

declares its worth. It passes from hand to hand exactly as it left the mint. Nobody adds to its value. It comes and goes with a determinate amount of human labor wrapped safely up in it. It is our own toll which it carries in a secure and complete form from hand to hand. It comes to us, in coin, as the just reward of our labor, and it will be faithful to us in the next exchange in returning to us the same labor in some other form. If not corrupted, or destroyed, or banished out of circulation by the universal presence of a paper currency, the precious metals would preserve their value unimpaired for very lengthened periods, so lengthened that no injury could ever be done to commerce or industry by changes which would necessarily be slowly and gradually accomplished; and they would absorb additional supplies within their vast volume in such a way that no one's rights or labor could ever be sacrificed or even jeopardized. Though money is a commodity in which prices are reckoned, it is by no means one by which values are universally or exclusively measured, having no more power in that respect than corn or cotton or iron. It is a most admirable ready-reckoner, but can never be what is popularly understood by a measure of value. We cannot but admire the wisdom which has provided, for all time, a product of labor which is at the same time a universal article of barter, distributed throughout the whole world, with a permanent value stamped as it were upon it as it leaves the mint, a value which only decays with the slow and gradual process of wear and tear. If our labor, and the rewards of our labor, are to be at all secured to us, the precious metals, in the shape of money, and in the form of a completed product of labor, are an absolute necessity. This is the work of money, of that money which is, in itself, an embodiment of human labor, not of that fiction which now passes current with the commercial world.

I am aware that language must be most carefully used, and terms exactly stated, by those who would expound the principles of economic science. The utmost precision is requisite. Loose expressions will never do here. If we are a moment off our guard we shall be caught tripping, and will very soon be told of it. I can hardly expect to escape where so many strong men have been cast down wounded and slain. Therefore I think it necessary to say that though value is always practically a relative quantity, in this paper I use the term—as I do that of a medium of exchange—in its conventional sense; that is to say, I find it convenient to speak of it as residing in a commodity by itself as the fruit of labor. Of course value can only really be eliminated in the act of exchange.

Money is also a *gratuitous* instrument of exchange. It performs all its vast service to our race absolutely free of charge. Nobody ever paid a single cent for all that it has done for us. The use of money as an instrument of exchange—and I now use the term in its popular sense—can never be paid for. When you exchange your dollar for a cap, the labor contained in the money is balanced by the labor contained in the cap. You never think of demanding something extra to compensate you for the use of the dollar. If the dollar is your own it contains so much labor—if it be a borrowed dollar it contains no more. Borrowed or not borrowed, if you take something from the cap-maker on the ground of paying for the use of money, you inflict an injury on labor. This is the so-called interest of money, and it never can be paid without oppression to labor.