## MONEY AND PRICES.

**Populists Must Not Allow Themselves to Be Side-Tracked on the "Primary Money" Siding.**

During the Horr-Harvey debate, in the course of his efforts to prove the correctness of his peculiar theory that prices are governed and regulated by "primary money" only, Mr. Harvey said:

"I was discussing primary money as a measure of value. We have as much silver relatively with gold in our monetary system now as at any time in forty years, but it is not performing the functions of primary or redemption money; it is token money, resting on gold, and silver bullion is measured in gold. When we say price, we mean gold. Silver is not exerting an influence as a measure of values. The act of 1873 made by express words the unit of value of gold, and left gold without any concurrent coinage of another metal to add to its quantity. Hence it left gold the sole measure of values, and such it is.

"In determining whether primary money or primary and credit money combined are the measure of values, I want you to think of this: That in 1867—I read from the Statistical Abstract of 1894, page 278—in 1867 all the money in circulation was per capita $18.28. At that time all money was primary money; the measure of values was paper money itself. In 1872 the per capita, all money in circulation, was $18.19, and all of it was primary money. We were pricing everything in paper money, and bought gold and silver when we wanted it. Now, come to the time when we have the redemption money system in vogue. We find that in 1894 we had a per capita circulation of primary and credit money combined of $24.23—more money per capita in 1894 than in 1867 or 1872. Now, you will all say that the quantity of money in circulation affects prices. You have more money, primary and credit combined, in circulation in 1894, per capita, than you had in the two years named previous to 1873, and yet prices were higher then than now. Why? Because there were more primary money per capita in circulation at the two first named years than there is the last named year, 1894. Of the $24 per capita in circulation of all money in 1894, only about $6 is primary money, while in 1867 and 1872 there was $18 primary money in circulation per capita."

Mr. Harvey's statement that at the present time prices are affixed and regulated solely by the gold money in circulation, is equivalent to an assertion that money in circulation is not an essential to price, from the fact that there is almost no gold money whatever in circulation. All the gold money of which we have any knowledge is either in the United States treasury and not treated as in circulation, or else held as reserves by the several banking institutions in the United States. If there is any other gold money in the country, it cannot be located and is buried or hoarded in some other secret and mysterious manner. Indeed, the director of the United States mint, in his report for 1888, conceded that of the amount of gold treated in official tables as being in circulation, $270,000,000 had mysteriously disappeared and could not be accounted for.

But the fall in prices can be accounted for, in harmony and conformity with the quantitive theory of money, without taking the untenable position that none but primary money has any effect or influence upon prices.

In quoting the volume of money in circulation in 1867 at $18.28 per capita, and in 1872 at $18.19 per capita, Mr. Harvey simply uses the official figures published by the treasury department. The treasury department figures are:

July 1, 1867. Population, 36,212,000; per capita, $18.28.

| | *Coined and Issued.* | *In Treasury.* | *In Circulation.* |
|---|---|---|---|
| State b'k notes, | $ 4,484,112 | $......... | $ 4,484,112 |
| Frac. currency. | 28,307,524 | 2,001,230 | 26,306,294 |
| U S. notes..... | 371,783,597 | 52,345,895 | 319,437,702 |
| Nat'l b'k notes. | 298,625,379 | 11,861,418 | 286,763,961 |
| | $703,200,612 | $66,208,543 | $636,992,069 |
| Add specie in circulation on Pacific coast........ | | | 25,000,000 |
| | | | $661,992,069 |

But the Statistical Abstract for 1891, under the head "Currency Circulation" and "Analysis of the Public Debt," gives:

| | |
|---|---|
| 7-30's........ | $ 488,344,486 |
| Demand Notes........ | 208,432 |
| One and two year notes of 1863..... | 1,123,630 |
| Compound interest notes........ | 122,394,480 |
| Gold certificates........ | 18,678,110 |
| Totatl........ | $1,292,739,207 |

Per capita, $35.70.

