

**GRANGE AND MONEY.**

A Letter on Finance by the National Lecturer of the National Grange  
—The Grange Wants More Money.

**THE "INTRINSIC VALUE" NONSENSE.**

The Grange is a School for the Study of Finance—It will Take No Backward Step.

An Able and Timely Article.

For a long time after the grange was organized its principal object was to knock out the middlemen, to bring the producer and consumer closer together, and thus benefit both. In this line it accomplished much good especially in its early years. But in later years, this feature of its work has proven more and more a failure.

Again in the early years of its history, the grange made it a rule to "keep out of politics." But as its failure in a business way has become more evidenced, the disposition to go into politics has become more pronounced until now the order has become thoroughly transformed into a school for the study of great political and economic questions. The following letter from the national lecturer of the order should be read by every farmer in Nebraska:

WASHINGTON, D. C., Nov. 1, 1892.  
Editor ALLIANCE-INDEPENDENT:

The national grange has for years recommended and set the example of a thorough discussion of the important question of finance.

Since 1877 it has declared for the free coinage of silver.

It has advocated an increase of currency to the amount at least \$50.00 per capita.

Here is the official language from the published "Proceedings:"

"WHEREAS, The national grange does not believe that we now have sufficient currency in the nation for the legitimate purposes of trade and to meet necessary obligations; therefore be it

"Resolved, That this national grange declares and expresses its opinion in favor of free and unlimited coinage of both silver and gold, just as it existed from almost the foundation of the government up to 1873, when silver was demonetized.

"2 That we believe that the government alone should issue money, and that a sufficiency of legal tender notes be issued."

And it has insisted that "no exceptions" or restrictions should be placed upon one kind of money more than another; that all money of the country, gold, silver, or paper should be of equal and full legal tender value for all purposes.

The following is a portion of the report of the Standing Committee of National Legislation of their work before congress as presented to the National Grange at its twenty-fifth annual session, held at Springfield, Ohio, November, 1891, and adopted by that body:

"Our order represent the wishes not only of its own membership but those of a large proportion of the people of our country in asking an increase in the volume of currency to \$40 or \$50 per capita. The proposition to issue this additional currency upon real estate security, at a low rate of interest, has been quite generally brought to the attention of the people. It has been favorably received and advocated by many of the best and most intelligent citizens of our country, who believe it would greatly relieve the depressed condition of agriculture, and enable farmers to save their homes from the hammer of the sheriff. It is not, as claimed by some, a wild, visionary and impracticable scheme; neither is it class legislation. There is no law which prohibits any men, or class from buying real estate, and thus being prepared to furnish the required security. Whether it would be well for Government to enter upon this policy or not should be

thoroughly discussed, which would so develop the plan as to make it entirely practical, or evolve a financial policy that would give needed and permanent relief. Of one thing we may be assured, out of a fraternal discussion of the question will come light and good results. There must be better conditions possible than those which exist at present under the financial policy which now rules all the great nations, and the citizens of the United States will not be slow in finding out these conditions and applying them to the advantage of our people. The very rich must go, and there must be a more equitable distribution of the comforts of life to the worthy but extremely poor. All our people must learn the commandment: "Do unto others as you would have them do to you."

In all their hundreds of thousands of Grange meetings held every year in all parts of the country, farmers are at school learning the truth about finance.

**INTRINSIC AND MONEY VALUE.**

A few pointers as a lesson leaf, are offered here on the often disputed and often misrepresented item in the finance question of *intrinsic value*.

*Intrinsic value* is one thing, *money value* is another thing.

*Intrinsic value* is a *commodity value*, such as the value of wheat, potatoes, diamonds, gold, silver, iron, &c.; *money value* is the value given by the *law*, which makes money, being stamped upon a substance having much, little or no value as a *commodity*. Money represents the value of commodities, without necessarily having the *intrinsic value* of the commodity it represents.

A farmer can prove the difference between the *intrinsic* and the *money value* of the same article very easily. Suppose he gets together \$20,000 in gold metal—bullion. He takes it to his nearest bank and says, "Mr. Banker, I have here \$20,000 worth of gold (*intrinsic value*); I have no use for it for six months, I wish you would take it and pay me interest for it for that time. The banker would laugh in that farmer's face, and say, "Why, my dear sir, I have no use for your gold (*intrinsic value*), but I will tell you what I will do; I have a good, strong safe, some good safe-deposit vaults, in which I will place your gold (*intrinsic value*), the same as I would keep your diamonds and other valuables, and I will keep it safe for you, if you, Mr. Farmer, will pay me for keeping it for you." That's *intrinsic value*.

Mr. Farmer goes away, takes his gold to one of Uncle Sam's mints, and under the free coinage of gold, as we now have it, and had it for nearly one hundred years for *silver* also, and has it coined into gold *dollars* and gold eagles? The farmer goes back to that same bank with that same gold as *money*, and again asks the banker to take it for six months. The banker says, "Oh! yes, Mr. Farmer, I will be very glad to have it (*money value*) and will pay you interest on it as long as you leave it with me."

Now that farmer has learned that *money value* is one thing and *intrinsic value* is another thing, and he learns that *money value* is more than *intrinsic value*; that the banker will pay for the use of one and not for the other.

*Money* has really no *intrinsic value*. Attorney General Ackerman, in speaking of the legal-tender act said:

"We repeat, money is not a substance, but an impression of legal authority—a printed legal degree."

"The theory of the *intrinsic value* of money has been abandoned by the best writers and speakers."—Encyclopedia Britannica

"Metallic money, while acting as coin, is identical with paper money, in respect to being destitute of *intrinsic value*."—North American Review.

"An article is determined to be money by reason of the performance by it of certain functions, without regard to its form or substance."—Appleton's American Encyclopedia.

"Metallic money, whilst acting as money, is identical with paper money, in respect to being destitute of value. Coin, so long as it circulates for the purpose of buying and selling, loses its *intrinsic value*. As commodities, gold and silver are capital, but as money they are mere representatives of value."—Charles Moran, of France.

The grange takes no backward steps  
Fraternally,  
MORTIMER WHITEHEAD.

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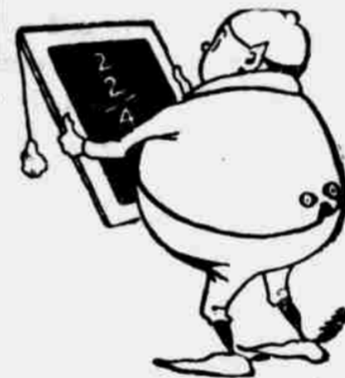
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