

# Why Real Money Is Indispensable

From: *The God in the Machine*, Chapter XVIII

By

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Another statement about property reveals the primitive mental level of collectivists: the proposal to "abolish inheritance of property." Since property is in tangible objects,<sup>1</sup> there are only two ways by which inheritance could be abolished. The objects must be destroyed or else declared to be no longer property, debarred from use, a dead man's land let go back to wilderness. Savages or barbarians sometimes adopted this course, as when the goods and gear of the dead were buried with them and their huts burned, or the Viking's ship became his funeral pyre, or former camp sites were abandoned.

What the collectivists mean, but do not say because if it were stated truthfully it would hardly appeal to any rational person, is that on the death of an owner the government should seize whatever property he had, a piecemeal expropriation which would take in all existent property in the course of a natural lifetime. No moral or intelligible reason can be adduced why Hitler, Stalin, or any other government official should inherit the product of every man's thrift, labor, and care, rather than his wife, children, or whomever he wishes to have it but that is the proposal. Death and taxes arrive hand in hand.

The economists who advocate fiat money (paper currency not redeemable in gold), or else an arithmetical sign which they call a "commodity dollar" (perhaps because it is neither a commodity nor a dollar),<sup>2</sup> are below the mental level of savages. The savage applies number, but he has not advanced to the abstract concept. The advocate of fiat money has forgotten how to apply number.

Sir Isaac Newton was asked by the British Treasury officials and financiers of his day why the monetary pound had to be a fixed quantity of precious metal. Why, indeed, must it consist of precious metal, or have any objective reality? Since paper currency was already accepted, why could not notes be issued without ever being redeemed?

The reason they put the question supplies the answer; the government was heavily in debt, and they hoped to find a safe way of being dishonest. But Newton was asked as a mathematician, not as a moralist. He replied: **"Gentlemen, in applied mathematics, you must describe your unit."** Paper currency cannot be described mathematically as money. A dollar is a certain weight of gold; that is a mathematical description, by measure (weight). Is a piece of paper of certain dimensions (length, breadth, and thickness, or else weight) a dollar? Certainly not. Is a given-sized piece of paper a dollar even if numerals and words of a certain size are stamped on it with a given quantity of ink? No.

They took Newton's word for it, possibly conceding that the greatest mathematician of their age might know the primer of his science. But the fact that educated men were ignorant of the first rule by which they carried on their own business, commerce, and finance; and the further fact that Newton's answer has since been forgotten many times, in spite of the disastrous consequences which ensued each time, indicates a very grave problem of civilization.

Mathematics is the world language of the energy age. Its use goes far beyond that of Latin in the Middle Ages; while it expresses international relations, it is also the instrument of practical thought and communication in daily life. Anyone who operates power machinery has to think in mathematical ratios—time, speed, distance. The men who organize and perform the practical tasks by which modern civilization is kept going—whether they are truck-drivers or aviators, mechanics on the assembly line, engineers, or industrial managers—think correctly in the

practical language of modern civilization while they are on the job. If they reverted for one day to the primitive level of intelligence in respect of their work, at the end of that day the whole country would be a scene of wreckage.

But if those who are entrusted with the general direction and political organization of a vast system which depends throughout on the correct knowledge and use of the language of mathematics actually do not know, or do not understand, the most elementary statement in that language, how can the system function? If politicians and financiers will believe neither logic nor evidence for a rule as primary as that two and two make four, what will convince them?

The verbal language of a high civilization is also a precision instrument. When words are used without exact definition, there can be no communication above the primitive level. If those who are supposed to express or influence "public opinion," the writers, economists, social theorists, and pedagogues, think in the concepts of savagery, what can be the outcome?

What is most astonishing is that when the enemies of civilization have openly declared their intention to destroy it, to break down the circuit of the high-energy Society of Contract, and have explained how they mean to do so, those who are to be destroyed will deliberately carry out the program of ruin. The explicit threat is cited by J. M. Keynes: "Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction."

The requirements of a sound currency are simple. If five apples are exchanged for a pound of cheese, and the cheese for two yards of cotton, and the cotton for a peck of potatoes, and the potatoes for two hours of labor, by what common measure can these various items be reckoned? Each is worth any one of the others, and all of them are worth five times what any one of them is worth; but it signifies nothing to say that any one of them is worth one, or that five of them are worth five. One what? Five what?

