

THE PRICE OF GOLD.

Some Facts Regarding the Fluctuation of Money Values.

Has gold "appreciated?" The advocates of the free coinage of silver say that it has. Like the man who thinks his own train in motion because the one alongside is moving in an opposite direction, the silver men insist that instead of all other prices (including that of silver) having fallen, the price of gold has really risen, and the price of everything else has stood still. They assert that there has been a steady change in the ratio of a dollar in gold to a given quantity of grain, cotton, clothing, food and silver, and argue that since one dollar in gold will buy more of all commodities in the markets of the world to-day than it did in 1873, gold has advanced in value, while the value of other articles has stood still. Hence their constant assertion that "gold has appreciated."

Let us see. To appreciate means to increase in value. Anything which appreciates in value, does so either because it has grown relatively scarce, or because each individual needs more of it for his daily use.

Now has this happened about gold? Fifty years ago the world had a billion people in round numbers; now it has a billion and a half. The population has increased 50 per cent. in 50 years.

Has the gold in the world increased at the same rate as the population? If so, have we any right to assume that gold has appreciated? If it appears that it has increased more rapidly than the population, would it not rather depreciate than appreciate?

Let us examine the figures from the best authorities of the world, Soetbeer, Mulhall, Preston and others. Mulhall indicates that the amount of gold in the world, coined and uncoined, 50 years ago amounted to \$2,500,000,000. Taking his figures for 1890 and adding the production since that date, the gold in the world to-day, coined and uncoined, is shown to be over \$7,000,000,000. Thus it will be seen that the world apparently has about three times as much gold to-day as it had 50 years ago.

If there had been no increase in population in the meantime there would thus be three times as much gold for each person now as there was half a century ago. But the population has increased 50 per cent., so there is apparently twice as much gold in the world for each individual as there was at that time.

But that is not all. Fifty years ago only 33 per cent. of the gold of the world was coined into money. Now 66 per cent. of it is coined. So it appears that, while the per capita of gold has been doubled, the proportion of that gold which is turned into coin has also been doubled.

This means that there is four times as much gold coin for each individual in the world to-day as there was 50 years ago.

Does this look as though there was a scarcity of gold? If gold coin is four times as plentiful for each individual to-day as it was 50 years ago, it is reasonable to assume that the legitimate need for more of it as a medium of exchange is greater than it was then? If not, how can it be shown that it has "appreciated?"

There is another way of looking at it. Of the total money of the world 50 years ago only 20 per cent. was gold. Now nearly 35 per cent. of the money of the world is gold. Had the demand for money increased more rapidly than the gold increased there would have been a greater proportionate growth of other kinds of money, either silver or paper, or both, for both are plentiful and are constantly used for currency everywhere. But their proportion has decreased while the proportion of gold has increased.

"But," say the friends of silver, "the mere fact that gold money has increased does not prove that it is sufficient to meet the wants of business, because since the crime of 1873 in this country and similar crimes about the same date in other countries, the quantity of silver money has decreased."

Let us see about that. Preston, the director of the United States mint, estimates that the world's silver money in 1873 was \$1,817,000,000. He estimates the world's silver money to-day to be \$4,070,500,000, of which amount \$3,440,700,000 is full legal tender. Thus the silver money of the world has apparently more than doubled since 1873. This shows the utter fallacy of the argument of the silver people that silver money has been reduced since 1873. It is interesting in this connection also to note that the paper money of the world has trebled in the past half century, having been in 1848, according to Mulhall, \$1,300,000,000 and in 1890, \$3,875,000,000.

There is still another light in which this currency question should be considered. If the value of a house "appreciates" the rent increases proportionately. If it depreciates in value, the rent falls. This rule applies equally to the rent of money, usually termed interest. This test ought to determine the actual value of money and show whether it is scarce or plentiful. In the past 50 years rates of interest have fallen from one-fourth to one-half, according to the locality, thus indicating that there is less scarcity of money to meet business demands than was the case 50 years ago.

