

MONEY AND BANKS PER CAPITA CIRCULATION

[Written for the Courier.]
Washington D. C. Feb. 16, 1896. The financial problems and all that pertain thereto have been uppermost in the public mind since the so-called panic or crisis of 1893. Various expedients have been devised for the avowed purpose of ameliorating the conditions surrounding our industrial and commercial interests; but we seem to be as far from the promised land as ever; at least so far as legislative relief is concerned. The brilliant success of the last bond sale will certainly stimulate confidence, and will possibly direct public attention to the shortcomings of our financial system.

A great deal is said about circulation, the per capita rate, generally stated at about \$23, and silver advocates are specially industrious in discussing this aspect of the situation. The report of the comptroller of the currency, just issued from the government printing office, contains some interesting facts from which a fair analysis of the circulation, so-called, can be made. The total amount of United States money in existence (1895) was \$2,398,607,420; of this amount the Treasury held \$796,638,947 making the total outstanding circulation \$1,601,968,473 or \$22.93 per capita. Although these figures comprise all the money of every description, a little reflection will convince most any one that they do not represent the true circulation at all.

In the first place the law requires national banks to hold a cash reserve equal to a certain percentage of their deposits, and all other banking institutions are by the exigencies of business subject to practically the same requirements though not stated in express terms. The amount held in this way by the 9,808 banks was \$631,111,290 nearly two-fifths of the amount outstanding. The whole superstructure of the banking interests rests upon this reserve, and it is as effectually withdrawn from circulation as the money locked in the vaults of the Treasury department. In this connection it is noted that the banks aggregate deposits of the savings amounted to \$1,844,357,798, over \$200,000,000 more than the amount of money outside of the treasury vaults.

It is well known that most business transactions are settled by check, but the function of the check as an economical factor may not be so universally recognized since it is payable only in money. In the settlement of accounts between banks, checks offset each other, so that only the balances are paid in money. The records of the New York clearing house show that since 1854 the balances settled in cash have not exceeded 67-10 per cent of the aggregate transactions, and the rate is frequently as low as 3 per cent. The New York clearings for 1895 were \$28,264,379,126.

The deposits of the New York banks amounted to \$497,412,000 on October 26, 1895, and the cash reserve held by the same banks was \$123,987,000. The clearings for the same week were \$641,621,009 or over \$100,000,000 per day. In other words if the checks did not neutralize each other but were actually collected instead of being deposited, one day's transactions would nearly exhaust the reserve of all of the banks, and five day's transactions would about wipe out all of the deposits, showing that every deposit account averages to be turned once every five days, a rate of circulation considerably more rapid than that of most of the currency. The

movement in New York is more rapid as well as more intense than at other points, since it is the main artery of our banking system. It is worthy of note however that the returns from seventy-eight cities show clearings of \$5,240,972,347 for the month of October, 1895, more than double the deposits of all the national banks in the country, which are stated at \$2,196,590,871.54.

The following is an attempt to analyze that indefinable something termed "circulation," the figures being taken from the report above referred to:

Total deposits, nat. banks..	\$2,196,590,871
State banks.....	779,557,673
Trust companies.....	553,756,721
Savings banks.....	1,844,357,798
Private banks.....	81,824,932
Total in banks in U.S. ..	\$5,456,087,995
Currency circulation..	1,601,968,413
Total	\$7,058,056,408

Deduct cash reserve held by banks..... 631,111,290

Volume cir'ling medium...\$6,426,945,118
Estimating the population of the United States at 70,000,000 this would make the volume of the circulating medium about \$91.81 per capita.

A glance at the above figures will show that the total deposits amount to nearly four times the currency circulation and as the clearings for a month exceed the deposits by two or three times, the financial world may fitly be represented by a pyramid of which the currency forms the apex, the next segment being the deposits which are followed by loans and discounts, the clearings of banking transactions forming the base. This will illustrate how currency derangements produced by hoarding or other causes, are magnified four times in their effect upon deposits and from twelve to twenty-five times by the time the influence has reached the clearings on monthly transactions.

It would seem to be a legitimate inference from the above that hoarding money out of the banks is a crime against sound economics which is only equaled by the attempts too frequently made to pollute the source of our financial welfare, which attempts can have no other effect than that of a boomerang. NIXON.