Things which are equal to the same thing are equal to one another. As the several items can be exchanged, they must be equal; but in what terms? Not in pounds, yards, or hours; they are equal in value. Then what is wanted is a unit of value to reckon by. Any of the items could be designated as the unit of value if the sequence of transactions were considered closed on the spot.

But these are perishable goods, and have been considered as fixed quantities. General exchange must go on in an endless sequence through time and distance, to include variable quantities of raw materials existent in nature, labor applied to them, and end-use, consumption or inactive possession.

Then what is wanted is a medium of exchange, something for which everything else can be exchanged, so that it enters into every transaction as the unit of value, and serves for an indefinite number of transactions, an endless use. If the pound of cheese had been exchanged for a certain weight of precious metal, a dollar, and the dollar for two yards of cloth, and then again for a peck of potatoes, and again for two hours of labor, and again for five apples, each item would be worth a dollar and all of them would be worth five dollars.

If all the goods were consumed, the dollar would remain, to continue the sequence of exchanges. Further, if a man who has perishable goods, say apples, does not want any other goods immediately, he can sell his apples for money, and the money will keep, enabling him to buy a sack of flour the next year; though the wheat which went into the flour was not yet sown when he sold the apples.

That is the use of money. It facilitates immediate exchange; it is a repository of value; and it carries exchanges through time on the long circuit of energy.

**The use of things depends upon their intrinsic qualities.** Cheese is edible. Leather is used for shoes because it is pliable, tough, long-wearing. So the material used for money must be durable, divisible, incorruptible, portable, not easily imitated, and found in nature in sufficient but limited quantity. Nothing but the precious metals answer to these intrinsic requirements.

There is never "enough money" in the Society of Status. The free economy produces its money as it produces steel, by going and getting it, digging the ore out of the ground. Neither is it an accident that the supply of real money increased as production of goods increased; the advanced methods of production permitted low-grade ore to be smelted at a profit. Nevertheless, the quantity of gold available is always limited.

**Gold was not and is not given value by fiat, any more than cheese or cotton or leather were given value by fiat. It has value because it serves a vital need.** Nothing can be *given value by fiat*. If a gold coin of the Roman Republic were dug up now, it would have its original value, though the Roman Republic perished two thousand years ago. So would a Russian gold rouble minted under the czars, or a gold coin of Germany or France dated before 1914; though the last czar was shot in a cellar, the last German emperor fled the country and died in exile, and France has suffered invasion and conquest. But paper currency of Russia, Germany, or France before 1914 is now waste paper.

A dollar is a certain quantity of gold. That is not a matter of opinion; it is so by definition and by law, Federal statute. All the gold held by the government belongs by right and law to individual citizens, who placed it on deposit originally; just as money in a private bank account belongs to the depositor. A dollar bill is a certificate of deposit, a warehouse receipt for a dollar.

The value is in the metal on deposit, just as the value indicated by any warehouse receipt is in the goods it calls for. If the goods do not exist, or are destroyed, or will not be delivered, the paper has no value. That is what happened in Germany when paper currency was printed though there was no gold to redeem it; and a carload of paper currency would not buy an egg. Neither are checks money; they are promises to pay money. Otherwise anyone could write a check and obtain goods for nothing.

If it is said that anything will do for money, as long as people accept it, let it be asked, why will not people accept "anything?" Offer the man who says "anything will do for money," a handful of pebbles in payment of a debt.

The absolute necessity of real money, the unit in precious metal, for any extensive sequence of exchanges, has been proved by the very theorists who said it was a mere convention, and by the nation whose agents are still spreading propaganda to persuade other nations they wish to destroy that a "managed currency" consisting of nothing but printed paper is just as good or better.

Communists and other advocates of government ownership argued for a century that vouchers for labor would be the "just" medium of exchange, and that real money was a capitalist device to exploit the workers. Then they tried their own scheme in Communist Russia, and could not make it work even by terror and starvation. It was not that people would not accept "labor vouchers." The poor wretches were forced to accept them; it was simply that the necessary application of arithmetic to goods and labor could not be made at all without real money. In applied mathematics, you must describe your unit. Communist Russia had to go back to the gold unit.

Why cannot even slave labor and forced transfer of goods be carried on with labor vouchers instead of real money? The transactions need only be followed through to discover the reason. To be sure, if a single slave-owner held land with natural resources to supply every need and slaves to perform all the work of production, he could distribute to the slaves whatever he pleased, but he would not need labor vouchers. But suppose ten men, slave or free, should work

to grow wheat in a certain field; it is perfectly possible to divide the product by vouchers for the number of hours of labor.

