first cousins to the placard writers of those department stores that offer "good values for sale cheap."

One of the vagaries of the treatment of valuation as a commodity, a substance, a property or a possession, is almost comical. But it runs into very solemn results, as I shall explain some of these days if you don't get tired of listening. By treating valuation in this way, instead of treating it as one of the methods of comparing and measuring property for purposes of exchange, all valuations are added together in censuses, for the purpose of ascertaining the sum of the world's wealth.

Ye gods! Just think of it, Doctor. Here is your horse, worth \$150. We all agree, of course, that this amount ought to be computed in a census of the sum of the world's wealth; for a horse reared and trained by social servitors for human use is a concreted social service, an object which

belongs in the category of things fitted for human use by human art—one of the artificial objects, that is, which the books call “wealth.” But I have a chattel mortgage of \$100 on that horse. To be sure, this isn’t true as matter of fact, but it might be, and so let us suppose it. Very well, isn’t that chattel mortgage worth \$100? Isn’t it an item of value? Our census man says yes, and adds it to the value of your horse in summing up the aggregate of the world’s wealth—\$150 for you and \$100 for me, making \$250 in all, as far as he has got in his censusing. To-morrow maybe he will go farther and find that I have hypothecated that mortgage with old Simon D. Sampson to secure my promissory note for \$50. If the census man does find this out he will add \$50 more to the sum of the world’s wealth. And so he will go on. But, after all, what is the true sum of the world’s wealth so far as those items are concerned? Just \$150—the value of the horse—and not a penny more.

Yes, yes; that mortgage on the horse is worth \$100 to me. But doesn’t it make the horse worth \$100 less to you? And don’t those two values cancel each other? The net result at this point is that I own two-thirds of your horse. The chattel mortgage has value to me because it is a certificate of title to an interest in a particular species of social service—namely, an animal reared and trained by human energy to serve human uses. The making of that mortgage didn’t increase the aggregate of the world’s wealth, and its destruction wouldn’t diminish it. Your business relations to me and mine to you are affected, but that is all. And isn’t this true, also, of that note of mine which old Sampson holds and which I have secured by hypothecating my chattel mortgage on your horse? My Sampson transaction has added nothing to the sum of the world’s wealth. The

hypothecation is indeed valuable to Sampson to the extent of \$50; but by just so much it is the reverse to me. He owns half of my two-thirds of your \$150 horse.

Isn't that all there is to the volume of \$300 of value which the statistician loads upon the back of that \$150 animal of yours? He mistakes certificates of interests in commodities for additional commodities, certificates of title to wealth for wealth itself. So it is with all census figures of this kind. The valuable evidences of title with the names of which we are more or less familiar, valuable to those of us who own them, and correspondingly anti-valuable to those of us whom they obligate, must be balanced off in order to let us see even approximately the sum total of wealth in the world.

Our value statisticians don't seem to know the first principles of bookkeeping. To arrive at the balance of values representing the world's wealth, they should either ignore certificates of title and obligations altogether, or else put their amounts in both columns of the census ledger. In that way they might approximate the true value of the world's wealth. And don't forget that money, too, is a certificate of title. Its indefiniteness as to the particular property to which it certifies title doesn't take it out of the general class. So money should be treated in the same way in the census as chattel mortgages. While we may count the net value of money-material as part of the aggregate wealth, we must not count denominational values in that category; or if we do, we must charge off the difference between the value of the money-material and the denominational value of the money. Money-material is like your horse—a concreted social service, or wealth. But the difference between the value of money-material and the denominational

value of money is like the value of my chattel mortgage on your horse—the value of a mere certificate of title or proprietary interest. The value to the holder is offset by the amount of some one's obligation—its credit effect by its debit effect.

And that isn't quite all in this connection, Doctor; there is something even more important. Did you ever look at the statistics of the value of aggregate wealth in slavery times? If you have done so with any care, you have noticed that the market value of slaves was counted in with the value of horses, houses, cotton and grain. But I reckon that after what we have been saying it must be plain enough to you offhand that this statistical habit gave a grossly false result. Wasn't Uncle Tom worth \$2,000 to his owner? Very likely—to his owner as a means of getting social service without giving social service; but not for a census of the world's wealth, in a world made up of enslaved men as well as other men. Uncle Tom was worth \$2,000 to his owner because he was under a legal obligation to let his owner retain all his earnings above his keep. Since those net earnings were likely to average in the future about enough to make the prospective earner worth \$2,000 to any one who had the legal right to withhold his earnings from him, Uncle Tom was worth in the social service market \$2,000 to his owner. Yet Uncle Tom's future service, no matter what you say of his past service—his future service and its fruits belonged in all fairness to Uncle Tom himself, and not to his owner. So, if they were to be counted at all in the census as a first entry, they should have been balanced off by an opposite entry. If Uncle Tom's owner was to be charged in the census ledger with \$2,000 for this item, Uncle Tom should have been credited with the same amount before a balance was struck; for that which society was to give Uncle Tom's owner, one

of its members, it was to take away from Uncle Tom, another member. Isn't it so with the horse? No. The horse isn't a man, one of the citizens of the world; and Uncle Tom was. The slave's value to the owner was the value merely of an arbitrary power of one man over another man.

