



WHAT GAGE SAID.

In 1891 Foretold the Treasury Proclamation of 1893.

His Often Quoted Address of 1894—Importance of Credits—Summary of Defects of Our Currency System.

The new secretary of the treasury, Lyman J. Gage, is not a novice either in the theory or practice of financial affairs.

On February 19, 1894, Mr. Gage read a paper before the Sunset club in Chicago. After explaining how silver and gold money had been evolved "by the free play of human choice, ending in consensus of action, and never by conventional agreements made in advance," he discussed our own monetary conditions.

In the autumn of 1894 he took part in an elaborate discussion of the money question at the Commercial club of Chicago. His address at this meeting is often referred to and is now of much interest, since it contains what he says are still substantially his ideas in regard to currency reform.

"In speaking upon the subject of our money system one must be aware that in whatever he may say he will excite the hostile criticism and draw forth bitter invective from some one or more of the various factions who are seeking to establish on new and experimental foundations our much disturbed financial structure.

"Through our heterogeneous system the public mind has seemingly lost the power to discriminate between real things and the shadows or signs of things. It is necessary that disguises be pulled aside and that real facts appear.

"There is, in truth, only one real money—viz., metallic coin. It may be composed of gold or silver. It might be of something else, but it is not. Greenbacks, treasury notes and national bank notes are but promises to pay. In the nature of things they can be nothing more. They pass as money, perform the functions of money, often more conveniently than money itself.

"We admit that on many occasions paper money, whether greenbacks, treasury notes or national bank notes, is more to be desired than gold. Yet more to be desired than either, as proved by the daily conduct of men, is a credit balance in a solvent bank. For, to secure this better form of good, people voluntarily give to the banker these promises to pay—yes, even gold itself—for a credit to an equal sum upon his books.

"The consideration they have received is an agreement from the banker to meet their requisitions upon him from time to time. If the banker is faithful to his obligations they have made no bad bargains, for all these things—greenbacks, treasury notes, na-

tional bank notes and, to use the popular language, money in bank—are in their nature and essence one—viz., they are forms of credit. Their value, each and all alike, lies in the ability of the owner to convert them at last into the only real form of money now existent—metallic coin.

"It should here be noted that while our silver dollar is real money its power to exchange for other things is more than doubled by another and artificial value imparted to it through the law, which gives it power equal to the dollar in gold to pay customs dues. Having an equal value in this direction, the quantity being limited, it has equal value in all directions, but the difference between the metallic value of the silver dollar and this arbitrary value lies in the realm of credit.

"We have now current in the United States available in the purchase and sale of commodities and for the payment of labor services the following agencies:

"First, gold coin, silver coin—real money.

"Next, greenbacks, treasury notes, national bank notes and bank checks. The last four to be classified together as forms of credit.

"Their respective legal relationships to real money, however, are not alike. The national bank note and the bank check may both be satisfied by the tender of greenbacks or treasury notes, while the last two are redeemed only in coin or in payment of public dues.

"In passing it may be well to note the relative use of these various agencies in the practical operations of commerce and trade. No better place to determine this can be found than the counter of a bank, and the following statement of the amount of each received by a bank in this city on a recent day will indicate their relative importance in that direction:

Table with 2 columns: Item and Amount. Includes Gold coin, Silver coin, Gold certificates, Silver certificates, Legal tender notes and greenbacks, Treasury notes, National bank notes.

"Total cash, Checks, drafts, bills of exchange, Percentage of cash to total credits, five per cent.

"The lesson to be drawn from these figures is this:

"Much the larger part of all our commercial exchanges is carried on by bank checks or other instruments of private credit. These instruments all relate to a certain form of money, in place of which they for the moment stand. If uncertainty intervene as to what this related thing—this money—is, or is to be, distrust and confusion enter in. The mighty agency of personal credit is shaken. Commercial exchanges fall off, trade languishes and industry declines.

"The greenback was issued to pay debts, not to acquire value, or, if value was received, such value was either consumed or converted into value not available in the market. The greenback paid soldiers and government employes; it bought powder and munitions of war. The existence of a greenback is the evidence of a debt not paid. It is a lien upon the future.