As it is claimed, on the one hand and denied on the other, that the 7-30's and compound interest notes were in circulation and used as money, July 1, 1867, is a bad date to refer to, because of conflicting opinions concerning the matter in question. The Inter Ocean always has claimed that the 7-30's and compound interest notes entered into the circulation as money, and in 1878 published a tabulated statement of money in circulation to illustrate an argument it was making to show the contraction that had taken place. The following is the Inter Ocean's table:

| *Year.* | *Currency.* | *Population.* | *Per Cap.* |
|---|---|---|---|
| 1865.... | $1,651,282,373 | 34,819,581 | $47.42 |
| 1866.... | 1,803,702,726 | 35,537,148 | 50.76 |
| 1867.... | 1,330,414,667 | 36,269,502 | 36.68 |
| 1868.... | 817,199,773 | 37,016,949 | 22.08 |
| 1869.... | 750,025,989 | 37,779,800 | 19.85 |
| 1870.... | 740,039,179 | 38,588,371 | 19.19 |
| 1871.... | 734,244,774 | 39,750,073 | 18.47 |
| 1872.... | 736,340,912 | 40,958,607 | 17.97 |
| 1873.... | 733,291,749 | 42,246,110 | 17.48 |
| 1874.... | 779,031,589 | 43,550,756 | 17.89 |
| 1875.... | 778,176,250 | 44,896,705 | 17.33 |
| 1876.... | 735,358,832 | 46,284,344 | 15.89 |
| 1877.... | 696,443,394 | 47,714,829 | 14.60 |

It will be noted that the Inter Ocean gives $17.97 as the per capita circulation in 1872, while Mr. Harvey gives the official figures $18.19. From this amount must be deducted the legal "cash reserve required" of the national banks and of all other banking institutions.

The theory very generally (and, I believe properly) held and entertained, is that all money in the banks above the legal cash reserve required to be held, should be considered as actual, active, cash banking capital, and should be counted as a part of the money in circulation which is a factor in affixing and regulating prices. This being the case, I have prepared a table, giving the money in circulation, and have deducted the legal reserves therefrom and then have given the per capita amount of the actual cash circulation in conformity with this theory. In preparing this table I have used the official figures for national bank "cash reserve required," and have estimated fifteen per cent. of their deposits as the cash reserve of the state banks. The trifling amounts of cash held by the savings and private banks and loan and trust companies, I have treated as and included in reserves.

I have used the Inter Ocean's table of population and money in circulation, so as to leave no gap in the argument.

| | *1871* | *1872* | *1873* | *1874* |
|---|---|---|---|---|
| Per capita........ | 18.47 | 17.97 | 17.48 | 17.89 |
| Deduct reserve.... | 4.30 | 4.46 | 4.54 | 4.63 |
| Net per capita..... | 14.17 | 13.51 | 12.94 | 13.26 |

Average for four years, $13.47.

We will deduct the odd 47 cents per capita for loss in paper money and shall then have as the average per capita circulation for the four years 1871–4 the sum of $13.00. We are now ready to see what the per capita circulation was July 1894. The official statement giving the amount in circulation July 1, 1894, is as follows:

| | |
|---|---|
| Gold coin........ | $ 497,873,990.00 |
| Standard silver dollars........ | 51,191,377.00 |
| Subsidiary silver........ | 58,233,344.00 |
| Gold certificates........ | 66,344,409.00 |
| Silver certificates........ | 327,094,381.00 |
| Treasury notes, act July 14, 1890. | 134,862,009.00 |
| United States notes........ | 268,772,371.00 |
| Currency cert'f's, act June 8, 1872. | 58,935,000.00 |
| National bank notes........ | 200,754,351.00 |
| Totals........ | $1,664,061,232.00 |
| *Deduct.* | |
| Loss in gold coin........ | $275,000,000.00 |
| Loss in silver coin........ | 20,000,000.00 |
| Loss in paper currency........ | 50,000,000.00 |
| *Legal reserve in banks........ | 461,000,000.00 |
| Total........ | $806,000,000.00 |

In circulation in excess of legal reserves, $858,061,232.00.

Population, 68,677,700. Per capita, $12.49.

*Bank reserves figured upon same basis as before.

