

The Function of Money---(Continued from Page 1)

it is more convenient to deal directly, trade in goods still obtains. In many agricultural communities money is little used. The farmer buys from the merchant the things he requires, but does not produce, and gives in exchange eggs, butter, cereals, meat, and other agricultural products he may happen to be well supplied with. Both storekeeper and farmer find this a more expeditious method than the handling of money in each transaction. Of course the monetary system, even in those cases, is still utilized to translate their respective products into dollars and cents and make a settlement of whatever balance happens to remain at stated periods.

Prof. Jevons ascribes the disadvantages of the barter system to three factors:—

- (1) Want of coincidence;
- (2) Want of a measure of value;
- (3) Want of means of sub-division.

At a very early period these shortcomings were not of great moment. The simple wants of primitive man were satisfied almost entirely through his own efforts. It was only in exceptional cases that he offered some of his store of provisions, weapons, or ornaments in exchange for something possessed by neighboring tribes. But, as the population grew, and the division of labor became more specialized, the difficulty of carrying on business by means of barter was soon obvious.

The problem could be solved only by placing one commodity apart to measure the values of others, and serve as a medium by which certain portions of one could be translated into terms of another. Money functions in the complex system of today as a measure of value; standard of price; medium of exchange; store of value; and means of deferred payment. All these functions, with the exception of the last, it has performed since its introduction to the realms of trade. Jevons in his book—"Money and the Mechanism of Exchange"—explains in a fairly comprehensive way these different functions so we will not attempt a repetition here.

As for the articles that have been utilized as the money commodity they are many and varied. Even in modern times, among backward peoples, and on the outposts of civilization, a goodly assortment of commodities has been designated at one time or other to measure the values of all things frequently exchanged. Sumner, in his "History of American Currency," informs us that in the early American settlements in the Carolinas and Virginias, tobacco was set aside by law as the money commodity; three shillings per pound being the ratio at which it was to perform its function, and a penalty of three years' hard labor was imposed on those who refused to accept it at the specified ratio. He states that when the Virginia Company imported girls from European countries to fill the role of wives for the settlers a price per head of one hundred pounds of tobacco was exacted. When the cost of living advanced, this price was raised to one hundred and fifty pounds.

In Australia, the natives have long made use of green stone and red ochre, the one indispensable for sharpening their weapons, and the other lavishly employed for painting their bodies as a medium by which they could transfer one use value in place of another. The Canadian Indians, whose tribal territory bordered on the Pacific coast, have used strings of haiqua shells and other articles of ornament to facilitate their exchange.

In the process of development that led from the earliest social division of labor up to the intricate structure of today, one thing particularly noticeable is the fact that, in each stage of that development, the conditions of trade made imperative the employment of some special article as a medium of exchange and measure of value. In the incipient stages of this process the most important economic goods were generally selected. During the hunting stage, the skins and furs of animals were called into action. The pastoral stage saw those develop into the animal itself, which served satisfactorily for a lengthy period, due to the fact that their natural means of locomotion responded to all the demands of trade.

With the introduction of agriculture, the various cereals alternately occupied the position of intermediary between the goods that were bought and sold. Even in this period, however, the qualification of mobility was of sufficient importance to the agricultural peoples to cause them to employ the ox or sheep in such transactions as involved any considerable distance in their consummation.

Later, when mining and manufacturing made their appearance on the stage of events, the products of the mine were found to possess, in a greater measure than those of the field or the chase, such characteristics as were considered most necessary in exchanging values. Scarcely a metal of importance has been overlooked. Iron, tin, lead, copper, bronze, silver and gold have at various periods been more or less extensively employed in the channels of circulation. Compared to the means adopted in previous ages they stand high. The qualities essential to the material of money are nowhere to be found in such a degree as in most of the metals.

Compared with each other, however, we soon discover that all metals are not equally adaptable to perform the allotted function. When, in some primitive community, one metal was found in profusion, and signs of no other existed, this one, no matter what its nature, stood so far in advance of other substances, in general qualifications, that no hesitation was in order in escorting it into its proper position. Tin abounded in Britain; copper in Cyprus; iron in Gaul; and silver in Spain. Naturally, the prevalent metal in each geographical division was promoted to the exchange department within its borders. But, as trade and commerce expanded, and the ancient world market embraced all sections contiguous to the Mediterranean Sea, the interchange of products was no longer confined to local markets and tribal boundaries, so the virtues and defects of the medium of exchange were soon visible.

