

THE GRESHAM LAW.

If the World Would Agree Upon a Common Ratio, There Would Be No "Dearer" or "Cheaper" Metal.

In the course of an article in the June Nineteenth Century, Mr. Henry Dunning MacLeod uses this language: The great fundamental law of the coinage, first demonstrated by Oresme, in France, by Copernicus in Poland, and by Gresham in England, that inferior coins and superior coins cannot, in the nature of things, circulate together in unlimited quantities at a fixed legal ratio which differs from the market ratio of the metals in bullion, which has been found to be true in all ages and countries, and which has been recognized as true by all sound economists, is not confined to single and separate states, any more than the law of gravitation or the law of optics are. These, when once demonstrated in any one country, are found too true throughout the world.

We do not believe that an international agreement for the adoption of a common ratio for the coinage of silver and gold is attainable. But we willingly recognize that if such an agreement could be reached the main objection to the free coinage of silver would be removed. When a man says that he advocates the opening of the United States mint to the white metal, provided the leading European nations will coin their mints at the same ratio, we cannot be regarded in any degree an advocate of dishonest money.

Now here are two diametrically opposite views expressed upon the same subject, one of which must, in the nature of things, be erroneous. The first fact that will become apparent to a close reasoner is that Mr. MacLeod utterly fails to make allowance for the fact that there is no comparison between the relative positions occupied by the two metals. It is foolish to expect a common ratio, or parity of values, so long as there is no parity in opportunities and privileges.

When unrestricted coinage privileges are accorded to a metal and a certain monetary value is given by law to a given quantity of such metal, if the annual product is greater than is required for use in the arts, the commercial value is merged into the monetary value and the total output of such metal acquires and commands the monetary value into which it may freely be converted by taking it to the mint.

And there can be no change wrought in the "purchasing power" feature of this monetary value by anything connected with the gold itself. All other things remaining the same, the value of a dollar is fixed and uniform. But such value may be changed by variations in the cost of production, or supply or demand of commodities, goods and wares, which causes the "price" of such commodities to vary in terms, as expressed in monetary denominations. But the gold itself is always the same immutable value, or "dollar," if you please.

Now I assert, without any fear of successful contradiction, that if silver were rehabilitated and unrestricted coinage privileges accorded to it the world over, at a ratio of 16 to 1, every ounce of silver would at once become worth \$1.25, because, as is the case with gold, it would become the measure of its own value.

In such case there would be no "cheaper" metal to drive out the "dearer" metal. How could there be? In all nations the metals would possess precisely the same monetary value, expressed in terms of themselves, so that, from a monetary standpoint, there would be no "cheaper" or "dearer" metal.

The trouble which existed prior to 1834, when gold was said to be the "dearer" metal, and from 1834 to 1837, when silver became the "dearer" metal, was caused from the disparity or difference existing between the legal ratio in the United States and that established in France and other European nations.

gent schoolboys knows perfectly well that if either coin goes at a premium, as it is called, it is either (1) hoarded away, or (2) it is sent to the melting pot. If 30 shillings of standard gold has only the same effect in paying debts as 10 shillings of standard silver, it is sent to the melting pot, as anyone may see in the standard treatises on the coinage or in any newspaper. Thus, although no doubt one of the methods of the disappearance of the undervalued coin is removed, the other two remain, and equally produce its disappearance.

Mr. MacLeod is unjust to his own reputation, when he formulates so weak and puerile an argument. He concedes that if the nations were to adopt a common ratio between gold and silver that there would be no inducement to export either metal, except in the usual course of international commerce, and yet he pretends not to see that such concession suits him and throws his case out of court. Why should anyone wish to melt gold money, so long as it had a uniform international value, measured in silver money, and the annual production of gold was twice as large as the annual demand for use in the arts, and its legal, monetary value, four times as great as its money cost of production?

The weakness of Mr. MacLeod's argument inheres in the fact that it is based upon a fallacy couched in its words "while the market ratio was 1 to 35." There is no such factor as a natural ratio at this time, because gold and silver occupy an unnatural relationship to each other, the one enjoying the privilege of unlimited coinage into money, while the other must depend upon the market for a value.

But were both metals freely coined at an international common ratio, there would yet be no natural or "market" ratio, unless the demand for use in the arts absorbed the entire product and the demand for money use and for use in the arts become competitive. So long as there is produced a surplus above the amount required for use in the arts, and such surplus enjoys coinage privileges, the commercial value becomes merged into the money value, and there is no such thing as a "market" ratio.

