
The Common Sense, the Mathematics, and the Metaphysics of Money

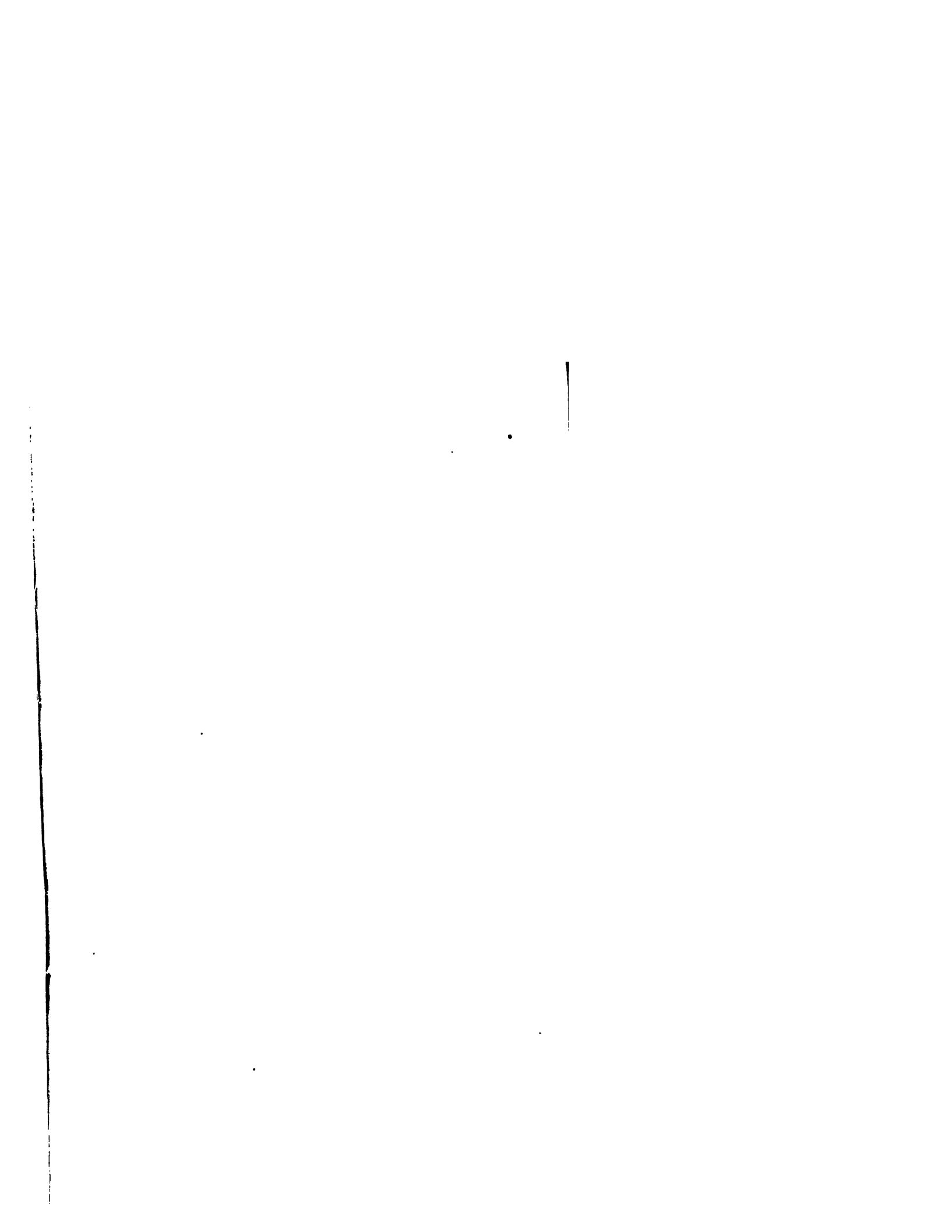
Howe John Badlam

Title: The Common Sense, the Mathematics, and the Metaphysics of Money

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THE
COMMON SENSE, THE MATHEMATICS,
AND THE METAPHYSICS
OF MONEY.