Then suppose ten other men work in the adjoining field growing sugar beets; the same division can be made. And a labor-hour portion of wheat could be exchanged for a labor-hour portion of beets. But the quantity of wheat or beets which a labor-hour voucher represents has been established Only for the given product of the given fields for that one season. In other fields beets or wheat grown by other groups would yield different quantities per labor-hour.

Further, when the wheat went to the mill or the beets to the sugar factory, more labor hours would have to be included, not to mention the labor hours represented in the machinery. Then what quantity of goods would a labor-hour voucher call for? The whole scheme is impossible. Nobody but a collectivist could be so feeble-minded as to imagine such a system.

In applied mathematics, you must describe your unit. With a gold unit of value, labor hours and material and depreciation of machinery and everything that goes into the whole process can be reckoned by a common measure; and they must be reckoned somehow, in order to move anything at all from field to factory to shop; so the prices on the goods will show what can be bought for any given sum in currency.

But if the paper currency is not actually redeemed on demand in real money (gold), if the citizen cannot regain possession of his own property when he presents the certificate of deposit, because the immediate incumbents of political office, members of the government, refuse to obey the law (as they have refused), then what difference does it make whether the gold really exists or not? What difference would it make if all the gold in the world should vanish utterly, dissolved into air, or be sunk at an unknown spot in mid-ocean? Or if there were only one gold dollar in existence to be described as the unit of exchange, would not that do?

There is in that question—which has been put by those who should know better—an implicit assumption that seizure and sequestration of gold by governments, does not or need not "make any difference." If that is true, why do governments seize gold? Unless the action is to be imputed to a kind of hoodlum idiocy, like that of street loafers who snatch things at random, obviously it must make a difference.

Probably most people do not recognize any difference between temporarily suspending payment of gold and seizing gold; although the difference is precisely that between a bank suspending payment and a banker going through a depositor's pockets for whatever he may have left after the bank has failed. When money is left on deposit in a bank, there is the contingent risk that the bank may not be able to pay promptly on demand. That is default. The bank has assets which may be sold to pay depositors.

The citizen who holds a dollar bill has real money on deposit with the government. Somebody brought in raw gold to the mint; for which by law he was entitled to receive coin in the same quantity minus a small percentage for the cost of minting. But instead of taking the real dollar, someone accepted a certificate of deposit. The government never owned any gold; but was permitted to hold it until called for. As the government also borrows large sums on bonds, and spends the money, if many people want their own money at one time, the government may be unable to pay; it is in default.

The government has no assets with which to meet its debts; government property would not bring much even if it were sold, because it is non-productive; and besides, the creditor has no recourse in law. The contingency of suspension of gold payments by government is unavoidable as long as governments are permitted to issue paper currency and borrow money. These are intrinsically dangerous powers; but it is doubtful if the question will ever receive intelligent consideration; or at least, not until men learn to think more boldly.

At present it is taken for granted that governments must have such powers, just as it was formerly thought necessary that kings and nobles should have certain powers which are abolished in a republic. Be that as it may, it does make an immediate difference when governments seize gold; it is the prevalence of this government gold monopoly, held by force, that made the Second World War inevitable.

It enables governments, as in Germany and Russia, to subvert the private economy into a war machine, rendering the citizens powerless. The method by which the surreptitious objective is achieved is a steady abstraction of value from the money, and an increase of the national debt through borrowing from the banks.<sup>3</sup>

Still, why is it necessary that the gold should actually exist, once it has been expropriated by the government?

Let the governments bear witness. Even in Russia, at the time the Communists said gold was merely a convention, and that they would not use it, they took care to seize the gold nevertheless. The pretext is offered, by the paper currency theorists, that people are simply accustomed to gold, and persist in using it only by habit therefore it must be taken away from them for their own good.

True that no one government could get hold of all the gold in the world and sink it in the sea, and close all the gold mines but government could prohibit it, sink whatever gold there is in the country, and stop the entry of any more. The problem would be much easier than it was with liquor, because gold cannot be manufactured. Why does the government keep the gold, after it has taken it away from the owners by force?

