# Money and Currency.



—BY—

A. H. STEPHENSON

—AND—

G. F. STEPHENS.

"At the bottom of every social question we will find a social wrong."—George.

Philadelphia:
JUSTICE PUBLISHING COMPANY,
1341 Arch Street.

DEDICATED TO

HENRY GEORGE

BY TWO MEMBERS OF HIS WORLD-WIDE CLASS IN

POLITICAL ECONOMY.

# CONTENTS.

A. R. SAYLOR, Pritner.

1603 S. Eighth Street.

# MONEY AND CURRENCY.

## CHAPTER I.

### THE INVENTION OF MONEY.

Every form of wealth, whatever human labor has fashioned out of the inexhaustible supply of raw material which we term land, goes at the option of its owner for one of two purposes; to be consumed in the direct gratification of desire or, as capital, in the production of other wealth.

Labor is first exerted to obtain those benefits which result at once, the day's needs limiting the day's production, and the only quality desired in the article produced is immediate serviceableness, utility in the simplest sense. But even so primitive an economist as the savage who digs with a stick instead of his fingers knows that wealth may gratify desire indirectly, the stick is not acquired for itself but for the wealth it will bring forth, and then follows the knowledge that capital may be consumed to increase wealth not only as a tool but by being exchanged for such wealth as other producers will give for it. It is this utility in exchange, this barter power, which is called value and it can be expressed only in terms of some other commodity.

With the advance of trade, the forerunner of civilization, the manifold forms of wealth involve a countless series of such ratios in exchange. To be at home in the market the trader must learn the value of his own ware in terms of every other article offered for barter and the impossibility of mastering such a complexity of proportions compels the adoption of a few articles as standards of value, common denominators in the simplifying of ratios. When these standards are themselves used as mediums of exchange, in order that the would-be trader need not be forced to find another offering just what he wants and wanting just what he offers, they are money, an invention to facilitate exchange by avoiding barter. Value expressed in money, utility twice removed, is called price.

Those forms of wealth serve best as money which can be easily moved from place to place and the common origin in many languages of the words money and cattle shows how our forefathers met this necessity. Less clumsy was the use of skins to which the book of Job refers and when some genius took with him only a clipped corner, which being fitted to the hide from which it had been cut proved ownership, there was evolved token money. But the material most widely used as a medium of exchange has been metal, because it can be divided easily and without loss of value and for convenience in handling those metals have been preferred which hold great value in small bulk, notably gold, silver and copper. In time these were circulated in pieces whose weight and purity were adjusted by a recognized authority and secured by designs completely covering their surfaces. With increase of confidence the actual transfer of such coins has been largely done away with by the use of promises to pay, one form being those secured by the pledge of the government, promissory notes based upon such wealth as it is able to take from the people.

Such money as is current through a series of exchanges is distinguished from such as has only accidental or limited use by the term currency and for all practical purposes the money issued by the government is the only currency in the United States.

## CHAPTER II.

### THE STANDARD OF VALUE.

Strictly speaking money has but one function, to serve as a medium of exchange, but its use involves an agreement as to a standard, a definite amount of some particular commodity as a measure of value without which money is impossible. With absolute freedom of production and exchange no reason appears why one labor product is better for this purpose than another except such advantage as may result from having a value proportionate to bulk and by act of Congress we have declared that 25 8-10 grains of gold, 90 per cent. pure, shall be the standard of value for the unit of currency in the United States, the dollar. This has nothing whatever to do with the determining of what material a currency shall be made and the selection of gold as the standard in no way involves its use for coinage or for bullion deposit and results in no injustice.

The objection is often made that gold, being less plentiful than some other metals, can be more readily controlled by speculators who thus alter at will the labor value of all debts measured by the gold standard. But it does not follow that a large supply of an article assures freedom from speculative control, for instance, it is claimed that wheat is constantly being "cornered," nor is there any commodity which may not be temporarily monopolized when competition is artificially limited. As gold is the article on which import duties are least likely to be imposed it can only be cornered by controlling the world's supply.

