

LET US BE CORRECT

The Mixing of Error With the Truth Weakens Our Appeals.

THE PER CAPITA CIRCULATION

Mr. Ward, Author of Government Banks, or a Better Financial System, Argues Against Mr. Dunning's Figures.

Editor WEALTH MAKERS: Last spring upon receipt of a sample copy of your book Mr. N. A. Dunning, as editor of The National Watchman, gave me the following kindly notice:

"Mr. George C. Ward has written a book, and right here we are reminded of what a dispensation of Divine Providence it was that Mr. Ward was ever brought into the world. Through it the people have some one before whose analytical powers all abstruse and difficult questions dissolve, and whose perfect willingness to map out a programme for the world's future action, is only equaled by his persisting in doing so."

I had an opportunity yesterday of looking at a copy of Mr. Dunning's People's Party Campaign Book of Reference, said to have been "compiled under direction of the National Executive Committee." I had the book but a few minutes, but utilized the opportunity to read the first article, relating to the volume of money, per capita, in circulation and was both astonished and amused at the peculiar methods by which Mr. Dunning reaches the conclusion that there was only \$5.17 per capita in circulation on July 1, 1893. If the figures and conclusions in relation to this question are a sample of the reliability and accuracy of the work in general, the book is, indeed, a valuable (?) compendium of facts and a safe (?) book of reference.

Mr. Dunning is an expert arithmetician and quite an adept in figures, so much so that, though I presume I should be ashamed to own it, I must confess to an inability to comprehend the method of computation whereby he arrives at the amount of money supposed to be in circulation, from which to make certain requisite and reasonable reductions in order to find the amount actually in circulation. I prefer the simple and direct mode of taking the treasurer's report, or statement of all money and currency of all kinds, metallic and paper, coined and issued, and not in the United States treasury and, treating that as the amount supposed to be in the hands of the people, make the proper reductions therefrom to ascertain the amount actually in circulation. The conclusion arrived at by the two methods is, however, about the same, the treasury giving the amount coined and issued and not in the treasury, on July 1, 1893, as being \$1,593,726,411; while Mr. Dunning, by means of some intricate and perplexing calculations, finds the sum of \$1,735,954,057: from which he deducts, as being in the United States treasury the sum of \$142,107,228 leaving \$1,593,619,229 as the sum coined and issued and not in the treasury, which is \$8,120,418 more than the amount given by the treasurer; a trifling difference.

But it is when Mr. Dunning treats of the matter of bank reserves, or money in the various banking institutions of the country, that he displays to the best advantage his versatile genius in the direction of manufacturing statistics. Taking as a basis of computation some statistics found in the comptroller's report for 1893, he figures that the various banking institutions, on or about the date in question, had the enormous sum of \$909,581,127 in cash money, which they were holding as reserves. But turning to page 240 of the report in question for 1873, I clip therefrom the following table:

Table XII. Statement Showing the Amount of Gold, etc., Held by National Banks on July 12, 1893, and by Other Banking Institutions on or About the Same Date. Includes columns for National banks, State banks, and Total.

From the above table it may be seen that Mr. Dunning deducts, as bank reserves, \$393,593,387 more money than was in the possession of all the banking institutions making reports. It is true that there were 187 incorporated banks which failed to report and, perhaps, nearly as many private banks, all of which must have had some cash on hand, but noting the average sum held by the 5685 banks (other than national) reporting, we shall err in the direction of liberality, if we allow \$15,000,000 for the banks not reporting. This would leave \$378,593,387 as the sum of which Mr. Dunning arbitrarily adds to bank reserves and deducts from per capita circulation. Putting the population, at the date named, at 68,000,000 as he does, this gives us \$5.56 per capita to add to his \$5.17, making a total of \$10.73 per capita on the date named. But Mr. Dunning is also wrong in his statement of population, the treasury department giving it as being 66,968,000.

So, then, using Mr. Dunning's own basis of computation and reproducing his own figures, except as to bank reserves and population, we have the following result:

Table showing financial figures: Amount held in U. S. treasury, Cash in national banks, Cash in state, private and savings banks, etc.

The total amount Mr. Dunning places as outstanding is \$1,735,954,057, from which deduct \$1,010,934,968 and we have left the sum of \$725,019,089. Divide by the population given by the treasury department, 66,968,900, and it gives \$10.88 per capita.

How does it come that Mr. Dunning falls into this palpable and grievous error? Simply because he studied official reports and statistics in a superficial manner and with a bias born of a determination to establish certain previously asserted facts. If he had read pages 18 and 19 of the identical report he quotes, he would never have made the mistake he did. Or, if he had studied the tables on pages 132 and 133, he would, at least, have paused to consider. The tables, condensed, are as follows:

Table showing Cash Reserve, Reserves held, and Reserves per cent. Includes columns for Required, Held, and Reserves held.