"A national bank note, on the contrary, is the evidence of some existing value which lies somewhere as collateral for its redemption. To transfer such values is the only ordinary and proper occasion which calls for their issue. The volume in which they will appear marks the rise in prices or an increasing quantity of existing things. Like the bank check, they will be in active service when trade and commerce are active. Thus they enjoy the principle of elasticity, wholly lacking in any possible form of direct government issue. The method of their retirement is wholly different and subjects the trade and commerce of the country to less dangerous strain.

"There is no reason why the government should act as warehouseman for either gold or silver. Such a function is outside its proper limit of action. But we are faced by the condition, and it is the bete noire of the treasury. The enormous amount of \$500,000,000 of silver, represented by \$338,000,000 in silver certificates, added to the \$150,000,000 purchased by the government under the Sherman act, constitutes a standing menace to every business interest.

"Our whole monetary system is the resultant of makeshift legislation and unscientific compromises. It is time that reform began. I do not assume to offer more final remedies. In my own opinion the greenbacks should be permanently retired. The silver purchased under the Sherman act should be gradually sold and the treasury notes redeemed and canceled. Some well guarded system of bank note circulation, broader and more elastic than the present national bank act provides, should be inaugurated. Such bank notes should be redeemable at a central place and be redeemable in gold only.

"To sum up, the defects of our present currency system are: 1. A confusing heterogeneity which needs simplification. 2. The greenback contro-

verts the principle of paper money—viz., that every note injected into the commercial system should represent an existing commercial value. 3. The treasury note is a standing evidence of a foolish operation, the creation of a debt for the purchase on a falling market of a commodity for which the purchaser has no use—it lies open to the just charge of being both idiotic and immoral. 4. The national bank note nearly conforms to the true principle of paper money, but the unreasonable requirements for security paralyze its efficiency and operate to destroy its elasticity. 5. The silver certificate encourages the use of silver to a larger extent than consists with the safe preservation of that metal on a parity with gold.

"Would a national commission help to promote reform? There is reason to hope that it would be of great service in that direction. Such a commission, if rightly selected, would throw a flood of light upon these involved questions. The information it might gather would be of immense value to all our people and would guide us to wise legislation.

"Emotion and sentiment are not safe guides in matters of science. A clear apprehension of true principles will lead to correct action."

Watson Accepts the Verdict.

In a letter printed in the New York World of March 9 Thomas E. Watson, ex-candidate for vice president, says:

"If there was any clear meaning in the verdict of last November, it was that there should be no free and unlimited coinage of silver at the old ratio of sixteen to one."

Two Colored Lies.

One of the Chinese coins is called a "li." Had the result of the election in the United States been different last November our largest silver coin would have been a "li."

The Sound Money Propaganda.

The decision of the silver men to continue their fight for the 50-cent dollar, despite the emphatic verdict of the people in November, is appropriately followed by the organization in New York of a sound money league, which is to be national in its character and in the scope of its work. From this time on till the next presidential election the dissemination of money facts and correct views as to money is to be continued.

The most efficient agency of the last campaign was the sound currency committee of the New York Reform club, and its publications, each given to some one phase of the currency question, were invaluable to speakers and writers. A sound basis for currency reform was thus laid in the minds of thousands who were groping after the truth. These publications, it is stated, are to continue. An effort is to be made to widen the field of operations by a class of writings of a more popular character. In the south and west particularly honest thinkers are to be supplied with material for progressive thought toward sound conclusions on the money question.

Much was done in six months of 1895 to uproot the erroneous ideas planted in five years of populist agitation. Errors had flourished simply because they had not been confronted with fact. Now monetary truth is to be systematically inculcated as fallacy was, and the result cannot but be most wholesome.—Baltimore Sun.

Mr. Bryan on Equality.

In his speech at New York on February 26 Mr. Bryan said: "If any person believes a government should single out a few people and give them advantages over others, he does not understand equality under the law."

This is very true. But, in demanding that silver mine owners be permitted to take 50 cents' worth of bullion to the treasury and have it stamped as one dollar is not Mr. Bryan advocating the very inequality under the law which he rebukes? Would not free coinage of silver at a fictitious ratio be to "single out a few people and give them advantages over others?" The owners of silver bullion in this country are very few indeed.

Again Mr. Bryan says: "No just government ought to enable or permit one citizen to injure another citizen."

True. But would not the government do this if it enabled one class of citizens, the debtors, to discharge their obligations to another class, the creditors, in dollars worth only half as much as were the dollars loaned? If the government were to make wampum or couch shells legal tender for the payment of debt, would it not enable one class of citizens to injure another class? And would it not do the same in depreciating the currency of the country to a 50-cent basis?

