

The Money of Account.

The greatest of all money is *The Money of Account*. It is because our legislators and writers on money subjects do not know anything concerning *The Money of Account* that they go floundering and blundering along, hashing and rehashing up all and every kind of argument for and against all kind of coins, notes and scrips, just as navigators would steer over an unknown ocean had they not a compass to guide them in their calculations.

In the first place, let us make the suggestion that the greatest, and it might be added, the only truly satisfactory book which has ever been published on the money question is "*The Ways and Means of Payments*," by Stephen Colwell, written about 1854. It is in this work, now out of print, that one may fully learn of this greatest of all money—of *The Money of Account*.

It is with *The Money of Account* that all transactions, little and big, are made. For instance—Farmer Jones says to Farmer Smith: "What will you take for that sow and pigs?" Smith says: "Twelve dollars." "Very well," says Jones, "I will take them at that and will let you have my old wagon, which you want, at twenty dollars and will take from you eight dollars worth of your best cider."

Here we have a transaction made, as all transactions are made, by the use of *The Money of Account*, and a full, legal and satisfactory settlement has been made without the employment of any gold, silver or paper money of any class or kind.

Every business estimate of the people of every nation is expressed in the *Money of Account*, no matter with what the settlement or payment is finally made; and to get firmly fixed in one's mind *The Money of Account* of his time and race, and to separate it from the coins, notes, checks, etc., used to denote the prices fixed upon, in what are termed "cash" transactions, should be the very first lesson in finance.

It is because persons do not understand *The Money of Account* that they ask that gold coin be made "*the standard of value*"—which is as impossible to do as it would be to make a quart cup, without a bottom, a fixed or standard measure for liquor.

The Money of Account is the standard to fix all prices, and the payments or settlements may be made, *indirectly*, in coins, notes, checks, scrips, or, *directly*, in wheat, iron, lard, rents, services, etc.; or in any other way which may be satisfactory to the seller and the buyer—the seller having in mind only that whatever he receives in hand, whether it be coin, paper or other kind of promise, that, at least, an equivalent in some labor product or service will be eventually given him for the labor product or service he parts with.

"A dollar" is the unit of *The Money of Account* of the United States: "A Pound" is the unit of *The Money of Account* of Great Britain: "A Franc" is the unit of *The Money of Account* of France: and "a Mark" is the unit of *The Money of Account* of Germany; and to make a business transaction intelligible to a native of any one of these countries a person must express the terms in *The Money of Account* of his nation—in French, one must count in francs and centimes, in England in pounds, shillings and pence and in the United States in dollars and cents.

The money of the world are *Letters of Credit*. That is that a person who has credit in the United States takes a letter of credit to Germany, or France, or England and receives the equivalent there as expressed in *The Money of Account* of each respective nation. There is no other way yet used for civilized foreigners to freely associate one with another than by means of *letters of Credit*. There is no such thing as a coin used for the money of the world. The coins of one nation become medals in every other; and are only to be sold for what they may bring.

The Money of Account is the standard used to fix the prices in every commercial agreement. Settlement is made only with services. Money, at best, is but a promise to pay to the holder something which he or she wishes in the services of others. Money, *in itself*, is of no earthly use to any one. Its value depends entirely upon what it can be exchanged for.

After studying thoroughly *The Money of Account* one may see that by every incorporated Municipality the *Credit and Debit* system of accounts will best fill the wish to exchange, with equity, service for service, and when that is once done it will not matter if all the gold coin is out or in the country.

A. K. OWEN.