A very cursory examination of the foregoing table reveals the distinctive difference between "reserve required" and "reserve held" and also between "cash reserve required" and "cash reserve held." Moreover it at once becomes clearly apparent that all the national banks held on Oct. 3, 1893, only \$346,433,212 in cash money, while even that amount was \$152,281,156 more than the "cash reserve required" by the national banking act. In the official report of the comptroller of the currency, the term "cash reserve required" does not include all the money covered by the term "cash reserve held." The two terms stand for two distinct and different factors, or sums of money. While the "cash reserve required" may not be encroached upon without a violation of the law and an impairment of the soundness and the solvency of the bank, all money in "cash reserve held" in excess of "cash reserve required" may be loaned out, or used in the ordinary commercial transactions of the bank.

It would seem as if the term "cash reserve held" was a misnomer, or wrong classification, as all the money held in banks, in excess of "cash reserve required", is a portion of the active cash banking capital or per capita circulation and is a factor in determining prices.

A moment's reflection will convince one that the cash in the national and State banks in excess of "cash reserve required", represents but a fraction (about one-fifth) of the active cash banking capital of the people. The money paid out weekly and monthly, in actual cash, as wages to labor, etc., is gradually paid out by the recipients and day by day finds its way, as deposits subject to check, into banks. The cash the bank holds in excess of reserves, bears the same relation to the cash banking capital of the people as their actual reserves bear to the gross deposits of the people.

We have seen that the national banks on July 12, 1893, held \$152,331,156 in excess of legal requirements. On or about the same date, the state banks held \$30,966,806 more than 15 per cent. of deposits which makes about \$183,000,000 of active, price affixing money to add to the per capita circulation, and would bring the actual circulation of price determining money up to about \$13.60 per capita. The savings banks, private banks and loan and trust companies had, on the date named, less than three per cent of their deposits in cash, having in their combined vaults only \$68,617,000 as reserve against deposits amounting to \$2,353,595,000.

We Want You!

Great Clearance Sale

Money's Worth or Money Back!

We are financially able to back this guarantee, and any lawyer will tell you it is a legal one. We understand the English language and do not wish to shirk the responsibility of our words.

1200 Suits! 900 Ulsters!

Out to within 50c. of Cost.

Most Men

Like to be dressed well; they know that "Clothes do not make the man," but they know also that the World's estimate of what a man really is, is often based on the kind of clothes he wears, quality, fit, etc. This may not be right but it is a fact just the same.

Look Well.

BROWNING, KING & CO.

Largest manufacturers of Clothing in the World. 1013 O St., LINCOLN, NEB.

is not less than 15 per cent of deposits. There was held as deposits in the 5,685 banks loan and trust companies, outside of national banks, which reported, \$3,070,462,680. (Compt. Rept., page 240.) Estimated as 15 per cent the reserve held by these institutions amounted to \$460,569,402. It is estimated that 3,647 banks made no report. If we estimate the reserve held in these banks at \$10,000 each, which is very moderate, it gives \$36,470,000 more. The reserve held in the aggregate would stand as follows:

Table showing In national banks, In state, private, and savings banks, loan and trust companies, In banks not reported.

The error relative to the reserves of banks other than national is apparent "upon the face of the returns." If he had read pages 18 and 19 of the same comptroller's report from which he obtained his data, he would have discovered that in the fund denominated "reserve required" of \$316,881,977 is included in "cash reserve required"—\$194,202,056 and "Due from reserve agents"—\$158,499,644. Let us seek the truth. It is the truth which makes men free.

Excursion for Home-seekers. On December 4th and December 18th. The Burlington will sell round trip tickets to points in Texas, Oklahoma and Indian territory, to points in New Mexico on the Pecos Valley railroad; to Deming, N. M.; to points in Arkansas; to points on the St. Louis, Iron Mountain & Southern, and Kansas City, Watkins & Gulf railway in Louisiana; to points on the K. C., F. S. & M. railway in Missouri, south of Springfield. To points in Nebraska, Kansas, Colorado and Utah, west bound only. One fare for the round trip, plus \$2.00, provided such fares are not less than \$7. Apply at B. & M. depot or city office, corner Tenth and O streets, for full information. 2513 G. W. BONNELL, U. P. & T. A.

Notice our cheap clubbing rates with "The Prairie Farmer" and "The Picture Magazine." Send in your subscriptions. You will want good reading matter for the family during the long winter evenings.

COST SALE!

Clothing, Gent's Furnishings, Hats, Caps, Gloves and Mitts.

OWING to shortage in the crops and the scarcity of money, we find that we have bought too much stock and have determined to reduce it and for the next 30 days will sell it at actual cost. The stock is composed of all new and fresh goods of the latest styles. For prices see below:

Table listing prices for Suits, Underwear, Overcoats, Plush Caps, Pants, Boy's Suits, and Gloves & Mitts.