International bimetalism, at a common ratio, would simply place silver upon the same legal footing as gold. What does the law now do for gold? There is annually produced of that metal twice as much as is required for use in the arts and the law gives to the entire mass a monetary value about four times as great as the cost of production. What law can do for gold, it can do for silver.

The result of international bimetalism would be cheaper money, i. e. higher prices. Not, however, that money would be cheapened because of the fact that all silver had given to it a monetary value two or three times its money cost of production. Gold now enjoys such privilege as that and yet gold is dear, not cheap money, and is constantly becoming dearer. But money would become cheaper because there would be a supply of metal, available for coinage into money, twice or more than twice, as large as is available under the present system of gold monometalism. Money would become cheaper, simply because it would be more plentiful. The value of money, expressed in terms of monetary units, does not depend upon the cost of production of the material upon which it is stamped. If it did, there would be but one-fourth as many gold dollars as there are at present, unless we reduced the quantity of gold constituting one dollar to 5.8 grains. Tiffany on Constitutional Law, a standard authority, Chapter XII, (power of congress to coin money), section 400, page 221, says:

"There is legally no such thing as gold or silver money, or paper money. Money is the sovereign authority impressed on that which is capable of taking and retaining the impression. That upon which the stamp is placed is called coin; the coin may be metal, parchment or paper. The value is in the stamp and not in the metal or material."

The exchange value, or purchasing power of money depends upon the number of units in circulation, and the cost of production, supply and demand of commodities and wares to be exchanged through the medium of such units. And, in this way, international bimetalism would cheapen money (raise prices) because it would make money more plentiful. Cernuchi says: "Money is a value created by law; its basis is legal and not material. It is, perhaps, not easy to convince anyone that the value of metallic money is created by law. It is, however, the fact. It makes no difference of what material money is composed, whether it is costly or otherwise; the law of legal tender gives value to money, and that value increases or diminishes in proportion as the volume is greater or less."

So much for metallism, "mono" and "bi." But why engage in an endless controversy about "parity," and "ratio," and international agreements, when there is a strictly scientific mode of regulating the volume of units in circulation and determining just how valuable money shall be. Fullerton (Regulation of Currencies) says: "That, as far as concerns our domestic exchange, all the monetary functions which are usually performed by gold and silver coins, may be performed as effectively by a circulation of inconvertible notes having no value but that fictitious and conventional value they derive from law, is a fact which admits, I conceive, of no doubt. Value of this description may be made to answer all the purposes of intrinsic value, and supersede even the necessity of a standard, provided only the quantity of issues be kept under due limitation." But the Omaha platform demands the coinage of both gold and silver at the ratio of 16 to 1. Certainly it does. And it also demands a full legal tender paper currency, "safe, sound and flex-

ible." Hon. Amasa Walker says in his "Money Problem," page 6:

"Every paper dollar, unless a specie dollar is held deposited for its redemption, displaces gold and silver coin, and in so far diminishes the demand for the precious metals, and in so far reduces their value. A mixed currency, wherever it exists, forms the standard of value as truly as does a coin currency where it alone exists."

Let us not falter, but stand firm. The Omaha platform is fitly denominated "the new declaration of independence." Rally round the flag, boys, and close up the ranks. GEORGE C. WARD.

KENTUCKY POPULISTS.

They Formulate a Sound Platform of Principles and Nominate a Full Ticket. The people's party of Kentucky, in convention assembled, on July 4 and 5, nominated a full state ticket on the following platform:

PREAMBLE. The Omaha platform is a broad protest against the monopolies and other evils which have sprung up and been fostered under the rule of the democratic and republican parties. They have deserted the principles of Jefferson and Lincoln; the people's party stands for those principles of industrial progress and human liberty. None of their betrayals of trust has resulted in so much disaster to every branch of our varied industries and in as much wrong and misery to our people as their deliberate and persistent legislation on the financial question. There is a right and a wrong principle under this great question—the two principles are as different as light and darkness.

On one side of this question to-day the democratic and republican parties stand together, side by side, backed by the Rothschilds, the bankers, the contractionists and the gold trust; on the other side stands the people's party, single-handed, but backed by every patriot who has realized the real danger that confronts us, and that is the paramount issue upon the correct solution of which rests not only all other industrial reforms, but the civilization and Christianity of a great nation.