If by any means competition is restricted combinations against the consumer are encouraged, the smaller the avenue of supply the more successful the conspiracy, and, for this reason tariffs are justly denounced as promot.ng monopoly, but on the general subject of speculation in commodities there is a great deal of misplaced indignation. It has not been shown wherein the buying up of the available supply of certain goods with the intention of selling them again is more disastrous than the buying up of the same goods with the intention of consuming them and the much-deplored corners of the commercial exchanges are simply bets upon future values which have no permanent effect upon consumers.

With no tariff upon gold suppose an attempt were made to "bull" its value. Such a demand would at once be met by the withdrawal of gold from other uses and the extension of gold production to less profitable mines. Any permanent rise in value not due to natural causes could only result from an agreement to restrict production between the owners of gold bearing lands the world over, and that this would be successful is extremely improbable even under present conditions, as is shown by the experience of the copper trust. Furthermore any evil results from such an agreement would not be due to speculation in commodities, but to private ownership of land.

Some writers insist that a commodity should be selected as a standard whose value has remained nearly stationary for a number of years but as value merely expresses a relation it is hard to tell just what this means. It is illustrated in the following objection to the gold standard. Suppose that in 1860 an ounce of gold exchanged for a coat, but in 1870 the values of the two articles had changed so that an ounce of gold would buy two coats If in 1860 A. borrowed from B. a certain amount of gold and returned it to B. in 1870 B. is twice as well off as far as coats are concerned at the completion of the transaction and this is denounced as unjust to A.

A similar illustration has been widely used in connection with our national debt by showing that, though half paid off, it is larger now than ever before if measured in certain labor products. The answer to this assertion is the same as to the previous one. So far as A. and B. are concerned had B. kept his gold he would be in the same position in 1870 as when A. pays his debt. A. is bound in equity to return what he borrowed and the change in value of gold as compared to coats is a risk which the owner of every commodity incurs and to which all are equally subject. Who would have made up the loss in value to B. had a mountain of gold been discovered? And when measured by the amount of labor performed there is no injustice to A. in this illustration. To say that an ounce of gold will exchange for two coats is to say that the effort required to produce the gold is equal to the effort required to produce the coats. If the same amount of labor would produce ten coats equity would demand that A. should give B. ten coats when the debt is cancelled.

It is often urged that the just standard of value is labor and not any commodity but apart from the fact that the value of labor fluctuates with every invention it is plain that labor, considered as to the only requisite, its effectiveness, is really the measure when a definite quantity of any labor product is used for that purpose.

The objection is made to a commodity standard that changes in its value, though due to natural causes, are like changes in the length of a yardstick used as a standard of length. But if it were the nature of articles whose lengths are measured by the yardstick to change in length as they change in value it would make no difference how much the yardstick itself might lengthen or shorten. Like the standard of value it could serve as a measure only at the moment when the articles traded for were compared. Fluctuations in the values of commodities have nothing to do, therefore, with the selection of a standard, nor is it possible or desirable to invent money which will release its holder from risks due to those changes in value to which all wealth is subject.

There can not in the nature of things be more than one standard of value at one time. The demand for a double standard which is heard so often from the advocates of the free coinage of two metals at a ratio fixed by law is one of those curious contradictions in terms which result from loose thinking. It is within the power of a government to issue different kinds of money measured by different standards of value but it is not within its power to keep them in circulation. This was shown when congress declared the coin value of gold to silver should be as 1 to 15. The market ratio becoming 1 to 15½ the gold currency disappeared until, in 1836, the proportion was changed to 1 to 16, after which the gold issue continued to circulate, and the silver was withdrawn. Should the free coinage of dollars containing 371 grains of pure silver be authorized now, at the legal ratio to gold of 16 to 1, the market ratio being about 22 to 1, the inevitable result would be that dollars containing 23¼ grains of pure gold would at once go to a premium and out of circulation. This would not be the result of the so-called financial paradox of Gresham that bad money drives out good, but of the commonsense fact that no man will offer one kind of bullion for coinage into dollars when he can pay his debts with dollars of another kind of bullion, procurable with one-fifth less effort.