BY
J. B. Howe
J. B. HOWE,

AUTHOR OF "THE POLITICAL ECONOMY OF GREAT BRITAIN, THE UNITED STATES,
AND FRANCE, IN THE USE OF MONEY," "MONETARY AND INDUSTRIAL
FALLACIES," AND "MONO-METALISM AND BI-METALISM."



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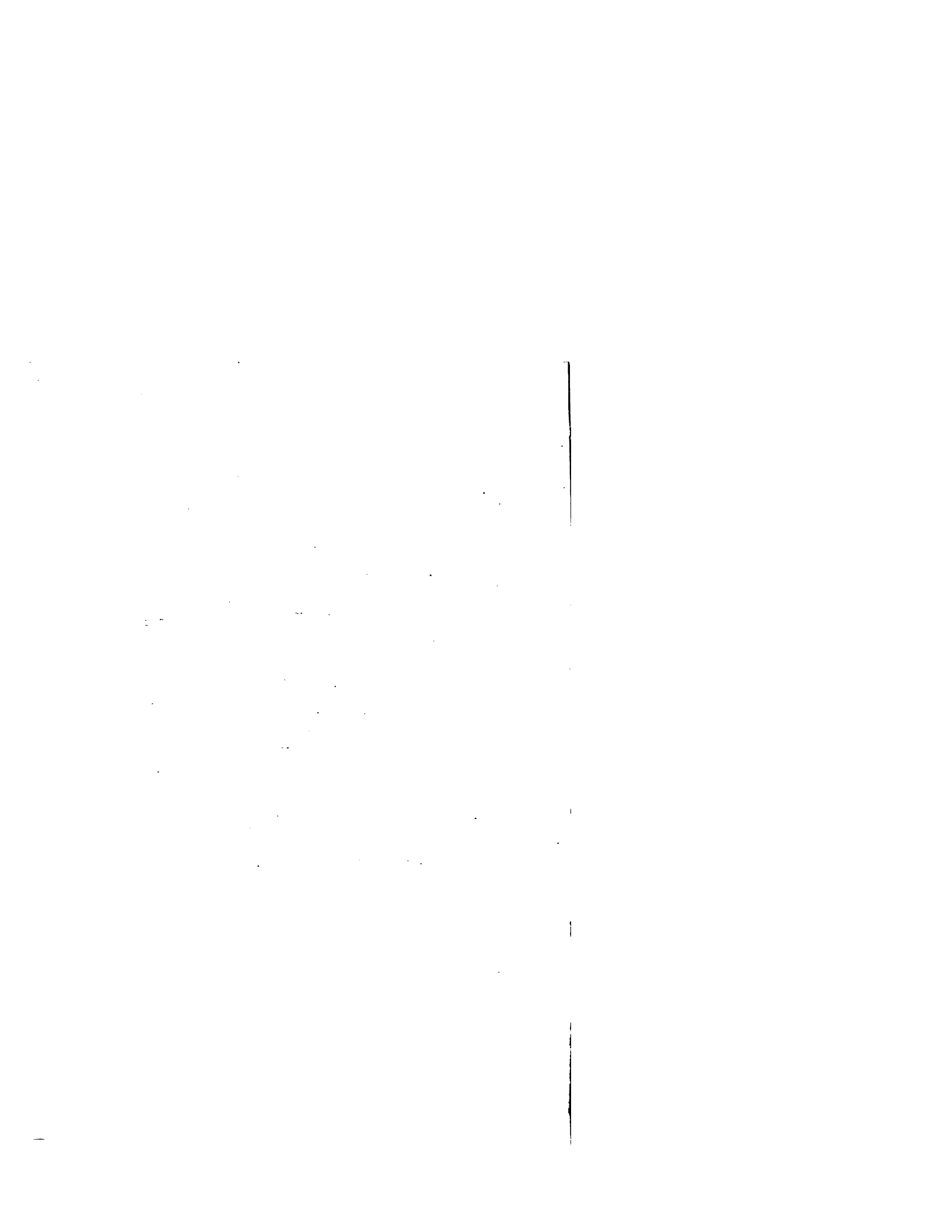
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THE COMMON SENSE, THE MATHE- MATICS, AND THE METAPHYSICS OF MONEY.

INTRODUCTION.