Reduce any man to slavery and you increase the income power of the owner, but at the same time you reduce the income power of the slave; the assets of the world are unaffected. Abolish slavery and you reduce the income-power of the owner, but you increase the income power of the slave; the aggregate of income power remains the same. The value, then, of such property as slaves is no more a census value than is the value of my chattel mortgage on your horse.

Possibly you think that statistics of this kind went out of fashion with slavery. They didn't. Look at old Sampson's vacant building lot across the street. Do you know how it figured in the last census? Just about as Uncle Tom used to. It figured as an item of \$2,000 in the sum of the world's wealth. Now, isn't that absurd? Why, it's the same old lot and in the same old condition as when Noah disembarked on Ararat. It had no census value then; why should it have any now?

What does this \$2,000 of census value mean? Well, I'll tell you what it means. It means precisely what Uncle Tom's value meant. It means that Sampson, old Simon D., the owner of that building lot, has the legal right, without rendering any social service himself, to take for his own enjoyment part of the earnings of any social servitors who may use that building lot for purposes of social service. His power in this respect is valued at \$2,000 by the social service market. To him, then, it has that value, just as Uncle Tom had to his owner. But to the rest of the world, to the social service market—and that is

the point—it has no value at all; no more than Uncle Tom had. Anything that Sampson gets for the use of that building lot, which hasn't been improved by any of its owners, somebody else must pay. His gain is the social service market's loss. To count such an item in the sum of the world's wealth is as absurd as saying that poor thriftless old Jimmy Schuyler is worth fifty dollars because that is what he says he would sell his wife for, whenever he gets drunk.

The value of Sampson's building lot doesn't represent social service done or being done, any more than Uncle Tom's slave value did. It merely represents a legal power in one man to exact a share of social service yet to be done. Abolish that power and the world is not a dollar the poorer. Sampson might lose, but others would correspondingly gain. No, I am not getting into my "single tax fad," either. Wholly irrespective of that question, any census which **includes in the aggregate** of social-service values, such things as land values, slave values, chattel mortgage values and values of other mere certificates of title or bare legal powers, is a false census. If these values are included for some useful purpose or other, as they very well may be, they should be charged off when it comes to striking a balance to show the value of the world's wealth, or the nation's wealth, or the city's or the township's wealth, or the aggregate of wealth by whatever term you describe it. That's what I want you to understand. You do understand it, but when you see a census report of values you seem to stop thinking of it. If you thought for a moment you would realize how enormously that very report is stuffed with mere title and obligation values, mere bookkeeping values—values that disappear as soon as personal

assets and liabilities are balanced off against each other.

The confusions we have been speaking of are often supplemented with another. Money and the language of money come to be thought of as identical. But in fact they are altogether different things,—and this in a very important sense. In comparing our knives, for instance, which we were trading even, we might have said, in the language of the social service market, that they were each worth three dollars. But though we had used this money vocabulary, our essential idea would not have been a money idea at all. It would have been an idea of the relation in exchange of one knife to another. The money terms would merely have expressed our mutual recognition of the fact that knives like those two were equally desirable and equally scarce.

If we speak of old Simon D. Sampson's fortune, saying that he is worth a million dollars, our essential idea is not money. We know that he doesn't possess a million dollars in money. What we mean is that in a measurement of all his property by the mode of measurement in use in the social service market—namely, by those comparisons of relative desirability and scarcity which we call valuation—old Sampson's fortune measures up to a million dollars. A million dollars of what? Well, according to his inventory of assets it might be a million dollars of houses, of building lots, of bonds and mortgages, of corporation stocks, of bank balances, of actual money, and what you will besides; but in the last analysis it would be a million dollars' worth of power to obtain social service.