The owners of silver would not as is often asserted receive the difference in value between 25 8-10 standard gold and 412½ grains standard silver. They would deliver to the government a certain quantity of silver bullion and for it they would receive a standard silver dollar or silver certificate worth just that amount of bullion in the market.

The present law which calls for the purchase of 4,500,000 ounces of silver per month is much more to the interest of the owners of silver than free coinage would be, for under this act the government must buy an immense quantity of silver while there is no reason to believe that any great amount would be demanded under free coinage. The free coinage of silver at the present legal ratio with gold would have the following results:

A decline in the VALUE of silver caused by the stoppage of government purchases.

A change from the gold to the silver standard.

A repudiation of at least 20 per cent. on all existing contracts payable in "dollars."

An immediate advance in the PRICE of all commodities.

A heavy reduction in the purchasing power of all fixed wages and for a time a reduction in the wages of all employees.

---

## CHAPTER III.

### PRIVATE ISSUES OF MONEY.

As civilization progresses exchange develops from the barter of the savage until as we see to-day practically all trade is effected by the use of money, issued either by individuals or by governments. Checks, drafts, notes and the various evidences of indebtedness in commercial transactions with the use of which the government is not concerned, are private issues of money.

It is estimated that in the United States more than 92 per cent. of domestic exchanges are made with such money, which in large transactions is used almost exclusively, and it is strange that in discussing the volume of money required for the business of the country the importance of these always available private issues is ignored or belittled. Yet they must always remain the chief instrument in effecting exchanges for, being capable of instant expansion or contraction, their volume varies with the varying needs of a business community as the volume of government money cannot.

Notwithstanding the importance of these private issues the United States Government attempts to restrict them in favor of the National Banks and this unjustifiable interference is defended on the ground that it is a protection to the ignorant and helpless who would be defrauded by wildcat banking. But such restrictions are an absolute denial of equal freedom and the tax of ten per cent. which the United States imposes upon all notes intended for circulation other than those of the National Banks is either useless or worse than useless. It was intended to destroy the issues of the State Banks and did destroy them and it is probable that if any banking association were to issue similiar notes today the courts would exact this prohibitory tax as authorized in the following statute: "Every person, firm, association other than National Banking Associations, and every corporation, State Bank or State Banking Association shall pay a tax of ten per centum on the amount of their own notes used for circulation and paid out by them."

The impossibility of strictly enforcing such a law is plain. Under its provisions every note issued is subject to this tax, for the moment a note leaves its maker's hands it begins to circulate, and the absolute enforcement of such an act would destroy every form of private money as well as the bank issues at which it was aimed. In this dilemma the position which the courts are compelled to take is absurd in the extreme. The Philadelphia and Reading Railroad Company issued notes to its employees called "wages certificates" and these notes circulated widely through the territory traversed by the road. It was claimed they should be taxed ten per cent. under the Federal Statute but in the case of the P. & R. R. R. vs. Pollock the decision of the Uni ed States Court may be gathered from the following notes on the statute referred to: "Certificates of indebtedness issued by a person or corporation are not taxable as 'circulation' unless they are intended to be used or circulate as money — nor is a promise in this form 'Due the bearer $1.00 in goods at our store'—nor generally is an order payable in merchandise or obligations called 'wages certificates' liable to tax as notes used for circulation. And the fact that notes issued or certificates issued by a company but not intended for circulation are so used by others does not affect the character imposed upon them by the company."

Which decision amounts to this—in some cases issues of notes are taxable but in other cases, in all respects similiar, such issues are not taxable. No real difference exists between the "wages certificates" of the Railroad Company and the notes issued by banking associations. Both are private issues of notes intended to circulate among those willing to accept them and both, in so far as they did circulate, were money and exactly the same kind of money. But meaningless as the decision of the court is it is the only thing that can be said under the statute for, since more than nine-tenths of our exchanges are made by means of private money, tne enforcement of what the law actually demands is too absurd to be seriously thought of.