Because real money is indispensable; the exchange values, prices, are established by the total quantity of gold existent. Roughly speaking, if there were in exchange fifty pounds of sugar and ten pounds of butter, five pounds of sugar would be given for a pound of butter; one quantity divided by the other. As gold is the medium of exchange, the quantities of goods are divided by the quantity of gold (dollars), to find the price.

The process in general exchange is immensely complicated by the numerous kinds of goods, the varying supply and demand, distances which add cost of transport, and deferred exchanges; but the total quantity of gold is nevertheless the determinant of prices, by comparison of quantities. If there were only one gold dollar in existence, it could not be used as the unit of value, because it would not give any number for the divisor. How many paper notes should be printed? One? An unlimited quantity? There would be no proper number. If the ancient dreams of the alchemists had been realized, so that gold could be manufactured in unlimited quantity, gold would also have become useless as a medium of exchange.

There was once a government which really prohibited gold, and kept none itself, in the belief that gold was bad for people. That was Sparta. But the Spartans believed that comfort, convenience, industry, were bad, and work was ignoble. The Spartans used iron for money, because nobody could carry enough of it around for general exchange.

The object was to keep the nation poor, to keep the citizens on a bare subsistence economy. The plan succeeded perfectly. That is just what the prohibition of gold will effect it will reduce a nation to a dead level of poverty and keep it in that condition. But the rulers of Sparta were willing to remain poor themselves.

They enjoyed no more luxury than anyone else; no more than the very slaves who did the work. Yet even in Sparta, where food was doled out at a common soup kitchen, *something* had to be used for money, and that material had to have intrinsic value.

The modern despots do not wish to be poor themselves. They wish to grab every luxury an industrial economy can supply. What they want is to keep the producers poor, by taking the product and doling a little back again for subsistence. That is why governments seize and keep gold.

When paper currency is depreciated, the difference has to come out somewhere; and the main cut is in wages. The fact is that heavy government expenditure must always be taken from the workingman's wages there is no other possible source. But the depreciation in currency comes out of wages immediately whatever anyone gets in his pay envelope will simply buy him that much less in goods. Conversely, increased production raises wages even though the sum in money is the same it will buy more.

Aside from the immediate loss, the worker is deprived of a *repository of value*. Whatever he gets, he cannot save any part of it for the future, if it is in depreciable paper currency. Real money is the only means by which the worker can have any independence. That is the difference it makes when governments seize gold. It makes the worker helpless. He can only live from day to day, with an expectation of getting less and less as time goes on. Nowhere in the world now is any worker as well off as he was before governments seized real money.

That is true even in respect of high-wage labor in the United States; if the workman has any possessions, they are wearing out—his car, for example—and he does not know when or how he can get another. If he has insurance, he does not know in what valuation of money it will be paid.

In a free enterprise economy, the products first put on the market as luxuries tend steadily to come within reach of everyone, and are then regarded as necessities. That is one general benefit of considerable private fortunes, which must be invested for income, which means increased production. The remaining margin will be spent to buy things of recent invention which are still expensive, but capable of being improved and made at less cost.

The whole process is most evident in the development of motor cars for general use. Related accurately, the story has elements of comedy. First, various inventors and engineers put together a lumbering contrivance nobody could want except to gratify his taste for mechanics. Presently it was "improved" into a luxury; that is, it was still expensive, inconvenient, and of no practical use, because there were no suitable roads, no gas stations or repair shops; and a car was more than likely to leave the owner stranded a long way from home, an object of derision.

Those were pleasure cars! Wealthy purchasers paid for the period of experiment, first putting up the capital (of which an enormous sum was sunk without return), and then buying the cars. Presently various ingenious men thought they might make cheaper cars.

Throughout, those who had put in money and time were impelled to go on in the hope of getting a return. So the rich supported the nascent industry until cars were good enough for people of moderate means. When the cheap car got into mass production, the manufacturer saw that he had to have a correspondingly extensive market.

If the workingman was to buy a car, wages must be higher. The manufacturer raised wages voluntarily, and so forced other employers to do the same. Where, in such a sequence, would any government have had the same inducement? Nowhere. More than that, if currency had been subjected to depreciation during the given period, the process must have stopped, because the rise in real wages was necessary, along with lowered costs in materials.

At a given time, a manufacturer in a growing enterprise has most of his capital in materials if he cannot replace his stock at the same cost, he must raise his prices for the product. At the same time if the cost increase is by depreciation of the currency, real wages are lowered, so that his market is gone nobody can afford to buy the product. Production must cease.