We also carry a full line of Trunks and Valises which we will sell the same way. Remember this sale will last but 30 days and will be STRICTLY CASH.

BAKER'S CLOTHING HOUSE,

1039 O St., Lincoln, Neb.

METAL WHEELS for your WAGONS.

Any size you want, 30 to 50 in. high. Two 1 to 5 in. wide—hubs to fit any axle. Save cost many times in a season to have set of low wheels to fit your wagon for hauling grain, fodder, manure, logs, etc. No rusting of tires. Cat's Paw. Address: EMPIRE MFG. CO., Quincy, Ill.

WINGER'S PUMPING FEED GRINDER "A MONEY MAKER AND SAVER." A double Grinder with three burrs. Center draft. Can be attached to any make of pumping wind mill. E. B. WINGER, 532 Kenwood Terrace, Chicago, Ill.

Given Away!

If more good points can not be shown in it than any other hay press made.

Martin & Morrissey M'fg Co., Omaha, Neb.

SHIP

Your Butter, Eggs, Poultry, Veal, Beans, Potatoes, Hides, Pelts, Wool, Hay, Grain, Green and Dried Fruits, or ANYTHING YOU MAY HAVE to us. Quick sales at the highest market price and prompt returns made. Write for prices or any information you may want.

SUMMERS, MORRISON & CO., Commission Merchants, 174 South Water St., Chicago, Ill. Metropolitan National Bank, Chicago.

HORSE REVIEW

Issued Dec. 2 next. Elegant illustrations of the greatest horses known. Magnificent supplements for framing. Special articles, stories, poetry and statistics by best talent, included in an elegant, unique, handsome double cover, lithographed in 2 colors. Price \$2.00. Agents wanted—special terms. Regular weekly edition including Xmas No. sent free for one sample copy. THE HORSE REVIEW CO., Chicago, Ill.

PUBLIC SALE of POLAND CHINAS

Crete, Neb., Friday, Dec. 7, 1894.

On the above date I will sell 70 head consisting of 15 mature sows which are all first-class Brood Sows, and will be bred prior to day of sale to three first-class herd sires. Balance spring pigs which are a top lot, and in perfect state of health. Send postal card for catalogue to:

COL. F. M. WOODS, Auctioneer. B. HOQUE, Crete, Neb.

Farmers' Exchange.

Waverly, Neb. BUYS and SELLS GRAIN IN BUSHEL or CAR LOTS Seed Grain a Specialty. References:—Every man within Five Miles of Waverly. Correspondence solicited. SAM REITZ.

GET A HOME IN LINCOLN!

A CHOICE RESIDENCE three miles from postoffice for sale. It is just outside the city limits of Lincoln, in the shadow of two colleges, between them and the city; two blocks from street car line, and in splendid neighborhood which enjoys all the luxuries of a city without its taxes, noise and dust. It is a good garden farm, new house, barn, windmill, best well of water, with water connections in bath room and kitchen. A complete system of irrigation. Fifty cherry, twenty-five apple and other fruit trees, also 10,000 strawberry plants, planted in 1894, enough native firewood for cooking stove. Here is the prettiest and most valuable holding in real estate about the Capital. If you desire to invest where large returns cannot fail to come your way, investigate this offer. The colleges afford an excellent market for garden, poultry or dairy products. The owner wants to sell and change occupation. No mortgages. If you want this offer address:

J. H. DOBSON, 1120 M St., Lincoln, Neb.

Irrigated Farms-\$1,000!

OUT of a thousand farms in SOUTHWEST KANSAS, of 160 acres each, we are selling a limited number equipped with an independent and permanent irrigation plant sufficient for at least ten acres on each farm. The price at which these 160 acre farms are selling is merely about what the ten acres and irrigation plant are worth. Before buying a farm investigate this. Special terms made for Colonies. Call on us or write for particulars.

THE SYNDICATE LANDS & IRRIGATING CORPORATION, Room 412 New England Life Building, 9th & Wyandotte Sts., KANSAS CITY, MO.

Advertisement for C.O.D. CIGARS. Includes image of a cigar box and text: "WATCH AND BUY OF 50 CIGARS C.O.D. \$2.75. NO MONEY REQUIRED IN ADVANCE."

Advertisement for ROCK ISLAND PLOW CO. Includes image of a plow and text: "A RICH MAN'S PLOW AT A POOR MAN'S PRICE. PLOWS HARD TIMES FOR HARD GROUND. RIGHT OF LEFT HAND. Send for the 'PROOF' and read what is said by those who have used them. MANUFACTURED ONLY BY THE ROCK ISLAND PLOW CO. ROCK ISLAND, ILL."