Dear Bob   Mar 11-82   one

More on 'money' Maybe you can add some of it to the item on Prophet From San Francisco.

I think most people think of economics from a values viewpoint, therefore from a money and market viewpoint. So if we can clear up the monetary problem and then trace back to land situation, maybe we can get people to study George.

Not long ago I read some good references on money by David Ricardo, I wonder if Mark Sullivan can do some research and find out what Ricardo wrote on money?

I checked lesson sheets by Phila extension and they had supplement on money mentioning Bob Fremery's ideas on money. His seem to be the closest to mine. He fixes the quantity of money with a ratio to population which is satisfactory. He also has a good idea in regard to banking, 100% reserves.

I also recall a Bob Benton of Detroit extension who seemed sensible on money. Whatever became of him?

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Im also in contact with Hilda Greenwood. She says she took a couple of classes with you. Do you remember her? She is 73 now and ailing badly. I understand she got P of P into county library system here. Her neice is head librarian. [illegible] -bed for a law firm which had U.S. Steel [illegible] She has the notion that Steel

Evidently Schiff and I have different definitions
of money. There is nothing wrong with fiat money
once it is in circulation. Providing that once
a sufficient amount is in circulation that no
more is added. The supply should be fixed. There
may be a question as to how much is enough. I would
say there is more than enough now. So stop printing
any more and let prices stabilize. Then it could
act as George theorized as a medium of exchange
AND AS A MEASURE OF VALUE. Most people do not pay
much attention to this function. Whatever else
people want to call money, be it gold, gold standard,
bi-metalism, gold & silver, commodities, none will
be able to operate as efficiently as a fixed supply
of fiat money. Most people also overlook the fact
that money is meant to forever circulate and re-circu-
late and not as a store of value.
When using a commodity, be it beads, wampum,
tobacco, gold or silver etc as money there is a tendency to
use up the commodity and lessen the supply for
monetary reasons and thus lessening the commodity's
function as a measure of value. The gold rush of
1849 caused higher prices. Chinese cooks earned
500 dollars a day for a while.

So as in the case of single tax & natural monopoly,
there has to be enough people who understand
economics to enforce the correct monetary policy.
Abolish the Federal Reserve. Let the Mint print
money under strict control and observation but
only to replace torn, mutilated or otherwise
un-usable currency. Yours truly [illegible]

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The defections of Merrill Jenkins and Lou Basso from our movement point out the need for a reassessment of our position on 'Money'. While Lou still agrees that there should be land value taxation, he thinks the money problem is more serious and requires top priority. and Jenkins has started a whole new movement called Monetary Realism. They are in competition with us for the minds of men. They give (Jenkins) erroneous definitions of economic terms which leads to erroneous economic thinking, undoing George's efforts to carefully define terms.

Basso claims George's definition of money is false. While one may find fault with the brief summation of money that George makes (Whatever in any time and place is used as the common medium of exchange is money in that time and place.) I cannot find fault with his total exposition. So I agree that money should be a governmental monopoly, that paper can be used as a form for expressing value opinions along with metals (coins) for durability and not for intrinsic value.

Yet nowhere, in any Georgist publication or school (to my knowledge) is it pointed out or stressed that George was correct on Money. It is time that we remedy this defect.

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port of silver to China has been in the shape of Mexican dollars, the stamp of which has become known there as evidencing a certain weight of silver. Thinking that it might take the place in China of the Mexican coin the American government in 1874 coined what was called a trade dollar. It was a better finished and handsomer coin than the Mexican dollar, and contained a greater weight of silver. But the Chinese preferred a coin whose look they had become familiar with, to one that was new to them, even though the latter was of greater intrinsic value. The attempt was a failure, and after an instructive domestic experience, which it is not worth while to speak of here, the coinage of the trade dollar was stopped.

Now this transfer of ready exchangeability from the commodity to the coin, with the accompanying relegation of the commodity itself to the same position in exchange held by other commodities, which takes place as a result of the use of coin money, is a matter of great importance, leading ultimately to a complete change in the nature of the money used.

In the coinage of the precious metals the use of commodities as a medium of exchange seems to have reached its highest form. But the very same qualities which of all commodities best fit the precious metals for this use, attach or may attach in still higher degree to something which, having no material form, may be passed from person to person or place to place without inconvenience from bulk or weight, or danger of injury from accident, abrasion or decay. This something is credit or obligation. And as the advance of civilization goes on, the same tendency to seek the gratification of desire with the least exertion, which with a certain advance of civilization leads to the development of commodity money, leads with its further advance to the utilization of credit as money.

Movement in this direction may be distinguished along three lines: 1—The admixture in coinage of obligation

value with production value. 2—The use of obligation or credit as representing an economizing commodity money. 3—The use of pure credit money.

We are here considering only money. Not only is credit a facilitator of exchange before money of any kind is developed, but the same social progress which shows itself in the development of money also shows itself in the extension of credit. If the use of money supersedes the use of credit in some exchanges, it is only where the use of credit is difficult and inconvenient; and in facilitating exchanges over wider areas than the use of the primitive forms of credit would have been equal to, it also increases that mutual knowledge and mutual desire to exchange that are necessary to the extension of credit. Although the primary and local function of money is that of affording a common medium of exchange, its secondary function of affording a common measure of values soon becomes of greater importance, and the extension of credits in our modern civilization is far more striking and important than the extensions in the use of money as a medium of exchange. Though the use of any particular money as a medium of exchange is still local, the money of any one country circulating only to a very limited extent in other countries, yet the development of credits has been such that the exchange of commodities to the ends of the earth and among peoples using different moneys as mediums of exchange, is conducted by means of it. But what we are considering now is not this development of commercial credits, but the way in which the use of commodity money passes into the use of credit money; or in other words, the way in which the coinage of production value into a convenient medium of exchange passes into the coinage of obligation values.

The demand for any metal in exchange is at first, like the demand for other things in exchange, a demand for consumption; and its value or rate of exchange is