

THE VALUE OF MONEY

Mr. De Hart Continues—Bimetallism in England—What "Free" Coinage Does

CHAPTER III.

Editor Independent: Government can regulate prices, but it cannot regulate values. We saw how, under the operation of "free" coinage, in England, in the time of Adam Smith, gold was £45 14s 6d per pound, which was £3 17s 10½d per ounce. In other words, government could, and did, fix the price of gold by keeping the mint open to free coinage of gold, and by allowing the private owners thereof to have made for themselves at the mint £3 17s 6d for every ounce brought there by them, which made that amount of money the legal price per ounce for all the gold in England, a price that could not be lower, but might be higher, if the mint was also open, to free coinage of silver in the ratio of 15 of silver to 1 of gold, as it was, and 15 of silver should happen to be worth less than 1 of gold.

We also saw that the government of England could, and did, fix the price of silver at 62 shillings per pound of "standard" silver, which was 5s 2d per ounce, and that this was the legal price of silver, because that much money could be and was made for any and all owners of silver by their command, at the public mint at the public expense. We also noticed that if the mint was open to free coinage of silver as well as of gold in the ratio aforesaid, and if one ounce of gold was worth less than fifteen of silver, as merchandise, then gold would be coined in preference to silver, and coinage of silver would cease, and silver would have a higher price in the market than its legal price, at the mint, which price would be expressed in gold.

Having seen all this, we must come to the conclusion that government can regulate the price of gold, and is always doing it, whenever the mint is open to free coinage of gold. It is also evident, that what we call the legal price of gold, and what Adam Smith called the "mint" price, can be doubled by putting half as much gold in the coin; and can be made half as high, by putting twice as much in the coin. It is also evident that if the legal price of gold or silver is doubled, then of course the market price of all commodities (measured by gold or silver) must be doubled; and, if the legal price is half as much, then

the market price of all commodities is half as much; because, by doubling the legal price, the quantity of money is doubled; and by making the legal price half as much, there is half as much money.

But, going back to the silver question once more, we have found, that when silver was cheaper than gold, i. e. when fifteen ounces of silver were worth less, in the market, than one ounce of gold—this being the ratio at which the private owners had a right to coin—the "pound sterling" was actually represented by 1,958 grains of silver instead of 129 4-10 grains of gold and that each shilling was one-twentieth of that amount, or about 98 grains of silver, instead of 6½ grains of gold; and each penny was one-twelfth of that amount of silver, or about 8 grains, instead of half a grain of gold. This was what the "double standard" theory amounted to, when put into practice. The result was, that 1,958 grains of silver were fighting 129 4-10 grains of gold or 129 4-10 grains of gold were fighting 1,958 grains of silver. The conflict sometimes became very confusing, so much so that they hardly knew what a shilling was, on account of the indefinite meaning given to the "pound-sterling," under the operation of "free" coinage of two metals.

For nearly two hundred years, that is, from 1545 to 1720, all Europe, including England, had a silver period, the ratio of production, on account of the excessive flow of silver from America, being not less than 27 of silver to one of gold, and some of the time, 58 of silver to one of gold, much more of the time at least 50 of silver to one of gold. And, yet, the relative value of silver and gold did not change much.

Since 1876 till the present time, never has more than 20 of silver to one of gold come annually from the mines to market; and, yet, the relative value of silver and gold has changed very much. From 1876 to 1880 about fifteen of silver to one of gold came annually from the mines, and from 1880 to 1885 about 19 of silver to one of gold came annually to market. The greatest flood of silver compared with gold was from 1885 to 1890, when twenty of silver to one of gold came annually from the mines. And, yet, since 1876 the relative value of silver and gold has changed from 1:16 to 1:40. How can we account for this, except on the ground that the mints of Europe and America began to be closed to free coinage of silver in 1870 and kept open to free coinage of gold?

