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DIALOGUE

UNCLE SAM & BROTHER JONATHAN. {148}

By DANIEL DE LEON

BROTHER JONATHAN—Do you understand the money question?

UNCLE SAM—Hope you are not on that tack now?

B.J.—Well, do you understand it? There is one thing about {it} that I don't.

U.S.—What is that?

B.J.—It is the term "Legal Tender." It is to me like the Irishman's flea: Now I have it, and now I don't.

U.S.—There is nothing hard about it.

B.J.—So much the better. What does it mean?

U.S.—The term "legal tender" is applied to the money, which, if a debtor tenders it to his creditor, the latter is bound to receive.

B.J.—Then all money is legal tender.

U.S.—No; not necessarily. (Producing a nickel out of his pocket) If your baker gave you credit this morning for five cents and you take this nickel to him, it is legal tender. He must accept it; if he don't he has no cause of action against you.

B.J.—That's what I thought; money is legal tender.

U.S.—Wait a minute. But if you have run up a bill of \$50 by him and carry to him a bag full with 1,000 nickels—

B.J.—Isn't that a legal tender?

U.S.—No, sir!

B.J.—Are not 1,000 nickels equal to \$50?



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U.S.—They are. But yet in that amount the nickel is not legal tender. It can, by law, be used as legal tender only in small amounts—\$5 I think.

B.J.—Well!

U.S.—When, then, you cart 1,000 nickels to your creditor to whom you owe \$50 he can refuse to accept your load of nickels, and if you don't come down with bigger coin he has an action against you.

B.J.—I see. A legal tender is a coin or money that the Government so pronounces and that must be accepted. Now I understand it.

U.S.—If you are so easily satisfied, you ten to one don't yet understand it.

B.J.—But I do.

U.S.—Suppose that the Government puts the dollar stamp over oyster-shells and calls that {them?} dollars, and you owe a man \$20, and you lay twenty oyster-shells bearing the Government dollar mark before him—would he be compelled to accept? In other words, would you have made to him a “legal tender”?

B.J. (hesitates)—Yes; he would have to accept; I have made him a legal tender; whatever the Government stamps as legal tender is such.

U.S.—Correct!

B.J.—Haven't I understood it well?

U.S.—Can't yet tell. Wait. Now suppose you step into a clothing house with twenty oyster-shells marked \$1 by the Government and pronounced legal tender by it, and ask for a suit of clothes worth \$20; and the salesman measures you and packs up a suit for that price, and hands it over to you, and you then shell out before him the twenty oyster-shells marked \$1 by the Government—would he be bound to take them?

B.J.—Of course!

U.S.—I thought you were too hasty when you said you understood the question.

B.J.—Doesn't the Government, in your supposition, call those shells dollars?

U.S.—It does.

B.J.—Doesn't the Government say they shall be a legal tender?

U.S.—It does.

B.J.—Then how can the salesman refuse accepting them?

U.S.—For the simple reason—keep this in mind and note it well—that the legal

tender function of money comes in play only in the payment of DEBTS—

B.J.—What else?

U.S.—Hush! In buying and selling for cash there is no debt, there is EXCHANGE.

B.J.—Oh!

U.S.—A legal tender is, therefore, not what you said before: “money that the Government so pronounces and that must be accepted.” That definition is incomplete. You should say: “Legal tenders are money that the Government so pronounces and that, therefore, must be accepted in the payment of debts.”

B.J.—I see.

U.S.—If you catch on to this definition and thoroughly digest it you will never get mixed on the question, and you will save yourself all the flounderings of the free-coinage Populists who do not stop to consider the difference there is in “paying a debt” and in buying and selling, or exchange. They confuse the two, and they imagine that because a 50-cent dollar can be made by the Government a legal tender for \$1 and must be accepted in payment of taxes, debts, etc., it must also be accepted in exchange. This is a blunder of blunders, and there their whole scheme goes to pieces. In buying and selling, i.e., in exchange, value must be exchanged for value, the fiat of the Government counts for nothing.

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