---

## CHAPTER IV.

### GOVERNMENT ISSUES OF MONEY.

It is possible to imagine the collection of revenue for common expenses in commodities or in private issues of money, but to collect taxes fairly in goods would be well nigh impossible, while the use of private money would entail risks which expressed in discounts and premiums, would result in injustice and no reason appears why the community collectively should be denied the advantage which they have as individuals in issuing promises to pay as mediums of exchange. By government money all citizens are placed on an equality in dealings with the government and public business is facilitated and, as the proper functions of the State are only those which are necessary to secure the freedom of the individual, there are no other valid reasons for its issuance

The widest difference of opinion on the currency question is as to the amount of government money that should be issued. Economists usually ignore this problem or make ludicrous guesses at some arbitrary sum per capita of population nor is there any agreement between those politicians who by reason of a long series of blunders in law making, are known as "financiers." So general is ignorance as to the nature and functions of money that many people, overlooking private issues altogether, think exchanges would be impossible without government money and assume as a consequence that the prosperity of a country is proportional to the amount of currency in circulation and, strangely enough, this belief prevails largely among protectionists who strive to stimulate by an increase of government money the trade impeded by tariffs.

In support of this idea it is gravely alleged that every exchange involves the direct use of currency and therefor the number of exchanges possible in a community is limited by the amount of currency in circulation. This is plausible to those not accustomed to commercial life but its fallacy is apparent when we consider the inventions which have been utilized in large transactions to lessen or do away with the need for government money. The use of checks and drafts in connection with banking associations has become so general in the business community that, as a rule, merchants of to-day handle no currency at all except that which is necessary for pocket money. The government accepts the checks of individuals in payment of certain taxes, in the larger cities even in payment of import duties, and through the clearing-house system, so generally adopted by the banks, the transactions of a day may amount to many millions of dollars and be settled with a few thousands of currency. These inventions will undoubtedly be carried still further, yet the assertion is constantly made that the country requires sufficient government money to transact all business on a cash basis.

Equally false is the belief that the volume of currency fixes the price of commodities.* While few venture the absurdity that doubling the quantity of currency would make prices twice as high still it is assumed in an indefinite way that some such relation is necessarily involved. Yet plainly the price of any article, its value expressed in money, is fixed by its relation in the market to the commodity accepted as a standard of value; to say that the price of a jack knife is half a dollar is to say that it exchanges for one-half of 25 8-10 grains of gold 90 per cent. pure, the present standard in the United States. This price can change only as the mutual relation of gold and jack-knives changes in the market and the amount of currency in circulation can effect this only to the slight extent due to using the commodity chosen as the standard for the material of currency.

Of course a depreciation of currency means a rise in prices proportional to its fall below standard but when currency begins to depreciate a further increase in its quantity is not necessarily an increase in the effective medium of exchange.

*"That commodities will rise and fall in price in proportion to the increase or diminution of money I assume as a fact that is incontrovertible. That such would be the case the most celebrated writers on political economy are agreed."—Ricardo.

"If the whole volume of money in circulation were doubled prices would double. If it was only increased one-fourth prices would rise one-fourth."—John Stuart Mill.

"That prices will fall or rise as the volume of money be increased or diminished is a law that is as unalterable as any law of nature."—Prof. Walker.

Another widespread error is the belief that the volume of currency governs the rate of interest at which money is loaned. Commercial interest as distinct from insurance against risk is simply a premium paid by one party to an exchange for the privilege of deferring payment and as such would continue if all money were destroyed and all exchange reduced to barter. Money is never hired for itself but for the wealth which it will buy and will never, however plentiful, be loaned for less hire than can be obtained for that amount of wealth. The minimum rate of interest is thus a question of wealth and not of money. Restrictions upon the issuance of money tend to increase the rate of interest toward a premium representing the advantage of exchange by money over exchange by barter but those who claim that this tendency has any result worth consideration forget that such laws cannot be enforced. Their main objection is to the ten per cent. tax on circulation but this is of so little effect that the States pass laws of their own in attempting to suppress store orders and wages certificates and unless interest rates since its enactment twenty-eight years ago can be shown to differ from rates prior to its passage there is no warrant for believing they will be affected by its repeal, senseless as the law is. While the commodity selected as a standard of value is itself used as a medium of exchange and coined into currency on demand the hire of that currency cannot exceed the hire of the bullion and therefore no scarcity of currency can raise the rate of interest more than momentarily.