This is not, however, a fair comparison, because on July 1, 1894, the money volume in circulation was considerably inflated as a result of the frantic efforts of the government and the national banks to turn the tide of panic and from the fact that, because of the panic, bank deposits, and hence bank reserves, were reduced to a low ebb. On July 1, 1895, the volume of money in circulation was only $22.96 while bank reserves were larger than in 1894, so that the circulation of active price affixing money was only about $10.50 per capita, or $2.50 less than in 1872. And besides all this, there are many other factors operating to reduce prices, aside from the contraction which has taken place in the volume of the circulating medium.

GEORGE C. WARD.

## THE COAL MINERS WIN.

**Organized Labor Wins One of the Hardest Fought Battles of the Decade.**

The biggest victory ever made by organized labor was won August 2 in Pittsburgh by the miners. Almost every demand was granted, and the operators gave a written guarantee for their fulfillment of the contract. The papers have been signed which increase the wages of 100,000 miners in Pennsylvania, Ohio, Indiana and Illinois. The terms of the agreement are that the present rate of wages shall continue in force until October 1, when every operator in the Pittsburgh district will pay the 69-cent rate, with a differential of 5 cents in favor of operators who do not have company stores. The agreement further provides for another advance January 1. It is understood that the rate will then be made 79 cents. Above all W. P. Dearmitt, who has whipped the miners at every turn heretofore, has been brought over and will pay the 64-cent rate, as he does not have the company stores.

The effect of this settlement is to advance the mining rate in Ohio and Indiana from 51 cents to 60 cents. It also helps the rate in Illinois and brings the strike there to an end. It also changes the end of the scale year from April 30 to January 1.

This is the first time a differential has ever been granted against company stores, and it is expected it will result in having all of them abolished. An evidence of this came recently when W. P. Rend, of Chicago, offered to abolish his company store at Reisig, Pa., and agreed to loan the miners money enough to operate it on a co-operative basis.

As another result of the compromise the operators propose to form a new association on different lines from the old one, and every operator in the district will be included in its membership.

Practically all the credit for the victory is being given to Secretary-Treasurer Pat McBryde, who mapped out the entire campaign.—Press Dispatch.

### The Old Man of the Sea.

"Affected by gold exports." That was the first headline of the market reports last Saturday, and then followed an account of the fall in the price of wheat, corn and other staple products. Isn't it a shame that a great industrial nation must depend for its prices upon the whims of the gold owners? This is made possible only by the gold standard. So long as that is forced upon us every movement of gold will disturb our markets. Had we complete money of gold, silver and national paper our markets would not be affected by the gold movements. But Great Britain and the republican and democratic bosses won't let us have that kind of money.—Mount Vernon (Ill.) Progressive Farmer.

### Keep Posted.

When the masses get to understand that professional politicians are liars, devoid of honor; that they will pervert facts, manufacture false statistics, and do all manner of things for pay, just as a lawyer will do to win a case for a client when his fee depends upon success, they will probably begin to take a deep interest in public affairs, and quit scoffing at the "old hayseed" who keeps posted and expresses opinions as to what ought to be done, independent of what the so-called leaders tell him is orthodox and the only true plan of governmental salvation.—Thornton's Monitor.

## THE PRICE OF GOLD.

**It Is Regulated by the Law Governing the Bank of England.**

I have seen it stated that there has been a law in England in force for many years making it obligatory on the Bank of England to buy all the gold bullion offered it at a stipulated price, and it is said that this statute has kept gold up to this point of value ever since the law was passed. Is this correct?

A. C. M.

It is correct. The law of 1844, under which the last charter of the Bank of England was granted, provided that notes may be demanded of the bank for gold bullion at the rate of £3 17s. 9d. per ounce of standard gold. The meaning of the law is, of course, that the bank is empowered to issue notes for all gold brought to it. This obligation is a great convenience to the public, and, of course, is of no injury to the bank. If the person who brings the bullion wants coin instead of notes, he is obliged to pay more for it to save himself the trouble of waiting until it is coined.—Chicago Inter Ocean.

While there is no doubt but that the price of gold is regulated by the provisions of the law governing the Bank of England, it is apparently true that the bank has the power, or right, to vary the price paid from time to time and within certain limitations. Thus, for instance, on July 26 the bank of England announced a reduction in the purchasing price of French and Russian gold coin to 76s. 3½d. per ounce. This was done to check gold shipments from France to London. The price of American gold is reported to have been reduced to the same price from 76s. 3½d.