The increase in the gold of the world has been something enormous in the

past half century. Prior to 1845 the average production seldom exceeded \$10,000,000 a year. Since that time it has been from \$100,000,000 to \$200,000,000 a year. Thus the rate of production increased ten-fold, and in some years twenty-fold, and had in 50 years trebled the amount of gold in the world and quadrupled the amount of gold coined for each individual.

"But," says somebody, "the business of the world has increased enormously meantime, at a much greater rate than the gold has increased, and since the amount of gold has failed to keep pace with business, gold has naturally appreciated."

Let us examine that subject. It is true that the business of the world has increased enormously. The value of the industries of the globe is to-day, according to Mulhall, three times what it was 50 years ago, and the commerce of the world is six times as great as it was at that time. In that same period gold has only trebled.

This would seem to give color to the claim that the increase in gold had not kept pace with the demands of commerce.

But another and very important factor comes into the problem just at this point. That factor is the matter of banking facilities and the use of the medium of exchange which passes between them and their customers and takes the place of the more bulky and less convenient coin. Fifty years ago the man who engaged in commerce carried with him the gold with which to make his purchases. He went by stage coach and sailing vessel, and the gold in his leather belt lay idle weeks or months while the tedious journey was being made. Now he deposits his money in bank, the banker loans a given proportion of his deposits to those who desire its immediate use, and it is kept in active circulation meantime. The owner of the gold takes in its stead a slip of paper, a draft or bill of exchange, good wherever he may present it, and if he wants more, it is transferred half way around the world on his demand by telegraph, in the twinkling of an eye. The banking facilities of the world have increased ten-fold in the past 50 years, and instead of most of the business being done by a hand-to-hand exchange of money for property, 95 per cent. of the business is performed with that comparatively new medium of exchange, banking paper, whose elasticity, convenience, and power of instant transfer, has revolutionized business and reduced enormously the proportionate demand for gold or other metallic money in the great business transactions of the world.

The use of this new medium of exchange grows nearer to the masses every day. A recent investigation by the comptroller of the currency showed that nearly 60 per cent. of the payments made to retailers, such as butchers, grocers, clothiers and general dealers, are now made in checks instead of the use of money itself. The money which these checks represented had been deposited in the banks by the owners, but only a given proportion of it was kept in stock by the bankers who know by experience that only a certain percentage of their deposits will be called for at one time, and are thus able to loan out a large share of the money deposited, and so keep it in active circulation.

Thus the stock of money, which has itself enormously increased, is multiplied many times by the fact that it is used over and over again, with ten or twenty times the frequency that it was a half century ago.

This system which has grown up during the period in which business has so greatly increased, changes radically the relations of ready cash to the volume of business. It was a premonition of this change in business customs which led Mill in his "Principles of Political Economy" Vol. II, Book III, to say:

"The proposition respecting the dependence of general prices upon the quantity of money in circulation must, for the present, be understood as applying to a state of things in which money, that is gold or silver, is the exclusive instrument of exchange and actually passes from hand to hand at every purchase, credit in any of its shapes being unknown. When credit comes into play as a means of purchase, distinct from money in hand, the connection between prices and the amount of circulating medium is much less direct and intimate, and such connection as does exist no longer admits of so simple a mode of expression."

Under this system the commodities whose value is expressed in terms of the standard of value are exchanged for other commodities whose values are also expressed in the same terms, while actual money, apart from its use as a common denominator of value, does not enter into the transaction. As this great medium of exchange increases the need of coin decreases.

But there is one more test of the actual value of the gold, a test which does not depend upon theories or tedious inquiry as to quantities of money or methods of business transaction. This test is a simple one, but the most important, the most accurate and far-reaching of all those which have been applied.

This most important of all tests is, the amount of gold which a given quantity of labor will buy.