Although government money may be most convenient for certain transactions between individuals such use is not its reason for being. Other monies were current before government issues were thought of and to this day government money has no part in the enormous volume of foreign trade.

The lack of confidence and consequent shrinkage of credits which characterize periods of financial depression evidently have no connection with the amount of currency in circulation for such catastrophies constantly recur in all so-called civilized countries and under all monetary systems. An increase of currency does not tend to restore confidence at such times and may so affect even government credit as to increase the general distrust. A government may go on issuing promises to pay but after the safety line, its taxing power, is passed the danger of depreciation is always present and a government note is at best only a form of public debt. In fixing a limit to government issues it must be borne in mind that their only right purpose is the transaction of public business and, except to advocates of state socialism, the quantity of such notes must necessarily be limited to the amount necessary for the collection of taxes. To exceed the budget is to embark on a piratical cruise upon the dangerous sea of inflation; it is obedience to demands which are insatiable and the probable result is financial shipwreck. Even now, with upwards of fifteen hundred millions of dollars of government money in circulation, the cry for more is louder than ever.

Of course this answers the question, "How should currency be put in circulation?" It is strange that such should ever have been asked, but in these days of bounties and pension grabs, when many people are advocating the establishment of government pawnshops, it may be well to point out that there is only one honest way to get the people's notes into circulation. There are three ways proposed—1st. They can be given away as is done in the case of bounties and pensions. 2d. They can be loaned as they are now loaned to the national banks, and as they would be if the Sub-Treasury scheme were adopted or the various plans for lending to landlords. 3d. They can be used in the purchase of labor or commodities necessary to support the government. Of course the last way is the only one that is justifiable, and the multitude of schemes by which it is proposed to give away government money or lend it at a nominarate do not recognize the fact that currency is only valuable so far as the taxing power of the state is pledged to its redemption. A government note is like a government bond, a lien upon the property of the people, and an individual might just as reasonably ask that the people should be taxed for his benefit as ask that the people's promises to pay should be given to him except in exchange in the open market.

---

## CHAPTER V.

### THE BEST CURRENCY.

But two substances are suggested as the material for currency—metal and paper—and it is useless to debate whether gold or silver should be used if paper can be shown to be superior to either. As gold, silver and paper have each their advocates two parties to the dispute must be wrong.

One seldom hears an argument for a gold currency pure and simple, but the strength of the gold idea lies in the belief that every piece of money should contain bullion equal to its face value. This is the thought which underlies the phrase "an honest dollar" and at a certain stage of civilization* where confidence in a government is weak it is undoubtedly better that a money token should have a full commodity value in spite of the enormous waste thereby involved.*

*"Barbarians do not want any money but hard money; semi-civilized people want hard money and convertible paper; but when the world becomes civivilized and enlightened no other kind of money will be used but paper money."—Herbert Spencer.

*Jevons in Chap. XIII of his work on money estimates the annual loss from wear on English coins at $240,000.00.

But there is no argument for such a currency in a firmly established state. The purchase of gold by government in order that it may be made into coin is as objectionable as the purchase of silver and for the same reasons; it enhances the price of the commodity by favoring owners of bullion at the expense of consumers and compels the withdrawal of so much wealth from production. It involves the loss from wear already referred to, and it results in a currency too heavy and clumsy for general use.

The plea for silver is the gold argument varied with the assertion that there is not enough gold to supply the quantity of currency needed but the loudest demand for increased silver coinage in this country comes from certain patriotic citizens with silver to sell. Their motives are so apparent that their influence would avail little except for the widespread belief that national prosperity is dependent upon the amount of currency in circulation. Every valid objection to a gold currency applies with equal or greater force to a silver currency.