THIS essay is a compendium of the science of money, as set forth in "Political Economy of Great Britain, the United States, and France, in the Use of Money; A New Science of Production and Exchange," and "Monetary and Industrial Fallacies," published in 1878; and "Mono-metalism and Bi-metalism; or the Science of Monetary Values," published in 1879. In these books I propounded, and, as I believe, demonstrated the falsity of the prevailing theory of money, and the truth of my own. This is a statement of my claim, made in the fewest possible words. I regard the science of money as one of the most, perhaps the most, intricate, and to people at large perhaps the most disagreeable, if not repulsive, in the world. There is, I maintain, a want of words, in language generally, in which to state my theory correctly; and if the prevailing theory be assumed to be false and mine true, such a want *must be conceded* as a sufficient reason for

the employment of the words used. Mono-metalism necessarily includes bi-metalism so called, and if three money metals were in use, it would include also what might then be called tri-metalism, but there are only two money metals in use as full or perfect token money, so called by me only. Why I call it full or perfect token money, and all other money imperfect token money, appears hereafter.

It is logically impossible to understand mono-metalism and bi-metalism without understanding money, and to understand money in the light of real and not illusory facts, it is necessary to be able to give, not a single answer, but answers which are not contradictory, to the complex question, What is money? To give these answers correctly, is to show or demonstrate the science of money, and in order to do this and not merely attempt to do it, it is essential not only to take into account all the facts and give each of them its proper weight, without attempting to explain away any of them, but to look diligently for those masked facts which the money sphinx has veiled, and which nothing but the most careful and patient search will discover.

I do not believe that any clear views can be obtained of what is called protection, free trade, mono-metalism, bi-metalism, paper money, banking, etc., until a true science of money is found, and until that is not only found, but generally adopted, it is better to accept the opinion of *leading* writers upon these subjects as the practical, common-sense, logic,

and science of the subject, letting the *logic of facts* to take care of itself, as it surely will, after its own fashion, whatever the logical science may be. Mono-metalism is, practically, a mistake under any true theory of money, but the mono-metalists are entirely correct, and their theory of mono-metalism logically impregnable, so to speak, if the bi-metalists and mono-metalists are *both right* in their answers to the question, What is money? Both say that metallic money is a commodity, *bartered* for other commodities when it buys them, and when, to use their expression, it is sold for them; and that all this bartering, selling, and buying, reduced to its simplest terms, means that gold money or silver money is bartered, not once only but twice, before a seller can get what he wants, to use the plainest language possible; but they add, that although gold and silver can be double bartered in this fashion, paper money and bank credit, having no intrinsic value, cannot be bartered; and, therefore, when paper money and bank credits intervene, it must in some way or other be single barter. Some say that checks and bank credits being in use, the banks "deal" in what are called credits, and if metallic money is used, the barterers estimate on one side cost of the metal in labor, and on the other side cost of goods in labor, and that so far as trade balances, so called, between different countries do not carry gold or silver, it is plain, direct, old-fashioned barter. Some of these positions seem to me, to speak with the highest respect, *at least* questionable,

even under the general theory that money is a bartered commodity, but they are unimportant in reference to the necessity of mono-metalism, if it be true that the value of metallic money in exchange for a commodity is of the same kind with that of the commodity itself. When copper falls in value, what is meant by the expression, Falls in value? It is really a very complex answer which is called for here. The chief physical or geometrical tangible fact which causes the fall, is an *actual rise in the quantity of copper for sale*, leaving below it the actual geometrical fact that there is a fall in the quantities of other commodities which buyers of copper have to give for it; the geometrical value of copper being the geometrical total of other things which buyers of copper have on hand to give for it, except so far as owners are able to hold it without reference to this geometrical market. If they keep it out of market, the more it accumulates, and when they insist on a sale of all for ready cash, they will have a geometrical fall, not of copper, but of the geometrical quantities which are the value of copper, while the latter will have a geometrical rise, not of those quantities which are the value of copper, but of copper, which is the geometrical value of those quantities. The word Value carries here, and in all similar cases, an indefinite idea of loss *through* the commodity which is said to have fallen, attributed *erroneously* to the commodity itself: the *real loss* is not in the copper, or in the iron or cloth, should it be either of these or any other commodity,