The real standard of value in the

world is labor. It is this which produces all commodities, the necessities as well as the comforts and luxuries of life. The food we eat, the clothes we wear, the houses in which we live, the necessities which half a century ago were considered luxuries, are all the result of labor and the money which is paid for them measures the hours of labor which produces them. Labor is, then, the real standard by which to measure gold. If a day or an hour of labor will buy less gold to-day than it did fifty years ago, then it may be properly said that gold has "appreciated." If it will buy more gold to-day than it did fifty years ago, then gold has depreciated, and if each grain of gold which an hour of labor buys will also purchase more of manufactured commodities than it did fifty years ago then the laborer has again multiplied the value of his time and skill.

Let us see about that. A committee of the United States senate, known as the Aldrich committee, made a thorough investigation a few years ago into the question of wages and prices, and after a long and thorough research made a report, the accuracy of which is everywhere accepted. That investigation showed that a day's labor in nearly all the trades would, in 1890, buy about double the amount of gold that it did 50 years earlier, and do it with less hours of work in a day. For instance, plasterers who, in the good old free silver days of 1840, got \$1.50 per day were paid \$3.50 in 1890; blacksmiths who received \$1.50 per day in 1840, got \$3 in 1890; painters whose wages in 1840 were \$1.25 in 1890 were paid \$2.50; wheelwrights who earned \$1.25 in 1840 got \$2.50 in 1890; engineers who received \$2 per day in 1840 were paid \$4.25 in 1890, and so on. Taking 11 representative classes of workmen, engaged in the particular industries, as a basis, it was found that the average rate of wages advanced from \$1.30 per day in 1840 to \$2.37 in 1890, or that an hour of labor would earn nearly twice as much gold in 1890 as it did in 1840.

How then can it be asserted that gold has "appreciated?" It has depreciated, and that highest and noblest of all standards, human labor, will to-day buy more of it than it did 50 years ago, while the depreciated gold thus purchased can in turn be exchanged for more of other commodities which have still further depreciated by the improved methods of production, manufacture and transportation which the ingenuity of the human mind has produced in the wonderful age in which we are living.—Dunkirk (N. Y.) Observer.

HOW BAD MONEY HURTS.

One of the Worst Evils is Depreciation of the Unit of Value.

The worst evil is depreciation of the lawful money or unit of value; all the other adverse influences can be surmounted and the progress of the country will only be retarded but cannot be stopped. Tampering with the standard or unit of value strikes at the very central nerve, and for a longer or shorter time subjects the community to a period of industrial paralysis in which hundreds of thousands suffer want, while abundant products waste for lack of a market.

If there is any one point which has been absolutely proved, not only by the experience of this generation, but in the record of this country and in many others, it is that, in the exact measure in which the standard of value or money in common use is depreciated the workman suffers want as the rich grow richer.

On the other hand, in exact proportion to the stability of the unit of value and the assured redemption of all obligations in dollars made of gold have the wages or earnings of the great body of the people been augmented. Under the same rule the margin of profit is diminished, although the aggregate may be increased. The rate of interest on capital has been reduced—and the common welfare has been assured.

In 1860 when all the money in use was as good as gold a workman who earned a dollar and a half a day could buy as much food, fuel, and clothing as a man or a woman or two children of ten or under could use up in a day for less than one dollar. He then had half a dollar left for other things.

In 1865 the money was bad. The paper dollar was only worth about 50 cents. That same man could then only earn a dollar and three-quarters a day in paper money, but all that he needed to live on cost twice as much; when he had bought food, fuel and clothing for himself and his family there was little or nothing left.

In 1892 that same kind of a man could earn two dollars and a half a day in gold standard money. He could then buy more food, fuel, and clothing for a dollar than he could in 1860, so that he had a dollar and a half left.

The silverites and the popocrats have now stopped his wages and are trying to put up the prices of food, fuel and clothing by forcing people to take bad money which is only worth 50 cents on the dollar.—Edward Atkinson, in Cincinnati Times.

When they get through roasting those Yale students, the Bryan organs should turn their invective loose on the old soldiers who howled down a free silver orator at Lawrence for merely calling Abraham Lincoln a "traitor and anarchist."—Kansas City Journal.