The use of paper money in place of metal is one of the greatest labor-saving inventions. It does away with the necessity of keeping valuable commodities from productive use and thus saves the community the loss of so much capital.* So far as national wealth is concerned it would not be lessened by the destruction of every dollar of paper currency except to the extent of such a quantity of printed paper. Thus waste from wear is practically reduced to a minimum by the use of paper currency and no special advantage results to any class or individuals such as is obtained by the owners of bullion when the government enters the market as a purchaser. But the strongest argument

*Excluding subsidiary coins the total stock of gold and silver coin in this country on May 1st, 1891, was about $1,030,000,000. This represents so much wealth withdrawn from production, and estimating interest as low as 3 per cent. involves a yearly loss to the people as a whole of more than $30,000,000.

for paper is that it makes the most convenient currency to handle. So strong is the desire for notes as a matter of convenience that our government has been compelled to adopt them as a substitute for coin in the form of gold and silver certificates. Although the bullion and coin held as a basis for the issue is far less than the face value of the certificates most people imagine that the notes would depreciate if the metal was put to some use. Nevertheless it is difficult to understand how the bullion deposits secure the notes for if anything should happen to the government it is hardly probable that the holders of the certificates would ever get hold of the gold or silver supposed to make them safe. What keeps these notes on a par with gold is not the bullion held at Washington but the fact that a solvent government stands ready to redeem them, as a single illustration will prove. The standard silver dollar contains $412\frac{1}{2}$ grains of silver and the trade dollar 420 grains yet the former passes everywhere in this country at par with the gold dollar, which has some 20 per cent. great bullion value, while the latter will pass only for about 80 cents. This is simply because the United States Government receives a standard dollar as the equivalent of 25 8-10 grains of gold but refuses to receive the trade dollar as such. There is nothing to be gained by our absurd system of digging metal out of the ground in one part of the country in order to haul it hundreds of miles and bury it in another part of the country. So far as concerns currency it is neither necessary nor desirable that the government should hold any metal at all.

The reasons which justify a paper currency prove that silver is not the best material for subsidiary coins. Commodity value in such currency is as useless as in that of larger denominations, and wearing qualities alone should be considered. Any metal or alloy which is most convenient and will last longest will serve best for the fractional coins.

Although it is true that paper is the best material for currency it does not follow that any kind or quantity of notes may be issued successfully. The first essential is that the government should be firmly established, and its power to appropriate wealth by taxation assured. The lack of such certainty depreciated the notes of the Confederacy and the assignats of the French Revolution.

Furthermore the amount issued must be within the government's power of redemption. There is a limit to the revenue of the strongest government and as this revenue is the only security for its notes it cannot go on issuing notes indefinitely with the expectation that they will be accepted at their face value. Government credit rests upon the same basis as individual credit and confidence in its promissory notes canonly exist while the amount issued is safely within the power of the goverment to redeem in commodities or tax rereceipts. It was because of such an over-issue that the cedulas of the Argentine Republic were discredited and this limit to government credit is one of the causes which make impracticable all schemes for the general loaning of government money.

Finally government notes must be receivable in payment of taxes. The refusal to receive greenbacks in payment of duties on imports caused the depreciation of those notes during the civil war. This crime was perpetrated by a few alleged financiers who thought it would be a great thing for the government to pay out notes and refuse to receive anything but gold. Contrary to popular belief the depreciation of

*As a matter of fact little gold or silver can be forced into circulation if people can obtain notes. The Treasury statement for May 1, 1891, shows in round numbers:

| | IN TREASURY. | IN CIRCULATION. |
|---|---|---|
| Gold | $220,000,000.00 | $408,000,000.00 |
| Silver | 338,000,000 00 | 61,000,000.00 |
| Paper | 39,000,000.00 | 1,001 000,000.00 |

This is particularly striking as regards silver. Most of the gold is held by banking institutions.

the greenbacks was not chiefly due to lack of confidence in the stability of the government but to the fact that the notes were not received for customs duties. This left only the internal revenue taxes as a channel for their redemption and as the revenues raised in this way were comparatively small the notes depreciated. That this was the reason is proved conclusively by the fact that the demand notes of which $60,000,000.00 were issued in 1861-2 and which were received in payment of import duties circulated on an equality with gold during much of the time when the greenbacks were depreciated.

The proper form of government money in this country would read to this effect:

> ONE DOLLAR.
>
> The United States agrees to receive this note as the equivalent of 25 8-10 grains of gold 900 fine in payment of any debt due the United States.