From this it appears that the price paid in notes, by the Bank of England, for gold coin of the United States, Russia and France is £3 16s. 3½d. per ounce, or 1s. 3½d. less than the price named in the Peel act or law of 1844. Commenting upon this state of affairs, the Kansas City Star says:

A cable from London announces that the Bank of England has reduced the price which it pays for gold, the purpose being to check the tendency of foreign gold to come to its vaults. There has been an almost uninterrupted stream of money (the Star should have said "gold") flowing toward London for several years. The disposition of the thrifty Englishman has been to call his chickens home and count them. Instead of being an investor everywhere, he has been holding his earning at home and calling in the capital he has had in other countries. This process has gone on until all the banks of the kingdom are glutted with idle money and funds are being loaned for a fraction of 1 per cent. a year. The latest flood of gold which threatens to flow to the great financial capital of the world is from France. The Chinese loan, floated in Paris under the patronage of Russia, will result in a great transfer of capital from Paris to london. The Japanese, to whom the money obtained through the loan is to be paid, propose to spend a considerable part of it for new warships and for supplies of various sorts, and England will furnish a large part of these supplies. The Japanese want their funds in London banks to make these payments and to take up outstanding bonds of their own. The London bankers, of course, do not object to holding these funds, nor to seeing the money spent in England. But they are perfectly willing that the transfer should be in the form of bills of exchange or investment securities instead of gold, and that is the reason why the Bank of England has lowered its price of gold.

"Undoubtedly English bankers would much prefer to see securities and bills of exchange coming to them from the United States to having gold shipped to them. They have more gold now than they know what to do with, and they would welcome, more gladly than anyone else, a reversal in the currents of trade which would carry gold from England instead of to England. The Englishman is no worshiper of gold. A thousand dollar bond or a block of good stock is held in very much higher esteem by him than bags of gold or bank notes. No Englishman is enough of a believer in the accumulation of gold to hide bags of it away and watch it grow more valuable. He wants it where it will be in active use, producing new wealth for himself and those who employ it. When the rising tide of business the world over reaches that point where it will float the gold of England off to other shores—to America and Argentine and Australasia and other progressive countries—no one will be better pleased to see it go than John Bull himself."

All of which goes to show how utterly useless and worthless gold is, unless it can be loaned out at interest, as money, "producing new wealth," as the Star says.

The gold-bugs say: "There is a 'great deal of foreign capital (money?) that would like to come here.' Do they mean that foreign nations are anxious to send over here, as a loan, their bushels, and their land, iron, coal, wood, wool, etc.? Ah! no—they mean gold, when they say 'capital.' But gold is not capital, being unproductive and almost utterly useless as a factor in producing more wealth, its utility in that direction being limited to the narrow sphere of a few useful arts. What, then, do they mean? They mean that we should borrow of foreign nations gold upon which to coin, or write our orders for, or title deeds to real capital, and henceforth, forever, annually pay millions of tribute in actual wealth—wheat, cotton, corn, etc.—for the use of gold upon which to stamp our token-credit, when paper would answer the purpose fully as well and would cost as little as the title deed to a tract of land. 'What fools we mortals be.'"

GEORGE C. WARD.

—There ought to be a people's party club or legion formed in every school district in the country before the snow flies. The people's party can score an enormous gain during the coming fall and winter if a determined effort is made. Individual action is necessary and the iron is hot. Let the workers strike all along the line.—Missouri World.



## SHORT CAMPAIGN.

**National Committeemen of the Two Parties in Favor of a Brief Contest.**

CHICAGO, Aug. 20.—Concerning the view of national committeemen on the question of a long or short campaign, the Times-Herald says:

Thirty-eight national committeemen, twenty Democratic and eighteen Republican, have responded to questions concerning the policy of holding a short presidential campaign.

The Republican national committee will declare in favor of a short presidential campaign.

The Democratic national committee will decide in favor of a short presidential campaign, unless the free silver element predominates in the councils of the committee. The vote is as follows: Republican national committee, for a short campaign, 14; against a short campaign, 3; non-committal, 1. Total vote, 18.