First publication Feb 22
SHERIFF'S SALE.
NOTICE IS HEREBY GIVEN, that by virtue of an order of sale issued by the clerk of the district court of the third judicial district of Nebraska, within and for Lancaster county, in an action wherein The Badger Lumber company et al., are plaintiffs, and Erick V. Erickson et al., defendant. I will, at 2 o'clock p. m., or the 24th day of March A. D. 1896, at the east door of the court house, in the city of Lincoln, Lancaster county, Nebraska, offer for sale at public auction the following described real estate, to-wit:

The northwest quarter of southeast quarter, and the south half of the northwest quarter and the north half of the southwest quarter of section twenty-one (21), in township eleven (11), range six (6), east of the sixth p. m., in Lancaster county, Nebraska.

Given under my hand this 20th day of February A. D. 1896.
John Trompen,
Sheriff.

March 21

Chamberlain's English Remedy
PENNYROYAL PILLS
Original and Only Genuine.
Beware of cheap imitations. At Druggists, or send for a sample for particulars. Testimonials and full directions in letter, by return mail. 10,000 Testimonials. Name Paper, Chamberlain Chemical Co., Smallwood, N. H., U. S. A.



GOING TO

CHICAGO.
ST. PAUL.
BLACK HILLS.
CENTRAL WYOMING.
PORTLAND.
LOS ANGELES.
SAN FRANCISCO?

BEST RATE



BEST TIME

BEST SERVICE

(First publication Feb 22)

Sale of Collateral Security.

Notice is hereby given that the undersigned will on the 14th day of March, 1896, at 1 o'clock p. m., of said day sell for cash at public sale, to the highest bidder, at the banking room of the undersigned, being situated at the corner of O and Eleventh streets in the city of Lincoln, Lancaster county, Nebraska, one certificate of stock of the Columbia National bank of Lincoln, Nebraska, being more particularly described as follows: Certificate No. 91, for 20 shares of \$100 each of the Capital stock of the said Columbia National bank of Lincoln.
American Exchange National bank,
Pledgee.

March 14

WEBSTER'S INTERNATIONAL DICTIONARY

Entirely New.
A Great-er Than
A Grand Educator.



Successor of the
"Unabridged."

Ten years spent in revising, 160 editors employed, and more than \$300,000 expended.

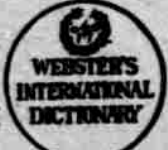
Everybody should own this Dictionary. It answers all questions concerning the history, spelling, pronunciation, and meaning of words.

A Library in Itself. It also gives the often desired information concerning eminent persons; facts concerning the countries, cities, towns, and natural features of the globe; particulars concerning noted fictitious persons and places; translations of foreign quotations, words, and proverbs; etc., etc.

This Work is Invaluable in the household, and to the teacher, scholar, professional man, and self-educator.

Sold by All Booksellers.

G. & C. Merriam Co.
Publishers,
Springfield, Mass.



Do not buy cheap photographic reprints of ancient editions.
Send for free prospectus.

PATENTS TRADE MARKS COPYRIGHTS.

CAN I OBTAIN A PATENT? For a prompt answer and an honest opinion, write to MUNN & CO., who have had nearly fifty years' experience in the patent business. Communications strictly confidential. A Handbook of information concerning Patents and how to obtain them sent free. Also a catalogue of mechanical and scientific books sent free.
Patents taken through Munn & Co. receive special notice in the Scientific American, and thus are brought widely before the public without cost to the inventor. This splendid paper, issued weekly, abundantly illustrated, has by far the largest circulation of any scientific work in the world. \$3 a year. Sample copies sent free.
Building Edition, monthly, \$1.00 a year. Single copies, 15 cents. Every number contains beautiful plates, in colors, and photographs of new houses, with plans, enabling builders to show the latest designs and secure contracts. Address: MUNN & CO., NEW YORK, 361 BROADWAY.

MRS. PYLE'S RESTAURANT.

Mrs. Pyle, having purchased the Model restaurant in the Salisbury block, Twelfth and M streets, heretofore conducted by Mr. Scott, is giving her undivided attention to the work of making this the most popular restaurant in the city. Mrs. Pyle has a most desirable class of customers, and the patronage is steadily increasing. The list of appointments at all the resorts of the city and the appointments and service are all that could be desired. Table board by the week, \$3; ticket good for 21 meals, \$3.50.

ANHEUSER-BUSCH PREMIUM PALE BEER

Delivered

AT \$1.00 PER DOZEN

IN ANY PART OF THE CITY.

H. WOLTEMADE

PHONE 157. 117 N. 9TH STREET.



IS THE ONLY DIRECT
ROUTE TO THE SOUTH?

Come and See Us
H. C. TOWNSEND, F. D. CORNELL,
G. P. & T. Agt. C. P. & T. Agt.
St. Louis, Mo. 1201 O St.

