Money.

II.—ITS VIRTUE DERIVED FROM LAW.

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(Continued from last week.)

Those who control the world's money, knowing their power to be in limitation of supply, bolster up their position with falsehoods oft repeated that fiat money fails of value, that it is poor money, dishonest and robs labor. And with learned flourish point to paper issues that did depreciate.

They ignore the fact that paper issues are not necessarily money. Paper promises to pay coin are not money, and the coin failing must necessarily depreciate. The French assignats, our continental currency, and the more recent paper issues of Argentine were not money. Even our war greenbacks could perform only part of the money function. That only is money which being legal tender will pay debts, and to be safe from depreciation it must pay *all* debts.

Now, the proof that government fiat is sufficient to make valid money—that will not depreciate even as compared with gold.

Not to mention the iron money used by Sparta until she became the dominant state of Greece when Grecian civilization was at a heighth that has been the admiration of succeeding ages; nor the credits of the Bank of Venice (the government treasury department), which commanded a premium over gold and made that little republic, both in statecraft and commerce, one of the ruling powers of the Mediterranean; nor the several issues of colonial currency, bottomed on taxes, as Benjamin Franklin expresses it—that is legal tender in their payment—the prohibition of which, and on account of the prosperity they had given the colonies, as much as any other one cause, led to the rupture with the mother country; there are two instances in modern times, backed by incontestable proof, to which gold bug literature never refers.

The notes of the Bank of England (which corresponds more to our treasury department than to our national banks) were made legal tender by the Pitt administration, and awoke and conserved the patriotism, the prosperity and the energy which drove the arch gold bug, Napoleon, into exile, and—until contraction through their forced and unnecessary retirement brought industrial disaster—gave England the greatest prosperity she ever has known.

The sixty millions of demand notes issued by the Lincoln administration is the other. Specie payment was suspended; no pretense was made to pay them in gold; the demand clause, therefore, was inoperative. Yet, because legal tender and able to pay all that gold could pay, including what the greenbacks could not pay—import duties and interest on the public debt—they remained throughout the war at par with gold.

The opponents of government money cry down government legal tenders because they say they are "cheap" money. They ignore the fact that legal tenders cannot be cheap money; that paper currency only becomes cheap when deprived of the *fiat*, and that then it is *not* money. The fiat that makes them money creates the value. We have seen silver, worshipped as money equally with gold from prehistoric ages, still the money of three-fourths of the earth's population, because demonetized by a few powerful nations, lose half its value. Does not this suggest that the value of gold also is largely fiat, and if deprived universally of the legal tender power invested by law, that it would become as cheap as iron?

Plutucracy's fallacy is in confusing two kinds of cheapness. One comes from bountiful supply and is beneficial to every man interested in productive enterprise. The other kind is better named worthlessness. Such money is cheap, not because it is plenty, but because it is not good for much. It lacks legal tender power. Stuff that won't pay debts is money only by consent. It is not accepted as money by the power that issued it. It is disowned. Such makeshifts are wanted by nobody, unless it be the partisans of the national banks.

And to the banks we owe every dollar of depreciated currency that has afflicted industry since the Constitution was adopted. They convive at inferior currency when issued by the government in order to bring discredit upon government money, and leave open the way for their own notes. And yet they now utilize the government credit to circulate their own notes, through which they control the supply of money, and by expanding and contracting their own issues make booms and panics at will, and by a sort of pump handle motion that catches industry "coming and going" absorb the value created by labor.

In spite of the gold gamblers' war on greenbacks, their depreciation was seeming, not real. War's demand's and employed labor's increased purchasing ability accounted for higher prices of everything except gold. Gold was cornered. It appreciated not alone as compared with greenbacks, but as compared with all values. The so-called "demand for gold" was not a demand for the "yellow stuff" for itself, but for money that was perfect legal tender. One thing escaped the Wall street wreckers—and it *damns* those spurious philanthropists as traitors besides whom Jeff Davis was a patriot. They failed to exclude the demand notes as they did the greenbacks, from full legal tender privileges, and the former commanding the same premium as gold, intended for gold alone, proves the spread between gold and greenbacks not the result of depreciations of the latter, but a corner on *full* legal tenders. From this fact it follows that all the premiums paid on gold and interest on bonds from 1860 till the last coupon is redeemed is a cold-blooded theft, gigantic in proportions, deliberately planned from the beginning.

Nor was it on account of the resumption of specie payments that the so-called depreciation of the greenbacks disappeared, for resumption did not occur till they reached par with gold. How this was done John Sherman knows. They were accepted on the same terms as gold at the custom houses by his order. Their disabilities were thus removed and the artificial demand for gold dissolved.

We have now three kinds of dollars, gold, silver and paper. Measured in gold silver has intrinsic value of 50 cents, paper none at all. Can you get a dollar of one kind for less than another? Why not? Because each is backed by the legal tender decree; each has in it a dollar's worth of *Law*.

And in the panic when confidence was gone in everything and, if at all, people would have lost faith in fiat money, no firms went into bankruptcy, no banks failed, which had