The people so decided last November.

Afraid of Sixteen to One Fire.

The democrats of Rhode Island will, it is said, ignore the currency question in their coming state convention. They will ignore it for the same reason that a burnt child stops playing with fire. It is to be hoped that the democrats will profit by past mistakes. It would be a pity not to have the two great old parties in the field in 1900.

Ripans Tabules: at druggists. Ripans Tabules cure torpid liver. Ripans Tabules cure constipation.

There is a Wrong Way AND A RIGHT



way of treating the eyes. Some people seem to think that if they only wear glasses it will be all right with their eyes. There would be just as much sense in prescribing the same medicine for every disease. Unless you place yourself in the care of a skillful oculist or optician it would be better to give no thought to your eyes at all. We make a specialty of fitting glasses.

S.H. AVEY & CO. AUBURN, NEB.

Wanted—An Idea Who can think of some simple thing to patent? Write JOHN WEDDERBURN & CO., Patent Attorneys, Washington, D. C., for their \$1.80 prize offer and list of two hundred inventions wanted.

Ripans Tabules cure dyspepsia.

Toilettes

THE GREATEST OF ALL FASHION MAGAZINES, AWARDED DIPLOMA AND SILVER MEDAL AT EXPOSITION IN PARIS.

PRICE 25 CENTS, YEARLY SUBSCRIPTIONS \$2.00 TOILETTES PUBLISHING CO. 126 WEST 23<sup>rd</sup> ST. NEW YORK

Wanted—An Idea Who can think of some simple thing to patent? Write JOHN WEDDERBURN & CO., Patent Attorneys, Washington, D. C., for their \$1.80 prize offer and list of two hundred inventions wanted.

FARMERS AND STOCKMEN! Keep posted on the Live Stock markets. It may save you good money. THE DAILY STOCKMAN

Gives full and accurate reports of the South Omaha market, also Telegraphic briefs of all the leading markets in the country and IS SENT FREE

by commission men to those having stock to market. Sample copies on request. Clubbing rates secured and subscriptions forwarded from this office. STOCKMAN PUBLISHING COMPANY, South Omaha, Nebraska.

Republican Jr.—29348.

Standard and registered bay colt 3 years old.

15 1/2 hands high, weighs 1075 pounds now. Sure Trotter; could show 2:40 gait at 2 years old without any training. Sired by Republican 2:19 1/4; half brother to Pat L. 2:00 1/4; dam Sadie Vera by Talavera, 2:30; second dam Betsy Trotwood, by McMahon, 2:21.

Republican Jr. will make the season of '97 at home, Maple Ridge Stock Farm, 2 1/2 miles southeast of Howe, Nebraska, to a few approved mares, at \$15 to insure.

T. H. JONES.

"Invincible, Unsurpassable, Without a Peer,"

Writes a regular subscriber, who has read it for many years, of the Twice-a-week issue of the

St. Louis Globe-Democrat

and this is the unanimous verdict of its more than half a million readers. It is beyond all comparison the biggest, best and cheapest national news and family Journal published in America. It is strictly Republican in politics, but it is above all a newspaper, and gives all the news promptly, accurately and impartially. It is indispensable to the Farmer, Merchant or Professional man who desires to keep thoroughly posted, but has not the time to read a large Daily paper, while its great variety of well-selected reading matter makes it an Invaluable Home and Family Paper.

One Dollar for One Year. Sample Copies Free

GLOBE PRINTING CO.,

ST. LOUIS, MO.

\$5.00 buys a Fine Violin and Complete Outfit. Fully Guaranteed.



\$5.00 buys a Mandoline, Birdseye Maple, Mahogany or Rosewood Finish. Fully guaranteed.



\$5.00 buys An American Guitar, guaranteed to stand. Steel strings, in Mahogany or Rosewood finish.



SEND FOR CATALOGUE OF SHEET MUSIC.

\$50 buys a \$100 Organ.

Kimball Pianos & Organs

ON EASY PAYMENTS.

Pianos, little used, for \$50, \$60, \$80 to \$100.

Write for Catalogues and our terms. FACTORY PRICES.

A. HOSPE, JR., 1513 Douglas Street, OMAHA, NEB.