Democratic national committee, for a short campaign, 10; against a short campaign, 6; non-committal, 4. Total vote, 20.

## CLEVELAND PROTESTED.

**But It Made Little Difference to Publisher John R. McLean.**

NEW YORK, Aug. 20.—A Sunday newspaper advertised last week that it would print a description of the home and summer life of the president and his family. Learning of this Mr. Cleveland sent John R. McLean the following telegram:

BUZZARDS BAY, Mass., Aug. 17.—Your reporter has neither seen me or anyone connected with my household. The publication of any interview will be an outrageous fraud.

GROVER CLEVELAND.

The message is printed as an introduction to the article, which is published with illustrations. Mr. McLean claims that the article violates none of the proprieties, and has sent a reply to Mr. Cleveland stating that he had not advertised any interview and that the president had evidently been imposed upon by rival newspapers.

## JENNIE METCALFE AGAIN.

**The Oklahoma Girl Outlaw Escapes From Officers in Daring Style.**

PERRY, Ok., Aug. 20.—The notorious Jennie Metcalfe, nee Stevens, was arrested yesterday by Sheriff Lake near Pawnee and taken to Pawnee. There she was taken to a restaurant to eat supper. A guard was placed at the door. When Jennie finished her meal she darted through the back door of the restaurant and quickly tearing off her dress, seized a horse, and mounting it, rode off. Several officers went in pursuit, but darkness came on and she escaped.

The girl, who is not over 17 years old, was under arrest for stealing a horse from a deputy marshal who had arrested her for selling whisky to Indians.

## RIOT AT A CHURCH.

**A Faction Opposed to the Priest Attacks Worshippers—Several Injured.**

ST. JOSEPH, Mo., Aug. 20.—At St. Peter and St. Paul Catholic church on Messanie street yesterday a faction opposed to the priest attempted to break up the services. A riot followed in which Charles Weircyorak and Tony Fordyce were badly injured and four others were hurt. Several arrests have been made, but the ringleaders succeeded in getting away.

The police, fearing a renewal of the hostilities, guarded the church property last night. The trouble in the church had been brewing for some weeks.

## Knight Templar's Excursion to Boston—Half Rates.

The Knight Templar's official train having on board Grand Commander Finch and escort will leave Omaha via the Burlington at 4.45 p.m. Thursday, August 22d, going through to Boston without change, making a short stop of several hours at Majors' Falls. Sleeping car reservations should be made at once at B. & M. depot or city office, cor. 10th & O St.

1012 G. W. BONNELL, C. P. & T. A.



## The Baltimore Plan,

now practically endorsed by President Cleveland, is attracting universal attention because it is based on the evident fact that the currency and banking systems of the country must be reformed.

But is the Baltimore plan a reform? It gives the associated banks the power to expand the currency and relieve the country. It also gives them the power to contract it at will and create universal distress for their own private gain.

It puts the credit of the government behind every bank note. It donates all but half of one per cent of the profit on the note issue to the banks, and it leaves plenty of opportunities for a Napoleon of Finance to wreck a bank and leave the government to pay the notes.

It leaves the banks free to demand the highest interest that the several states will allow, and affords no relief to farmers and business men of moderate capital.

Contrast with this

## The Hill Banking System.

In "Money Found," an exceedingly valuable and instructive book published by Charles H. Kerr & Company of Chicago, and for sale at the office of this paper at 25 cents, Hon. Thos. E. Hill proposes that the government open its own bank in every large town or county seat in the United States, pay 3 per cent on long time deposits, receive deposits subject to check without interest, and loan money at the uniform rate of 4 per cent to every one offering security worth double the amount of the loan.

This plan is not an expense to the government, but a source of large revenue.

It secures the government amply, which the Baltimore plan does not.

It relieves the distress of the common people, which the Baltimore plan does not.

It protects not only note-holders but depositors, who are unsecured now and under the Baltimore plan would be still worse off.

In a word, the Baltimore plan is in the interest of the bankers, the Hill Banking System is in the interest of the people.

Consider them both, and ask your congressman to vote for the one you believe in.

And send us 25c. immediately for the book. "Money Found" has no equal in its line. Address,

Wealth Makers Pub. Co.,
Lincoln, Neb.