## CHAPTER VI.

### THE SOLUTION OF THE MONEY PROBLEM.

For ages men have disputed whether the rent of land should go to the landlord or the tenant but the real question is whether it should go to any individual or to the community. For years they have debated the relative merits of protective tariffs and revenue tariffs but the real issue is between absolute free trade and any tariff whatever. So to-day volumes are written on the comparative excellences of gold and silver currencies when the real verdict must be between all forms of money having commodity value on the one hand and purely token money on the other—simply a question whether a community is sufficiently civilized to do business by bookkeeping.

But without regard to differences as to kinds of money those who dispute the currency question are divided into two factions, one advocating an increase of government money and ascribing unspeakable evils to its so-called contraction, the other opposing with similar prophesies of horrors to come any further issuance of money whether public or private.

Yet both parties are alike wrong; the one has not shown that government can rightly issue money except for the transaction of its own business, the other has not shown that government can rightly interfere to prevent indviduals from issuing what money they will. Neither has shown that the volume of money, even were it as important as each erroneously accounts it, is a matter with which the government has any concern whatever. Neither recognizes that the inelastic supply of mediums of exchange and the complications due thereto would be paralleled by an inelastic supply of bibles or bootjacks did the government undertake or restrict the production of these articles as it does the production of money.

Yet the cause of such differences of opinion and the way to remove them are not hard to understand. It is simply that while present social conditions continue there is no solution to the money problem and when these conditions are set right it will solve itself.

For by far the most important point to understand about the money question is its unimportance. Under all forms of currency the mass of wealth producers are condemned to poverty, bitter, degrading and hopeless, and to him who is sure to be eaten the sauce with which he is served up is of little account. What will a better currency profit him who must give all he gets of it for a bare living? What is the need of a better medium of exchange to a people who expect prosperity only as they prevent exchange by tariffs? What matters the control of the representatives of wealth so long as the source of all wealth is itself monopolized?

The most ardent advocates of the various schemes of finance, our infallible newspapers, our best advertised statesmen, can give no answer to the currency problem because from whatever side the subject is approached the way is blocked by restrictive laws they dare not repeal. Each of such restrictions is thought, however wrongly, to be a safeguard to the poor; each with all its evil effects is the necessary result of an evil cause, that certain people who have no freedom of choice, no power to help themselves, depend for protection upon legislative acts.

On the plea that people have been swindled by wild cat banking all banks of issue other than the national banks are prohibited by the ten per cent. tax on circulation; because wages in some occupation have touched the starvation line laws are passed forbidding store orders and payment in goods; because some employer is able to force worthless money upon his employes legal tender acts are demanded; for further protection values and prices are manipulated by tariffs and the whole course of business is interrupted by the abortive attempts of government to enforce contracts between individuals. Of course the ignorance of the few who oppose certain of these restrictive laws has ascribed to them many evil results which they could not possibly effect but it is wholly owing to such statutes that there is any confusion in regard to money. All are thoroughly bad in principle and should be abolished at once and forever. They have been enacted by selfish interests with the same clamor about protecting the poor, the weak and the ignorant which makes millionaires at public expense by tariffs. Patchwork attempts to make them harmless by further legal interference only add to the evil. Such are the usury laws which attempt to limit the amount of lawful hire but that which galls the people into such senseless revolt is the interest paid on land mortgages and the public debt and there the wrong is deeper than any question of the amount of hire; the outrage is that the debt was ever created at all, that any man should be compelled to pay another for that use of the earth which is rightly his own by reason of his right to live.

In short the one source of the money trouble is the interference of government with the affairs of individuals, the reason of such interference is the poverty of the masses and the ignorance which results from it and the cause of poverty is the private ownership of the only source of wealth, the land.

If there are women and children dying of hunger made by the laws—and he who know anything at all knows this—it will not lighten their misery or our crime who are responsible for the continuance of those laws to have the statutes relating to currency made perfect "Skin for skin, all that a man hath will he give for his life," was the conclusion of a financier who wrote in the days when hides were cash and it is true even if that all be standard dollars of the United States. Money is but a representative of wealth, that wealth is but the product of labor upon land and now as ever, "To whomsoever the soil belongs to him belong the fruits of it."