

to somebody else for things I'll want later on. Well there you have money. Nails could be money. But in the course of time they found there was one material which everyone liked. It was gold. And they used for a long time gold and silver and copper. Everybody felt it was valuable. It would not deteriorate. It was easy to divide up into little parts to exchange, and you could keep it indefinitely. So they got the habit when they would buy and sell of giving some metal. Eventually it pretty much settled down to gold and silver ^{that} ~~that~~ they used for exchange that way. We were on that sort of a system back in 1912. In 1912 if the U.S.A. would buy enough ^{amount} from Great Britain and other countries, that the ~~amount~~ that we would pay them in credit and so on, would bring the cost of money down where the English pound was worth more/^{to us} than I think it was \$4.87 (I forget the exact amount). If it would get to where it was \$4.88 we would ship gold across to Europe and the boats were carrying gold to England. Then ^{when} ~~would~~ they would buy more stuff they would carry gold back to America. And gold was going back and forth for everything was depending on gold. Then during the first WW the nations of Europe sold everything they had in this country, and then borrowed a lot here and the situation developed where there was more gold than there was gold to pay for it. The result was that the English pound which was \$4.87 dropped to around \$3. I think it is somewhere now in between \$2 and \$3.50. And the French frank which was then worth .20¢ dropped to where it was worth only .04 or .05¢. The gold was not the standard. But of course there was something that people had gotten ~~devee~~ developed -- the idea of ^{using} ~~giving~~ paper. And the paper was supposed to represent gold in the treasuries. So they gave out paper money but the paper represented gold. Then they found that people took paper as if it was gold and pretty soon they stopped bothering to have enough gold in the treasury to cover the paper. So we got to the situation where they figured they could issue 10 times as much paper as they had gold. Finally in ¹⁹³¹ ~~1932~~ Roosevelt took us off the gold standard, and today the amount of money in the world