In England the "pound sterling," as we must now notice, is an ideal thing which is divided into twenty "shillings," each one of which must be an ideal thing, also, and the ideal shilling is divided into twelve "pence," each one of which must also be an ideal thing, although it, as well as the shilling and pound sterling, must be represented by a material thing. In England from 1666 until 1816 the ideal pound sterling was represented sometimes by a guinea coin, which meant a certain quantity of gold; and sometimes by twenty silver coins, each called a shilling and which represented a certain amount of silver. Each penny was represented by a certain amount of copper, in the form of coin, twelve of which were supposed to be equal in value as merchandise to the silver in the shilling, as well as equal in payment of debts. It is time, now, to begin to see the difference between that ideal thing called a pound sterling, and that material thing (gold, silver or copper) also called a pound sterling.

Names must not mislead us at this point.

The ideal pound sterling is an intellectual thing, a spiritual thing. It is always the same. It originated in the mind of the ruler of a nation. It represents the sovereignty of a nation. It is a pure thing, unadulterated; but when it has to be represented by a material thing, then it has to partake of all the imperfections of material things. If, for example, it is represented by a certain quantity of gold, then it must necessarily change with all the changes of gold; if by a certain amount of silver, then it must change with all the changes of silver; if by 240 copper coins called pennies, then it must change with all the changes of copper, if copper is subject to "free" coinage.

Englishmen speak of a pound sterling as their monetary unit. Sometimes they call it a unit of value.

In what sense is the pound sterling a monetary unit? or unit of value? Is a certain quantity of gold, by which the pound sterling is represented, a monetary unit? Almost every Englishman would say Yes to this. It has been easy to say Yes since 1816, because nothing but a certain quantity of gold (123 grains and a frac-

tion) has appeared to represent a pound sterling. But before 1816 a certain quantity of silver also appeared as a pound sterling. If they did not both appear at the same time, they appeared, one after the other. This produced two monetary units; and as we have seen, England was very much puzzled by two units of money.

The reason of the bewilderment was that the people did not know the difference between the ideal pound sterling and the material thing (silver or gold) by which it was represented. Had they known, that the legislative power of the nation had created a new commodity called money, and that this new commodity was represented, sometimes by gold, sometimes by silver; and that the new money was not silver or gold, but was simply represented in a poor, weak way, sometimes by silver and sometimes by gold, they would have had no difficulty in seeing that pure, spiritual thing behind the material things.

In England it ought to be easy to see that the so-called pound sterling is neither a certain amount of gold, nor a certain amount of silver, but a very small fractional part of the money of the country and that ALL the pounds sterling put together, whether represented by gold, silver, copper, iron or paper, are the real unit of value or monetary unit, which acts not only as a circulating medium for payment of debts and exchange of commodities, but as a measure of value by producing all market prices; the "measure of value" being only partly visible, as only a part of the currency is seen.

Here I am reminded that I am getting into metaphysics and will not be understood, if I go further on this line. I, therefore, return to the question: What is the value of money?

Value, abstractly considered, is almost as ideal as the monetary unit. Value, says Del Mar, is not a "thing," but a relation between two things in exchange—"a numerical relation merely," he says. It is very true that value is not wealth, nor any part of wealth; it is not a commodity, but a relation between any two commodities in exchange. Prof. Jevons says, "Value is a ratio between two numbers." If so, it becomes almost a metaphysical quantity.

If value is not a material thing, but a relation between two material things in exchange, then, of course, we are getting into metaphysics as soon as we begin to talk about it. This must be avoided as much as possible.

My concern is with the value of

THE VALUE OF CHARCOAL

Few People Know How Useful It is in Preserving Health and Beauty

Nearly everybody knows that charcoal is the safest and most efficient disinfectant and purifier in nature, but few realize its value when taken into the human system for the same cleansing purpose.

Charcoal is a remedy that the more you take of it the better; it is not a drug at all, but simply absorbs the gases and impurities always present in the stomach and intestines and carries them out of the system.

Charcoal sweetens the breath after smoking, drinking or after eating onions and other odorous vegetables.

Charcoal effectually clears and improves the complexion, it whitens the teeth and further acts as a natural and eminently safe cathartic.

It absorbs the injurious gases which collect in the stomach and bowels; it disinfects the mouth and throat from the poison of catarrh.

All druggists sell charcoal in one form or another, but probably the best charcoal and the most for the money is in Stuart's Absorbent Lozenges; they are composed of the finest powdered Willow charcoal and other harmless antiseptics, in tablet form or rather in the form of large, pleasant tasting lozenges, the charcoal being mixed with honey.