Don't Tobacco Spit and Smoke Your Life Away.

If you want to quit tobacco using easily and forever, be made well, strong, magnetic, full of new life and vigor, take No-To-Bac, the wonder-worker that makes weak men strong. Many gain ten pounds in ten days. Over 400,000 cured. Buy No-To-Bac from your own druggist, who will guarantee a cure. Booklet and sample mailed free. Ad. Sterling Remedy Co., Chicago or New York.

The man who sells what he does not own cannot cheat the man who never pays him for it. A great deal of business is done on that basis.—Texas Sifter.

Piso's Cure for Consumption has no equal as a cough medicine.—F. M. Abbott, 383 Seneca St., Buffalo, N. Y., May 9, 1894.

Some men become bald quite early in life, while others die and have their wills offered for probate before their heirs fall out.—Texas Sifter.

CASCARETS stimulate liver, kidneys and bowels. Never sicken, weaken or gripe.

MOTHER to her boy sliding down the banisters—"Fritz, what are you doing there?" Fritz—"Making trousers for orphan boys."—Fliegende Blätter.

Just try a 10¢ box of Cascarets, the finest liver and bowel regulator ever made.

IMPRESSION.—He—"They say there is a skeleton in the Hamiltons' closet." She—"Bosh! They live in a flat."—Brooklyn Life.

The next time you are tempted to buy an article on credit, remember the impudent collector who will call on you.—Atchison Globe.

THE MINISTER—"I suppose, these times, a man has got to keep his eyes open?" The Deacon—"Yes, indeed; except on Sundays."—Yonkers Statesman.

"I DON'T quite see why you call Mr. Biggs lantern-jawed?" "Why, because his face lights up so when he talks."—Brooklyn Life.

Job maintained that he was tried in every possible way. But then Job lived and died before the fountain pen was invented.—Texas Sifter.



Gladness Comes

With a better understanding of the transient nature of the many physical ills, which vanish before proper efforts—gentle efforts—pleasant efforts—rightly directed. There is comfort in the knowledge, that so many forms of sickness are not due to any actual disease, but simply to a constipated condition of the system, which the pleasant family laxative, Syrup of Figs, promptly removes. That is why it is the only remedy with millions of families, and is everywhere esteemed so highly by all who value good health. Its beneficial effects are due to the fact, that it is the one remedy which promotes internal cleanliness without debilitating the organs on which it acts. It is therefore all important, in order to get its beneficial effects, to note when you purchase, that you have the genuine article, which is manufactured by the California Fig Syrup Co. only and sold by all reputable druggists.

If in the enjoyment of good health, and the system is regular, laxatives or other remedies are then not needed. If afflicted with any actual disease, one may be commended to the most skillful physicians, but if in need of a laxative, one should have the best, and with the well-informed everywhere, Syrup of Figs stands highest and is most largely used and gives most general satisfaction.

Everything connected with Butter



—churns, patters, tubs, firkins—ought to be washed with Pearline. That gets at the soaked-in grease as nothing else in the world can. Things may seem to be clean when you've washed them in the usual way; but use Pearline, and they really are clean. It might make all the difference, sometimes, between good butter and bad. Wherever you want thorough cleanliness, or want to save your labor, the best thing to do is to use Pearline.



"It Bridges You Over."

Battle Ax PLUG

"Battle Ax" bridges a man over many a tight place when his pocket-book is lean. A 5-cent piece of "Battle Ax" will last about as long as a 10-cent piece of other good tobaccos.

This thing of getting double value for your money is a great help. Try it and save money.

WISCONSIN CURE FOR
CURES WHERE ALL ELSE FAILS.
Best Cough Syrup, Tastes Good. Use in Time. Sold by Druggists.
CONSUMPTION

OPION and WHISKY habits cured. Book sent FREE. Dr. R. M. Woolley, Atlanta, Ga.
A. N. K.—D. 1626
WHEN WRITING TO ADVERTISERS please state that you saw the advertisement in this paper.