We must remember, then, that money is quite a different thing from the terms or language of money. I recall in this connection an interesting and rather suggestive observation by Lee Meri-

wether, which he published in a magazine a few years ago. Writing of his travels in the old Hudson Bay territory, he described a custom there of measuring social service values in terms of "skins." As we would estimate a commodity as worth so many "dollars," they would estimate one as worth so many "skins." Yet the word was as pure an abstraction as our dollar mark. There was no particular skin which the term identified, and nobody could recall that there ever had been one. Nevertheless, this abstract term served all the purposes of value measurements in that remote department of the social service market. A deer skin was worth so many "skins," while a muskrat skin was worth so many fractions of a "skin." On that frontier, then, the word "skin," like the dollar mark with us, or the pound mark in Great Britain, served as a common denominator for expressing the relation in exchange of deer skins to muskrat skins or any other skins, of one skin of any kind to another skin of the same kind, of skins to groceries and weapons, and of everything else to one another.

Meriwether's story may sound queerly primitive, but the civilized city of London furnishes an exact parallel at its very financial center. Does the British "pound" refer to a pound of anything in particular? It once meant a pound of sterling silver, as the Hudson Bay "skin" may once have meant a particular skin long since forgotten. But to-day the British say "pound" as the trappers say "skin" and as we say "dollars;" and none of us refers to any particular object,—not consciously, at any rate. "Skins," £'s, \$'s—what are they to any of us but x 's in the algebraic equations of social service?

Even if we were influenced in our judgment of the value of the dollar by the act of Congress which gives the name of "dollar" to a certain quan-

tity and fineness of gold, the fact would still remain that money tokens, whether of gold, silver, copper, nickel, iron, tin or paper, are absolutely different from money terms. That this difference may be exceedingly important, is evident from a consideration of our stupendous banking transactions. Scores upon scores of thousands of checks upon banks are drawn every day, and every day balances are settled at the clearing houses. These transactions, described as they are in money terms, mount up to hundreds of millions of dollars daily. Yet but little actual money changes hands. If you wish to be surprised at the magnitude of the transactions and the small percentage of actual money paid, take a glance at some clearing house report. In turning the leaves of Cannon's history and methods of "Clearing Houses" the other day, my eye fell upon two tables that give an idea, though they are old now. They showed the aggregate of clearings through the New York clearing house alone, from 1854 to 1899—the book was published as far back as 1900,—and I confess I was not prepared for what those figures indicated. The highest aggregate of clearings in any year was for 1899. Of course it is much larger now. But for that year it was more than 57,368 millions of dollars—almost 200 millions daily. And how much of all that enormous sum—that sum that expressed only a part of the interchanges of social service in only one part of only one country in only one year—how much of it do you suppose was represented by actual money? Only a little over 10 millions a day. The proportion of actual money to clearing house transactions was less than 5½ per cent. So we may see that the multitudinous exchanges of social service in this great big industrial world of ours, exchanges aggregating vast values in the language of money, are effected by means of a very slight use of actual money.

For the most part, then, social service obligations, though described in terms of money, are redeemed, not in actual money but in social service. Yet if we recur to what we have previously considered, we shall remember that actual money, while essentially different from money terms, is only one degree removed from money terms with reference to the redemption of social service obligations. As these obligations are for the most part redeemed in social service and not in money, money itself is also in the last analysis redeemed in social service. For money is, as we have seen, merely a token for facilitating exchanges of social services.

That is to say, such is the nature of its use. Its abuse we have postponed the consideration of, since that belongs to the pathology of the subject of which we are now considering only the "healthology." The point I am here trying to impress upon you is that a clear apprehension of money functions is the first requisite for a solution not only of money problems but of all the other problems of social service.

But is there really a possible solution even of money problems, to say nothing of all other social-service problems? Does not everything ceaselessly change, so that we no sooner think we have settled a problem than it exhibits new aspects and new varieties of confusion? And do I think it possible for any but specialists to even cope with such difficulties?

Ceaseless change! Yes, all problems do undergo ceaseless change. And it is true that only experts can deal with the particular difficulties which these changes present. But, Doctor, are you not a little like so many scientific men, whose devotion to particulars makes them blind to generals? From close inspection of one side of the shield are you not ignoring the other side? If we are to "see life and see it whole," to quote one

of your favorite phrases, we must look at its wholeness as well as at its detail, at its generals as well as at its particulars. There is indeed ceaseless change. All things change. But then there is also rigid stability. All change is in obedience to invariable law. Though details change ceaselessly, fundamental principles are "from everlasting unto everlasting"—"the same yesterday, to-day and forever."