Iron was discarded because of its rusting proclivities which prevented any impression of a coin being maintained beyond a brief period. The abundance in which the metal could be produced with little expenditure of labor left it of too great a weight in comparison with value to function satisfactorily in civilized countries. The softness of lead, and the tendency of tin to break, obviously impaired the use of these metals in an exchanging capacity. Copper and bronze fared better, being in many respects well suited for coinage. In Greece, Rome and Palestine these formed the principal mass of the currency, and even in many of the European countries, particularly in Russia, Sweden and Norway, copper sufficed as a substance for coinage up till recent times.

Today we frequently hear the question asked: "Why not a platinum standard?" The decrease in the value of gold; and the consequent high prices, have prompted the question. There are many reasons why platinum fails to fill the requirements. One of the requisite qualifications of any commodity set aside to express the relative worth of others is that it possess a minimum of value itself in regard to its social uses. As an agent adapted to the needs of science and invention no other representative of the metal family compares with platinum. Especially is this true of recent years. Many of the acids and machines manipulated with such deadly effect during the war period could be produced in desirable quantities only through the instrumentality of platinum. Naturally, when the anxious officials of the Allied governments issued a proclamation calling on all loyal subjects to gather up their platinum plate, jewelry, ornaments, etc., and despatch them to the central authorities who would amply repay them for their valuables and efforts, we all felt imbued with a patriotic desire to assist in winning the war. Even though our patriotic propensities were, in many cases, exclusively confined to a fruitless search for platinum trinkets we displayed in this regard, at least, the proper spirit to ensure success.

The industrial uses of platinum are many and varied. It is a most important agent in extracting from the atmosphere those elements necessary, in combination with the fumes of sulphur, to the man-

ufacture of sulphuric acid. Again, in the production of nitric acid, the natural affinity of platinum for the elements of air and water make of it an invaluable pre-requisite in the chemists' laboratory.

No less important is the position of platinum in the shop of the inventor. Electric furnaces, airplane engines, contacts for telephone, telegraph, and wireless systems, scientific and surgical instruments, as well as the dental industry, all require an ever increasing amount in their manufacture and operation. Its durability, low affinity for oxygen, high specific gravity, and cognizability render it an excellent substance for making various kinds of plate. A few years past it was introduced extensively in the manufacture of wedding rings. In this capacity, however, it was not a success. A much softer and cheaper substance suffices to tie the matrimonial knots of today.

In addition to its use value in the realms of production, the natural attribute of platinum make undesirable its use in the form of currency. The difficulty encountered in melting the metal, as well as the fact that coins already in circulation cannot be withdrawn and recoined without considerable cost, leave it wellnigh impossible from a currency standpoint.

Further, its presence in so few localities, 95 per cent. of the world's supply being obtained from the Ural mountains, leave no opportunity to increase the supply of platinum, so that in case any great demand should arise, its lack of stability of value would prove a decided hindrance to its use as a measure of value. The monetary system of today will occupy our attention in the next.

J. A. McD.

PLATFORM

Socialist Party of Canada

We, the Socialist Party of Canada, affirm our allegiance to, and support of, the principles and programme of the revolutionary working class.

Labor, applied to natural resources, produces all wealth. The present economic system is based upon capitalist ownership of the means of production, consequently, all the products of labor belong to the capitalist class. The capitalist is, therefore, master; the worker a slave.

So long as the capitalist class remains in possession of the reins of government all the powers of the State will be used to protect and defend its property rights in the means of wealth production and its control of the product of labor.

The capitalist system gives to the capitalist an ever-swelling stream of profits, and to the worker, an ever-increasing measure of misery and degradation.

The interest of the working class lies in setting itself free from capitalist exploitation by the abolition of the wage system, under which this exploitation, at the point of production, is cloaked. To accomplish this necessitates the transformation of capitalist property in the means of wealth production into socially controlled economic forces.

The irrespressible conflict of interest between the capitalist and the worker necessarily expresses itself as a struggle for political supremacy. This is the Class Struggle.

Therefore, we call all workers to organize under the banner of the Socialist Party of Canada, with the object of conquering the political powers, for the purpose of setting up and enforcing the economic programme of the working class, as follows:

1. The transformation, as rapidly as possible, of capitalist property in the means of wealth production (natural resources, factories, mills, railroads, etc.) into collective means of production.
2. The organization and management of industry by the working class.
3. The establishment, as speedily as possible, of production for use instead of production for profit.

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