The daily use of these lozenges will soon tell in a much improved condition of the general health, better complexion, sweeter breath and purer blood, and the beauty of it is, that no possible harm can result from their continued use, but on the contrary, great benefit.

A Buffalo physician in speaking of the benefits of charcoal, says: "I advise Stuart's Absorbent Lozenges to all patients suffering from gas in stomach and bowels, and to clear the complexion and purify the breath, mouth and throat; I also believe the liver is greatly benefitted by the daily use of them; they cost but twenty-five cents a box at drug stores, and although in some sense a patent preparation, yet I believe I get more and better charcoal in Stuart's Absorbent Lozenges than in any of the ordinary charcoal tablets.



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money, not with the value of other things.

Money, though it be, in the start, an ideal thing, yet it cannot exist except by being represented by some material thing. We cannot begin to study it until we see it represented by something we can see and handle. Paper money is the best money because it is capable of being made the best money, not because it always has been the best.

The value of money depends upon its quantity. In this respect it does not differ from other things.

Money is local. It is not cosmopolitan. It is made for a community or nation. There is no such thing as money of the world, although gold, the raw material of money, or the material by which money is represented, may be a cosmopolitan commodity. Money is made by adopting something, in a community, for a circulating medium; this medium afterwards becoming a measure of value, on account of its producing a price-level. There is no way of getting at the value of things, except through price. We don't know the value of money, except by the prices of commodities. Later I shall illustrate this more.

As between nations bills of exchange are used for money. These might be called the money of the world. They were invented by the Jews, who invented the financial systems of nations. There is no money as between nations. This is well understood by merchants who buy and sell goods abroad. If, for instance, a New York merchant sends a cargo of goods abroad, he draws against the goods and the consignee. The bill is taken to a banker in Wall street and sold for American money. This enables the merchant to have his money, before the goods are out of the harbor. The banker sends the bill to the other side for collection or he sells it here in New York to a merchant, who has just been importing a cargo of goods and wants to send something to the other side that will pay for the goods. As a rule, the banker sells his bills to importing merchants and does not have to send them to the other side for collection.

The point is this: bills of exchange serve as money or currency between nations and there is no real money, internationally.

If we import more goods than we export and there are no bills, with which to pay foreign debts, then we have to send gold. But gold does not go abroad as money, but as merchandise, out of which money can be manufactured in the mints of Europe. Gold, as we have seen, has a price, by local law, in all the gold countries of the world. This price enables merchants to know exactly how far gold will go in paying debts. In some countries, notably China and Mexico, silver has a price of local

NEVER TOO LATE

To Try a Good Thing

I am fifty-two years old and for forty years of that time I have been a chronic catarrh sufferer, says Mr. James Gieshing, of Allegheny City; with every change of weather my head and throat would be stuffed up with catarrhal mucus.

I could not breathe naturally through the nostrils for months together and much of the time I suffered from catarrh of the stomach. Finally my hearing began to fail and I realized something must be done.

I tried inhalers and sprays and salves which gave me temporary relief and my physician advised me to spray or douche with Peroxide of Hydrogen. But the catarrh would speedily return in a few days and I became thoroughly discouraged.

I had always been prejudiced against patent medicine, but as everything else had failed I felt justified in at least making a trial.

Our good old family physician, Dr. Ramsdell, laughed at me a little, but said if I was determined to try patent medicines, he would advise me to begin with Stuart's Catarrh Tablets because he knew what they contained and he had heard of several remarkable cures resulting from their use, and furthermore that they were perfectly safe containing no cocaine or opiates.

The next day I bought a fifty-cent box at a drug store, carried it in my pocket, and four or five times a day I would take a tablet; in less than a week I felt a marked improvement which continued, until at this time I am entirely free from any trace of catarrh.

My head is clear, my throat free from irritation, my hearing is as good as it ever was and I feel that I cannot say enough in praise of Stuart's Catarrh Tablets.

These tablets contain extract of Eucalyptus bark, blood root and other valuable antiseptics combined in pleasant tablet form, and it is safe to say that Stuart's Catarrh Tablets are far superior in convenience, safety and effectiveness to the antiquated treatment by inhalers, sprays and douches.

They are sold by druggists everywhere in the United States and Canada.