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MONEY.

St. Louis, Mo. - (1) Does the increase of money increase the price of things?

(2) How?

(3) Ought there to be any more paper money than truly represents coin held in reserve?

(4) If there is more paper money than this for circulation will not the result be an opportunity to "corner", "gobble", etc., even with "the land theory" in successful operation?

(5) Is not all paper money beyond representation of coin fictitious in value?

(6) And is not that as bad as fictitious value of land?

H.S. Chase.

(1) That is its tendency if the volume of production and rapidity of exchange remain the same.

(2) By augmenting the supply of media of exchange relatively to demand.

(3) Why not? Coin held in reserve is capital tied up. Its function as coin are as well performed by paper, and its functions as a useful product of labor are paralyzed. There is no justification of any coin reserve.

(4) No.

(5) No, unless to be a representative of values is to be fictitious in value. Money as such has no value in the sense that a house or land has value. A new house adds to the values of the community, but an additional issue of money does not. The community is no richer when eighty cents of silver comes out of the mint stamped with the dollar mark than when the silver went into the mint, but a representative of values to the extent of twenty cents has been created.

(6) Fictitious land values are bad because they operate as barriers between labor and land. What you call fictitious money values has no such effect.

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