

## CHAPTER IX

### OUR WORLD-WIDE METAL OF WORSHIP—GOLD

**T**HERE are other metals in the bunkers which we should be sorry to do without. Copper is immensely important—and when we come to the work of using all our water-power to save the depletion of the coal in the ground, we shall need to use a great deal more of copper. Therefore, it would be a sensible deprivation to all of us if the supply of copper were to be exhausted. So with zinc, which is needed for utensils, for the preservation of iron and steel by galvanizing, as an alloy of copper in the making of that very useful metal, brass, and for paint. Lead is the basis of a very important industry, is widely consumed as paint, and is almost essential to many kinds of construction which we should scarcely know how to dispense with. And even the new metal, aluminum, and manganese, vanadium, mercury and many more,

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mostly with names ending in "um," from the precious platinum to the unfamiliar molybdenum, are all useful, and yearly becoming more so as we find out more about their properties—all are important; but we need not worry about the exhaustion of our stores of these.

We need not worry—because they are not so essential to civilization as are iron and coal; nor to life, as is the soil. We need not worry for the additional reason that the same moral uplift that carries us to the height of looking after the iron and coal and forests and soil, will bring us to the point of looking after these subordinate good things placed in the bunkers of the good ship *Earth* for the use of all the passengers alike.

But I must mention two metals because of their wonderful interest to the world for the reason that they have been taken as measures of value for other commodities. Though not extraordinarily useful in themselves, they exert an influence upon our prosperity which would be incomprehensible to a person brought up outside their sway. I mean silver and gold.

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These metals are useful—in fact, if they were plentiful, they would take the place of the baser metals in many of the arts. As in the case with zinc, copper, lead, nickel, platinum and other of the rarer metals, there is no way of telling how much of them the earth contains. We keep continually looking for them and the supply varies from century to century as we have good luck or bad luck. When Columbus discovered America, he led the way to the mines and gold and silver treasures of Mexico and Peru. For a hundred and fifty years the precious stream flowed into the world's strong boxes at a rate never before equaled. Then it dwindled. With the opening of the mines of California, the fountains were again set flowing. Australia liberated her great output. Then came other new "finds" in the Rocky Mountain regions, and in South Africa furnishing a tonnage of gold equal to any of these. Lastly comes Alaska. And all the while, the science of the world has labored to make the methods of extraction more efficient—until the output

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of gold and silver has become greater than ever before, and seems to promise a continuous supply.

Now this has a great influence on prosperity, strange to say. For gold and silver, owing to their beauty, have been for ages devoted more to the processes of hoarding than of consuming. It is as if the squirrels paid so much attention to the hoarding of nuts as to forget that the real object of saving is eating. We human squirrels do eat gold and silver—when we consume them in the arts—but mostly we have always hoarded them up in bars or ingots or round pieces called coins, and by this hoarding have created a permanent scarcity of them which appears to have a great deal of effect upon their value as compared with other things of value. These gold and silver nuts we human squirrels store in mints and national treasuries and banks and safe-deposit vaults and use them as things by which to measure the value of all other commodities.

In past ages gold and silver were both

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used and still are in some countries. But latterly the world, at the request of the financiers, has rapidly abandoned silver as a measure of value and adopted gold. I think the feeling of the bankers was that by the use of gold alone the value-measure would not be so apt to grow small as if both gold and silver were used. Financiers are people who have debts due them, and these debts are promises to pay a certain number of dollars, pounds, copecks, marks, yen or doubloons, at some time in the future. These denominations of money were all by law equal to so much weight of gold or silver. When the double standard was in effect, the debtors would, of course, pay in the one that happened to be the cheapest. The financiers put in effect their schemes in the double standard countries to adopt the single gold standard, because it looked as if silver was going to be so plentiful that it would displace gold entirely. Hence the "cross of gold and crown of thorns" speech in '96 and the "crime of '73" luridly described in many campaigns.

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Now a dollar's worth under the gold standard, is the value of the number of grains of gold in a legal dollar. If gold should get as plenty as mud, one could still weigh out the same number of grains of it for a dollar to one's creditor, as now, and take up his note promising to pay a dollar. If a region were discovered where gold could be mined in unlimited quantities with steam-shovels as is iron in the Lake Superior country, everybody could pay his debts easily—it would be equivalent to a universal act of bankruptcy. That is, a gold dollar would not exchange for more cloth, lumber, meat, wheat or other commodity than would an iron washer of the same weight; and the producers of other commodities besides gold would be able to get gold enough for a load of hogs—for instance—to pay off the mortgage on the farm. Prices, as measured in the now base metal, gold, would go kiting as high as they did in the south as measured in the credit of the confederacy when it depreciated.

Now, while we have not found any such

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mountain of gold, we are producing so much that it is depreciating as compared with other things. In 1907, in all the world there was gold to the amount of about seven billions of dollars. Half of that had been mined in the previous ten years, and the other half in all the previous history of the world.

Just think of it—as much in a single decade as in all the time since Solomon went into the market for gold for his temple! No wonder the dollar won't buy much! Now the great low-grade silver-standard nations like those of South America, Mexico, India and China are most of them trying to place themselves on the gold standard, and are absorbing this new gold in an astonishing way; but when their wants are satisfied, if the gold keeps pouring in, we shall find that we squirrels have piled up so many nuts that their value is going down tremendously. We shall have higher prices, increased cost of living—increasing faster and faster for years. Laborers will be obliged to struggle harder and harder to keep their pay up to the living wage

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scale, debtors will be able to pay their debts easier and easier, there will be more labor trouble, more freedom from debt, more turbulent conditions than we have ever seen—and I believe greater actual prosperity, even if more grief—all because the passengers are taking from the bunkers a great deal of metal which is not very useful, but which is universally worshiped, and which is used as a measure of value.

It is as if wages and prices and debts were all payable in cloth measured by an india-rubber yardstick, which were growing shorter all the time. Good for debtors, bad for wages, and sure to boost prices.