But the most dangerous fallacy regarding money which has been put forward recently pretends to find an argument in the German war gamble. It has been variously expressed, but one statement covers all the points.

It is that Germany is "winning the war because it has been fighting with an industrial and engineering economy," while the Allies "have been fighting with a money, or financial, economy."<sup>4</sup>

It is further said that "Thorstein Veblen knew all about" this economy, and "in Germany Walther Rathenau tried to put it in practice" first. It is described as "taking the heavy financial boot off the brakes, and letting the productive machinery run freely.... Liberated machines will always beat liberated money."

The mental level of savagery is again evident in the terms used—they are animistic. A savage might, on first seeing a motor machine, think of it as a kind of Djinn in a bottle, a captive creature.

But the idea is nonsense. A machine cannot be either enslaved or liberated, the terms apply only to human beings. It is true, however, that Rathenau did all he could to organize Germany so that it was bound to go to war, willingly. (He thought that only government should have so much power. The power he helped to give to government has expropriated, exiled, or put to death the Jews in Germany; they owe their misfortune largely to one of their own race. It is unlikely that the fact will ever be acknowledged.)

But what kind of economy is Germany actually running on?

All the resources that Germany is using in war were produced by a money economy. The machinery was invented in a money economy; Germany was equipped with factories, the science of chemistry was developed, technicians were trained, by a money economy. While preparing for war, Germany borrowed all the money she could get, and bought on credit all the goods she could get, for which she did not pay.

These resources were embezzled from the money economies. Incidentally, it was the action of governments elsewhere which enabled Germany to embezzle on such an extensive scale. For three years in succession, Germany "bought" the South African wool clip, by the intervention of the South African government which "financed" the deal; that wool went into uniforms for the German army; and Germany never paid. It was a dead loss to the producers, who thought their government was making a nice deal for them!

The Nazis took over an economy which included agriculture and industry, both using machinery and money. So did the Communist government in Russia. Also in Russia, all the modern machinery had to be supplied from money economies elsewhere, and paid for (so far as it has been paid for) in gold. In both Germany and Russia, real money is still used; and both sides are fighting the war on the production from a money economy. What kind of economy have they got?

If a bandit holds up the owner of a motor car at the point of a gun, takes the car, and rides off in it, and then obtains gas, repairs, and whatever else he requires by the same means, what kind of an economy is he running on? If a sufficient number of bandits should seize the whole economy in the same manner, but "legalize" it by compulsion of the courts and legislatures; and if they should also "pay" for what they take in paper currency, in whatever sums they chose, what kind of an economy would it be?

In an electric power plant, there is a generator and other equipment for the conversion and transmission of energy. It might be from water power, or from fuel; in the latter case, the supply

of fuel must be continuous, and in either case, there is maintenance. As the energy is taken off, a meter records where it goes.

It is paid for and money brings back the necessary supplies the figures on the money are also a meter. A savage, observing that operations are carried on with constant regard for these two records, might say: Why do you not take off the meter, and never mind about the money? Then you could use all the power any way you pleased. Liberate the Djinn, instead of cutting it off the way you do, here and there; it's all cooped up.

A dishonest person could conceivably introduce hidden wires to take some of the current off without any indication on the meter or he could make false entries in the money accounts.

What kind of an economy would that be?

An engineering and industrial economy is a money economy. It cannot work any other way. A bandit can certainly operate a stolen motor car for a time, but he has not thereby devised an engineering economy. He is running on a stolen portion of the capital of an industrial, engineering, money economy. Germany is running on capital embezzled from abroad, and on the capital of Europe, looted by military force.

Russia is running on capital seized from the industry already existent at the time the Communists took over, and on machinery supplied by free economies elsewhere, notably the United States. Some of it was paid for, in money some has simply been given to Russia, at the cost of the free economy.

When the Indians obtained guns from the white men, and used the guns to get their food, game, what kind of an economy were they running on? When the military Turks seized the profits of traders and the product of conquered farmers, to make war, what kind of an economy were they running on? Was it a military economy? Certainly not. It was an agricultural and commercial economy. They turned the proceeds to war, and were for a time victorious but they were running partly on capital, and the economy ran down.

Veblen's alleged idea, as cited, was that "the guild of engineers, supported by the massed and rough-handed legions of the industrial rank and file, should disallow private ownership of the machinery of production and operate it at maximum capacity."