You pin your faith to evolution. But you never think of the changes of evolution as occurring without a persistent impelling force, a stable evolutionary principle. If you did, you couldn't pin your faith to it. Don't you know—of course you do—that the details of evolution are but mutable manifestations of immutable law? Should principle ever seem to have changed, it is not principle itself, but human apprehensions of it that have changed. The principle is always the same. Gravitation was no different before it sent a message to Newton in a falling apple than it was after he revealed the message, nor electricity before Franklin played with it than after nineteenth century inventors had harnessed it. And didn't the earth turn on its axis every day just the same when folks thought the sun rolled around it, as after they learned that it doesn't?

Apply these observations to the science of social service, and you will see that while mastery of the innumerable and ever changing details of social service is out of the power even of experts, the stable principles are so few, so obvious, so easily understood, that any sane mind can grasp them. You will remember my admonishing you at our dinner in Joseph's restaurant, that the particulars of social service are incomprehensibly numerous and intricate. No man can master every sort of service. Building must be left to builders, farming to farmers, "lawing" to lawyers, "doctoring"

to doctors, financiering to financiers, and so through the endlessly intricate labyrinth. But it requires no expert to understand that all this detail with its ceaseless variations, has for its impulse the human desire for comfort, and for its natural end and object the continuous and universal satisfaction of that desire. Here, then, is a simple yet tremendously important generalization. Other generalizations equally obvious and equally important, I should like to talk about after awhile; but the truth I wish you to realize just now is the stability of essential facts, no matter how variable their particular manifestations may be. The essential facts or general principles of social service must have been true since man became a trading animal; they must continue to be true while man remains a trading animal.

So the essential principles of money must have been the same ever since anything that can be called money came into use, and must continue unchanged so long as anything that can be called money remains in use. Since the details vary, expert financiers must work for us in the minutiae of financiering. That is their function in the specialized intricacies of social service. But the essential principles of money may easily become as clear to our vision as to theirs—possibly clearer, for we are not distracted as they may be with responsibility for observing the confusing and changing details.

If the essential principles of money, those great generalizations which remain stable through all the mutations of the infinite details of financiering—if these take lodgment in our habits of thought, we shall be alert to know whether our experts are working for us loyally or not. Though ignorant of details we shall be alive to tendencies.

You and I do not know, for instance, how to make an automobile. We are not expert in the facts,

nor in the possibility of improvement in automobiles. We cannot even manage an automobile. We leave all those complex details to experts. But we do apprehend the general and unchanging principles of wheel locomotion, and so are capable of knowing whether an automobile is going or not, or is going forward or backward, or is standing still, or is toppling over into a ditch. No folly by experts regarding the large facts and general principles of automobile locomotion can deceive our common sense, however incapable we may be as to particular devices. Or, to take a leaf from our own personal experience, yours and mine. When I invaded the carpenter's specialty one day and mashed my thumb with a hatchet while trying to drive a nail, I had to go to you for anatomical repairs. I wasn't specialist enough in anatomy to reconstruct my own thumb. But I didn't need you nor any other specialist to tell me that the thumb hurt, that it needed repairs, and that it was a blow with the head of a hatchet that had done the damage. I knew those facts as well as you could, and better in this case than you did. The general subject was in my province; the specialized details were in yours. In further illustration I might remind you of something still more profound in your own specialty. You know immensely more, Doctor, about breathing organs in the animal kingdom than I do. I am no physiological expert and you are. You know about the lungs in man, and the gills in fishes, and you may possibly have studied the subject so minutely as to be able to distinguish animals with no apparent breathing apparatus at all. So much for particulars. But when it comes to generals, I know as well as you do that in some way and somehow, whether by one kind of apparatus or another, every living thing breathes.

Something similar can be said of the difference

between an ordinary sane man and an expert financier with reference to money. Although you and I know nothing of financing as a business, but must leave that to experts, we can apprehend and appreciate the larger facts, those elemental laws, those essential principles which unchangingly govern the use of money in social service.

We know that money is a means to an end—the end, namely, of promoting and distributing social service.

We know that its function is to serve as a token or intermediary for exchanging social service.

We know that it performs this function when it is current in the social service market,—that while such anterior considerations as origin or material may make it current, its currency is its distinctive quality.

We know that money and the language or terms of money are entirely different things, money being a current token for the interchange of social services, and the language or terms of money being verbal expressions for the same purpose but as well without as with the use of tokens.

We know that interchanges of social service by means of money or its terms are made on the basis of value.

We know that value is not a thing by itself, but is a mere attribute of marketable things; and that it is regulated by their degrees of desirability relatively to their degrees of scarcity in comparison with one another.

We know, therefore, that money is a device for acquiring from our fellow servitors in the social service market, in fair exchange for our own services, the things that we desire for our comfort.

Consequently, we also know that the use of money is the primary consideration in any inquiry into the science of social service.