

He talks about "the" impossibility of maintaining a double standard of value," when the world had done it a thousand years before he was born.

The term Standard does not mean the quality of money, but the quantity, (and bear in mind always this fact, that money possesses no quality except that imparted to it by quantity) - the range of prices is determined by the quantity of money in existence, & when you say that a country is on a gold standard you do not mean that that country has necessarily even a dollar's worth of gold either in circulation, or in its treasury; but you do mean this, & this only, that the combined currencies of that country equal in amount its distributive share of the world's gold. ~~the gold, & gold & money~~ - And as ~~the quantity of gold in the world is too little, & as prices are governed by the quantity of money, we can say that prices with absolute assurance that prices in that country~~

As Carlisle is not a fool this speech stamps him as an unscrupulous knave, & among people who know any thing about money it can not possibly do any harm. His whole argument is based upon the fact that gold has "intrinsic value". Knock that out, & there is nothing left. Intrinsic value, ~~or~~ rather quality, is that quality, or property which resides in a thing, & which does not, & indeed, can not change, such as lawness, durability etc. Now gold has no intrinsic value, as he calls it, for the reason that if mountains of gold should be discovered tomorrow the amt. of that metal already in existence, & doing work as money, would be seriously affected. In other words, its purchasing power, the only value it possesses, would be greatly lessened, & to make it

2
plainer still, I suppose you had
a thousand gold dollars today with
a purchasing power of, say 100%.

Now let the government make a big
issue of paper money, your 1000
gold dollars will not purchase as
much as before, & according to
Baillie, their "intrinsic value" will be
lessened. But you can not alter

^{intrinsic}
value(?), (quality), for intrinsic means
that which inheres, or resides in a thing,
and which is not susceptible of change.

Do you see I am simply stating
an axiom when I say that intrinsic
value is an absurdity. Am I alone in
this assertion? The greatest political
economists of the world will all tell
you that value is extrinsic, & that he
who writes about intrinsic value has
no determinate ideas. And these are the
men, Bailey, Jevons, Mill, Perry, Walker,
Macleod & Ricardo.

People do not want gold, because it
is gold, they want it because it is
money, legal tender, & the demand of

3
70 millions of American citizens -
striving for legal tender say & night -
would keep 371 1/4 grains of silver
up to a parity with a gold dollar.
It would not fail unless the average
American citizen should suddenly cease
to strive for legal tender. He further
says that "free coinage would drive
out of this country 620 ^{millions} of gold."

(Nobody knows better than Baillie
that there ~~are~~ ^{are} not 225 millions in the
U.S.) and that "the purchasing power
of all the remainder of our currency
would be reduced one half." - that is
that prices would rise, In other
words, that if you reduced the
quantity of money in existence
the higher would go prices. Now
what are you going to do with
such a man? It seems puerile to
sit down & waste time on such truck.
Life is too short. Baillie is not
honest in this, as a matter of course,
& no doubt is laughing in his sleeve
at every body who takes him seriously.

with one who bases his savings upon "intrinsic value," It is a mere waste of time, it is simply walking around a circle.

A man would be a fool to try to explain Kepler's laws to an advocate of the geocentric theory; he would first have to convince the crank that the earth was not flat & did not rest on pillars.

I forgot to notice one point, C- says that our gold would immediately leave us if we went to free coinage, It could not do so before it was replaced by some other form of money, because if it did, the volume of money would be contracted here, prices would fall abnormally, & Europe, being attracted by our low prices, would buy freely from us, & the gold would rapidly return

are exceedingly low, & that the masses are in industrial bondage, On this point Ricardo - the greatest financial authority says, "On these principles it will be seen that it is not necessary that paper money shall be payable in specie to secure its value; it is only necessary that its quantity be regulated according to the value of the metal which is declared to be the standard." Now what is meant by a double standard, which C- declares is an impossibility & an absurdity? Simply this, that the combined currencies of a country shall equal in amount its distributive share of the world's gold and silver. In this case the quantity of money would be increased, doubled as compared with the gold standard country - & as the quantity of money governs price, we should have a higher range of prices in the latter country than in the former. This is not theory, for proof look

back at the histories of nations⁶
from the dawn of civilization down
to 1871, & from -71 down to the
present. The conditions of the silver
& gold countries of the world today
proves absolutely what I am
contending for, & if it is denied
at all, it must be by men
who know nothing about the sub-
ject, or have some special mo-
tive for so doing. The amt. of
ignorance on this subject is truly
astounding, 99 men out of every
100 I discuss it with can not
define "value", & hence cling blindly
to "intrinsic value". The science of
astronomy could not make
head way till the geocentric theory
met its death, & neither can the
infinitely more important one
of Political Economy till the
absurdities "intrinsic value" & "cost
of production" are relegated to
their proper resting places. Now a

word just here⁷ about "cost of
production". As "gold does not
vary in value", & as "value depends
upon cost of production" then gold
must have always cost the very
same to produce it, I think of, please,
through all the ages the cost of
producing an oz. of gold has never
varied. Why, the majority of the
world's gold has been found in
placers - in the beds of dry streams -
picked up by inexperienced men,
without the aid of machinery, &
without the expenditure of a dollar.
If the gold men admit, as they do,
that "if Europe joined with the U.S.
we could go to free coinage", then I
say what becomes of the principle
of "cost of production". Or if a
gold dollar is worth a dollar
because it costs a dollar to get
it out of the earth - why would an
issue of paper money alter its value?
But it is ridiculous to argue