How? Were they to take over machinery in existence? But why should they do that? Machinery in existence has only a short life. It would have to be replaced in no long time. If it can be replaced—new machinery made—without regard for money, what is the point of stealing machinery already somewhat worn? Why could not the "engineers and massed and rough-handed legions" make what they need—without money? There is the perpetual motion machine again they have to get it started. After that of course it will go on running.

What is most curious is that even if this absurdity be admitted, surely the scheme could be started with only a small amount of money. Henry Ford had very little money to begin with. Aren't the "guild of engineers and massed and rough-handed legions" together as smart as just one middle-aged mechanic, in a Michigan small town?

The truth is that they are not. No group is as intelligent as an individual. No group, as a group, has any intelligence; all intelligence is in individuals.

And money is the means by which the intelligence of individuals can be brought together in free co-operation, on large productive enterprises. Money is the only means by which machinery can be invented or used at all.

What engineers and labor can accomplish under state ownership (which is the only way private ownership can be disallowed) is to build the pyramids, useless and ponderous masses of rock

piled up as a memorial of the Veblens of an earlier day. Herodotus relates, hundreds of years later, that "the Egyptians so detest the memory of those kings (the pyramid builders) that they do not much like even to mention their names."

Even before Germany surrendered entirely to the power of government, German technicians and engineers could not equal those of the United States in finding and developing natural resources. (The United States was the great money economy of the world, with land as well as goods in the market.) Private property, money, freedom, engineering, and industry are all one system; they are the components of the high potential long circuit of energy. And when one element is taken out, the rest must collapse, cease to function.

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## Notes

1. Property in copyright relates to tangible objects, reproductions; with a copyright song, the right takes effect also when it is sung for remuneration, the remuneration being tangible.
2. The "commodity dollar" was supposed to be found as an equation of exchanges on a "sliding scale" for a given period. whatever the process might be, if it were applied, fixed quantitative units of measure must be used, and quantities of goods of different kinds can be equated only by a fixed unit of value, a real dollar.

Apparently the idea was to vary the hypothetical content of the dollar periodically by the equation found in the previous exchanges, perhaps with only paper currency in circulation. It is impossible to make sense of the theory. As all units of measure are determined arbitrarily in the first place, though now fixed by law, obviously they can be altered by law. The same length of cotton could be designated an inch one day, a foot the next, and a yard the next, the same quantity of precious metal could be denominated ten cents today and a dollar tomorrow. But the net result would be that figures used on different days would not mean the same thing, and somebody must take a heavy loss.

The alleged argument for a "commodity dollar" was that a real dollar, of fixed quantity, will not always buy the same quantity of goods. Of course it will not. If there were no medium of value, no money, neither would a yard of cotton or a pound of cheese always exchange for an unvarying fixed quantity of any other goods. It was argued that a dollar ought always to buy the same quantity of any description of goods. It will not and cannot. That could occur only if the same number of dollars and the same quantities of goods of all kinds and in every kind were always in existence and in exchange and always in exactly proportionate demand, while if production and consumption were admitted, both must proceed constantly at an equal rate to offset one another. Money is the equation in a production and exchange system.

It has been suggested (by Muriel Rukeyser, in "Willard Gibbs: American Genius") that Professor Irving Fisher, a leading proponent of the "commodity dollar," was trying to apply to economics the Gibbs method of Vector Analysis (applied in the Phase Rule to thermodynamics "to interpret physical phenomena"). But Vector Analysis or the Phase Rule do not change any unit of measure. Miss Rukeyser herself quotes good authority on that point, Dr. w. R. Whitney (of General Electric), who refers to "this group of mathematico-physical expressions of measured facts which Gibbs had so scientifically coordinated."

The fixed unit of measure for the facts is prerequisite to the theory of Vector Analysis; and correct application of the method necessarily depends on the same units of measure being observed throughout. If the unit of measure were changed between operations, it would be

impossible to proceed from one set of calculations to the next. The "commodity dollar" fallacy was thoroughly exposed some years ago.

3. When France was bankrupted by the Mississippi Bubble, "the agents of the Mississippi Company were empowered to search houses and confiscate all the coined money they found.. .. Heavy fines were imposed in addition. It is astonishing that people should have borne this oppression so patiently." (Saint-Simon.)

4. Carl Dreher (who also quotes Dorothy Thompson) in *Harper's Magazine*.

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