About Garet Garrett's "Pieces of Money"

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bring more than the 100-cent dollar of 1926. Despite every effort to increase buying power, to reduce supply down to the level of active demand, and the successive reborrowing and spending of billions, which, like carrier pigeons, fluttered around a bit on buying and debt paying missions till they got their bearing for the cotes of the bankers and darted back home to roost till sent on another mission at interest, the American dollar of any kind today will buy more labor,, more flour, more bacon, more eggs, more cheese, more butter, etc., etc., than it would in several years of the 1920's. One thing it will not buy as much of—gold. And the prediction of that state of affairs, except with respect to those articles, like tobacco and cotton, which have their prices fixed in world trade. Mr. Barclay will find in the article of November 15, 1933.

Stability of Currency Depends Upon Management.

The stability of currency depends, as stated above, upon the amount in actual circulation and the speed at which it circulates. And the amount in circulation and of available "credit money" is, whatever the basis of the currency, a matter of management, or, as in the 14 years from 1919 to 1933, a matter of mismanagement.

Unfortunately, the United States long ago surrendered to interested bankers the management of its currency. The immense fluctuation in the purchasing and debt-paying value of the dollar from 1919 to 1933 was largely due to either the ignorant or the selfish management of the currency by the agents to whom the nation had surrendered its inherent rights.

During the war years, an inverted pyramid of currency and "credit" money was built upon the apex of gold. Not one feather's weight of control was exerted to prevent the enormous growth of this inverted pyramid till it suited the bankers' interests in 1920, when a clamp was put upon the flow of currency with the result that the real ruination of the agricultural areas of the country followed immediately. Hundreds of thousands of farmers lost their places, among whom were many who had bought land at the high prices of the cheap dollar era and were unable to continue their payments. But all people with any memory remember the cataclasm. It was not the stock market failures of 1929 that ruined the South. The South and the West were smashed in 1920.

But time and space do not permit one to review the various crimes that ultimately resulted in the climax, when all except those who retained mastery of the gold and the actual and virtual monopolists were, by the hundreds of thousands reduced to poverty. Even the engineers of the ruin that had befallen, while not killed outright like Samson by the falling temple, were enclosed in the ruins which they had pulled down and found themselves in danger of smothering. Their ill-earned gains were lifeless; they themselves recognized for the first time in their lives that the people cannot be destroyed and the wealth retain its value.

Hence the little quibbling when the President demanded the gold in the name and the right of the nation.

Management was to attempt to redeem the country and the currency from the calamities fathered by mismanagement. The actual money in circulation would not, could not, begin to redeem the homes, the estates, the industries, from the curse befallen them.

With the volumes and volumes of "credit money" as dead as the dodo and the gold and the currency monopolized by those who had kept their clutches upon it, the two recourses present before President Roosevelt was to create a flood of new currency to take the place of the credit currency destroyed and of the currency and gold withdrawn from circulation by the money monopolists, or to borrow and reborrow the funds thus locked up. Unfortunately, as I see it, he chose the latter method, but hoped, as it seems likely, that the cheapening of the dollar in terms of gold would also lower the dollar's purchasing price—of labor and commodities. But, as my article of November 15, 1933, predicted, the cheapening of the dollar in terms of gold could not increase the number of those dollars nor speed up their circulation and therefore could not make the dollar cheap enough to match the gold-standard dollar of the inflation war period and that of the stock market inflation period. And the event has justified the prediction. Despite a thousand efforts to increase the amount of currency in circulation, despite the frequent shooing back of the returned billions from the vaults of the Northern bankers, despite the fact that billions of dollars worth of actual wealth has been substracted from the stores of 1929 and billions of potential wealth killed aborning or in conception, the dollar will still buy more than it would in the inflation period, though it be a fraudulent dollar, according to Mr. Garrett and his ilk.

Gold the Agent of Monopoly.

Since gold, long holding a monopoly in this country and in many others as the monetary metal, is itself subject to monopolizing; it has proved itself to be the foulest of all agencies for the monopolization of wealth and power.

When I was three years old there were three kinds of money of three values in this country—gold, silver, and greenbacks. Before I was four, those who held the monopoly of the existing gold (who else would do it?) had secured the demonetization of silver, and by congressional decree the greenbacks, which when issued had been at a great discount under both silver and gold, had been made redeemable in gold. That was "the crime of '73," which made silver an ordinary commodity and reduced the per capita circulation of money in the country to that point that debtors and producers of commodities and wage earners were pauperized. In those days the North Carolina tot counted himself a favorite of Santa Claus if he got a stick of candy, an orange, and an apple and a handful of nuts in his Christmas stocking. But it was a glorious opportunity for the manipulaters of the money supply. In 1878, the Bland bill gave the country a surcease of monetary thirst by authorizing the purchase and coinage of a certain weight of silver each year. The eighties were the years of the cartwheel dollars. But the gold bugs were not satisfied with anything short of the complete destruction of silver.

The finish was made in 1893 and since then till Roosevelt took the reins the bankers have had almost carte blanche power to write the value of the dollar. There was a constant pointing to the shrinkage of the value of silver and a persistent demand for its utter banishment. It was Bryan's fiery declaration that mankind should not be crucified on a cross of gold that heralded the hot 16 to 1 battle of the campaign of 1896. The gold bugs won. Silver, utterly demonetized here and in the leading countries of Europe, continued to shrink in value as gold would have done under similar conditions.

