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EDITORIAL

MONEY, AGAIN.

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"IS not 'means of payment' the use value of usurers' money, and how can that interfere with money's being a commodity ill usurers' hands, just as 'means of telling time' does not interfere with a watch being a commodity?" is the question asked by a correspondent.

Fain would we tackle the question directly. We confess our inability so to do. We are unable so to do for the same reason that a mathematician will find himself unable to demonstrate directly an error in spheric trigonometry when he perceives the error has its roots in false plain geometry. The mathematician would have to go all the way back to plain geometry; unravel the initial, and step by step mount up to the final kink. We are bound to go back to plain economics, and thence into the elementals of Money, before being able, to a purpose, to unravel the kink in our correspondent's question.

The following rapid sketch, and enunciation of successive principles may clarify the subject.

A commodity has two values—its use value and its "exchange value";

The "use value" of a commodity may be various—for instance: the "use value" of a diamond in a glazier's hand is the diamond's quality to cut glass; on the brooch worn by a pretty girl, the "use value" of the diamond is to enhance her attractiveness; on the broad expanse of the shirt-front of a Democratic or Republican Alderman the "use value" of the diamond is to notify possible bribers that the wearer's "price" has risen above a glass of whiskey, or a ton of coal; etc.; etc.;

The "exchange value" of a commodity is not various; it is ONE;— it consists in the amount of social labor requisite for its production. The "exchange value" of a diamond may rise and fall, according to the increasing or decreasing amount of social labor necessary, at a given time, to produce the diamond; nevertheless, whether high or low, its "exchange value" consists of crystallized labor-power.

Stick a pin there.—

Money has its root in individual production for sale;

Where production is individual, and for sale, commerce or exchange is barter;—value for value;

Direct barter hampers exchange;

Exchange is facilitated by the differentiation of one category of commodities, which, uniting the requisite qualities thereto, serve as the standard of the exchange value for all;

That category of commodities is the precious metals—gold especially, and silver;

The differentiation of the precious metals, as the standard of the exchange value of all commodities, had for its first effect the transforming of direct barter into indirect barter;

Although indirect, the exchange of goods remains barter, value for value;—no longer diamonds for arms, or food, or cloth; but diamonds for gold or silver, and then silver or gold for diamonds, or food, or cloth, etc.;

The increased facility of exchange that was born of the transformation of direct barter into indirect gave birth to a still greater facility in the same direction—coinage, or Money;

Coinage, or Money, saves the time of weighing in the process of exchange; the seal of organized society takes the place of scales and weights;

The birth of Money in society is the evidence of the meeting of two streams—the stream of exchange, as just sketched, and the stream of a settling and finally settled political State;

The meeting of the two streams gives, in turn, birth to a large number of manifestations, some of them "legal fictions";

Among these "legal fictions" is that of "legal tender";

The Money, pronounced "legal tender" by law, presupposes, but does not guarantee "exchange value." The "legal fiction" is that the coin, pronounced "legal tender," contains the "exchange value" that is stamped on its face;

Hence a radical distinction in Money;

The same coin, stamped of the “exchange value” of 20 dollars; therefore, pronounced “legal tender”; and, therefore, compelling the creditor’s acceptance in cancellation of a 20 dollar debt;—that identical coin can be refused by the identical creditor if offered to him by the identical debtor, not in the cancellation of a debt, but in the course of exchange, in the course of the purchase of some article that the creditor deals in, and the “exchange-value” of which article the creditor estimates at an amount of socially necessary labor-power equal to the labor-power necessary for the production of the amount of gold supposed to be represented by a $20 gold piece. If, for any reason of his own, the creditor, who in this instance figures not as creditor but as seller, believes the $20 gold piece, tendered to him in exchange for his goods, is of less value than the value stamped upon it, he will refuse the exchange. In this capacity he is a law-giver unto himself, a court of last resort;

Accordingly, and finally, Money has two functions—the function of a “legal tender” enforceable regardless of the actual “exchange value” it may have at the time of payment: in that function Money is a “means of payment,” a creature of law; secondly, the function of facilitating exchange: in that function Money is exclusively an economic entity: it is so exclusively an economic entity that, all legal stamp notwithstanding, its economic quality is the sole determining factor—if the legal stamp coincides with the economic fact, the coin will pass in the exchange; if the legal stamp and economic fact do not coincide, then the coin will be rejected.

Now, then, combining the two serials of economic principles, and applying them to the question put by our correspondent, it follows that he is in a tangle of false terms:—

1. “Use value,” in economics, is a quality of a COMMODITY. However various the “use values,” they are inseparable from the COMMODITY. One of the two features of the thing called a commodity is its “exchange value” fact. That fact is not subject to whims or laws, or legal fictions. He who, accordingly, says, “use value,” also implies “exchange value.”

2. Money, as a means of payment of debts, being a legal fiction, a creature of law, lacks the indispensable “exchange value” quality, hence is no COMMODITY, except, to use the Marxian witticism, in the sense that “woman’s honor” is a

commodity in capitalist society, and has "value"—consequences, pure and simple, of the magic that accompanies capitalist society when it reaches the stage of legal fictions.

3. Not Money is the commodity but the metal of which the coin is minted.

4. It is not the "means of payment" feature that interferes with Money's being a commodity. What interferes with Money's being a commodity is the fact that it is a creature of law enforceable without regard to the "exchange value" feature that marks all commodity.

The failure to grasp these principles is the fruitful source of all manner of economic fallacies.

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