On the other hand, the complete monopolization of the monetary function by gold gave a greater and greater power to its monopolizers and masters. The Federal Reserve bill was supposed to cure this ill. But the bankers were the reserve owners and manipulaters. I have already mentioned the catastrophe of 1920 which pauperized millions of helpless producers, laborers, and debtors. The crash of 1929, continuing with its reverberations till the Roosevelt era, left the gold still in the hands of the monopolists and therefore the power to monopolize the wealth so generally pledged on the millions of evidences of debt.

Only One Kind of Money.

The Rosevelt coup was the answer to the long prevailing problem: how to maintain all currencies at par with each other and with the metal basis. In the late sixties and early seventies, holders of gold raised it to a premium over both silver and greenbacks. But there are now no holders of gold, and Uncle Sam can fix the dollar's value and maintain it by management, giving us only one kind of money and it not subject to a six-fold variation in value.

But such men as Garrett cite the German inflation as a possibility in this country. Germany was helpless, like the man who gives one bad check and must continue to give them. Her resources had vanished; her indebtedness to the Allies was unthinkably great; she was drowning and grabbing at any straw. She did not deliberately ruin her currency. America is a land full of wealth and potentially ten-fold abounding in it. She has the gold in her coffers, half of the world's supply. But Mr. Garrett thinks she would deliberately drown herself in the currency bathtub, as if the bather had sense enough to turn on the water needed for a decent bath but not sense enough to stop the flow till the tub is overflowed, the room flooded and the bather drowned.

In Conclusion.

I intended to discuss the several fallacies of the Post contributor, but find that it would take an article as long as Mr. Garrett's to discuss fully the suggestions raised by him in his argument, if you can call the diatribe an argument. But that is not all.—I just now got hold of the May 4 *Saturday Evening Post* and find that he has continued his discussion in that number. You may think this a long article. But it is not more than a fourth the length of Mr. Garrett's discussion, if even a fourth—possibly not more than a sixth.

A sick man, with limited time and limited space, cannot be expected to cover the whole Garrett palaver in one article. Therefore, I am closing. I hope at least what I have written under the handicap of a lack of strength is sufficient to give Mr. Barclay at least a notion of my "reaction" to the Garrett bosh. Our pieces of money are as good as we need and better than the 1926 ones, for instance.

Sacred Treaties, How They Are Made And Violated.

A. M. SNIDER, Hoffman, N. C.

Treaties are contracts or promises between nations—no not between nations, but between groups that for the moment are in control of the treaty making power of nations. These groups may be kicked out by popular vote in less than three months from date of these "sacred," "binding" treaties which are supposed to be the supreme law of the land, to supersede national and state legislation, to supersede the will and interests of the people for whom these treaties were made, without their knowledge or consent. Our own State Department has brought home many treaties that the Senate refused to ratify, an act that is necessary to make them the supreme law of the land.

Perhaps the most famous treaty ever written is The Peace of Versailles which was supposed to end the World war, but which marked a lull in military operations and began a war of diplomacy, the diplomacy war that is being so hotly contested in Europe today. Germany and Austria have recently repudiated certain "clauses" of that treaty, those clauses relating to re-armament of those countries. France and Italy are now trying to stir up trouble for Germany for the Hitler declarations breaking this most sacred treaty.

Let us see how Germany came to be signatory of that sacred document. You remember President Wilson's famous Fourteen Points. These provided for "peace without victory," an honorable settlement following cessation of hostilities. These the Allies agreed to. They further agreed to disarm, when Germany disarmed. When the Central Powers were disarmed, the Allies flatly ignored all their promises. They proceeded to destroy the Central Powers for good and all; but "there's a divinity that shapes our ends, rough hew them how we will," or how any one else will. Justice and right trampled to earth will rise again.

Italy, who is now, along with France, leading the holy crusade in condemning Germany for treaty violation, had a "sacred treaty" with the Central Powers, pledging her to support them in the World war; but being promised a sum in the form of territory by these same present treaty lovers, Britain and France, she broke her "sacred treaty" and joined the Allies.

Recently the League of Nations, under the pressure of England, France and Italy, voted condemnation of Germany for violating a treaty that she was forced by the Allied armies and navies to sign. They call it the abrogation of "a sacred contract." Maxim Litvanoff of Russia wanted to make those resolutions apply to all international agreements; but "No, no," cried the holy defenders of sacred treaties. You see they might want to infringe on some sacred documents.

Treaties are sacred when and only when they favor the country speaking, and damnable when they favor anybody else.

Did you notice that the Big Three made their threat of dire penalties for violations very much as the parent who knows that his days of flogging the son are over puts off the son "this time" with some healthy promises as to what he will do the "next time"? It should be remembered that Germany is now virtually without "sacred" treaties. It will be interesting to note how these treaty defenders keep some of their present treaties as Germany builds a large army, navy, and air fleet.

A. M. SNIDER.

April 15, 1935.

One of the most degrading results of the liquor situation is the increased used liquor by women and girls. The cocktail rooms in hotels are visited by many women; in fact, it is said that more than three-fourths of the drinking done at such parties is done by women.

Lots of men aim high who never make a hit.