We fully realize that not all the social, political and industrial ills that afflict the people can be cured by a proper financial system, but the magnitude of the contest on this issue is so potent and the enemy is so firmly entrenched behind the legislative, judicial and executive departments of our government that we invite the assistance of all those who favor "more money and less misery," whether they fully agree with us on other issues or not.

Therefore, we, the people's party of the state of Kentucky, in convention assembled, though we believe in and reaffirm the three great cardinal principles of the Omaha platform—finance, land and transportation—ask for the suffrage and co-operation of every voter in the state, and welcome to our ranks all who believe with us on the following demands:

PLATFORM—NATIONAL. First—We demand the free and unlimited coinage of silver on equal terms with gold at the present legal ratio of 16 to 1, without asking the permission of Great Britain or any other foreign nation.

Second—In order to secure and maintain a safe, sound and flexible currency, we demand that the national banking system and all banks of issue be abolished, and in addition to the free and unlimited coinage of silver and gold at the present legal ratio of 16 to 1, that the national government proceed to issue national treasury notes, all of which shall be a full legal tender for all debts, both public and private, and in quantity sufficient to restore the general range of prices and prosperity that existed before the demonetization of silver in 1873, and to increase in quantity year after year with the increase in population and business so as to maintain equity between debtor and creditor; to facilitate the development of our great national resources, and to contribute to the general prosperity of our people.

Third—We unshrinkingly oppose, to increasing our already great burden of national debt, the unnecessary issue of interest-bearing bonds in times of peace; and we deplore and condemn the recent action of the democratic administration at Washington, not only for selling our national credit at a price below its market value, but especially for surrendering to the Rothschilds and other bankers our financial independence for six months by a secret contract, the infamy of which is without parallel in our history.

Fourth—The national government has the right and the power to exercise its option as to the kind of legal tender money with which it will pay any debt or obligation.

Fifth—We demand that congress make it unlawful for any note, bond, mortgage or other obligation to stipulate for payment in gold only, or in any other particular kind of legal tender money of the United States.

Sixth—Ours is the only political party that has ever had the honesty and patriotism to demand in its national platform for a graduated income tax. The supreme court of the United States, in its recent decision, has declared that our constitution does not allow this just and equitable tax. In the language of Justice Harlan: "The practical, if not the direct, effect of the decision to-day is to give to certain kinds of property a position of favoritism and advantage that is inconsistent with the fundamental principles of our government, and to invest them with power and influence that is perilous to that portion of the people upon whom rests the larger part of the burdens of the government, and who ought not to be subjected to the dominion of aggregated wealth any more than the property of the country should be at the mercy of the lawless." Therefore, we demand an amendment to the United States constitution to provide for a graduated income tax.

SEVENTH—We view with alarm the recent decision of the court of appeals of this state in the bank tax case, and believe it to be subversive of the spirit and letter of the constitution itself, which requires that "all property shall be taxed alike—the property of a corporation just like an individual." The effect of this decision is to exempt property of the banks from local taxation, and thereby throws the whole burden of municipal government upon the other classes in our cities and towns. We sincerely trust that the court will yet sustain the sovereign will of the people by a reversal of their decision.

EIGHTH—We denounce a system that practically gives a monopoly to the American book trust of our common-school books, and insist that the largest competition should be given in the purchase of all books for the benefit of the children of our state.

THIRD—We deplore the action of the general assembly in increasing the salaries of judges of the court of appeals and other officials in our state at a time when all values are decreasing and distress is manifest in every household, and demand economy and retrenchment in every department of government, and promise our best endeavors to decrease the burden of taxation as far as may be consistent with good government.

FOURTH—We favor a constitutional amendment for a system of direct legislation, by which 29 per cent. of the legal voters of the state on state matters, or the same per cent. in any legal subdivision on local matters in such subdivision, may, by petition, have submitted to all the people of the state, or to the people of such subdivision, to test their sovereign will, any act of legislation.

—Free coinage of silver would encourage silver mining and greatly increase the production of the white metal. That is what is wanted. The present production of silver would give very little relief, even if all of it was coined. In 1851 this country coined at its mints nearly three dollars per capita of gold. In ten years, 1849 to 1858, it coined about \$20 dollars per capita of gold. If we could stand that much coinage then, we can certainly stand that much now. It would take the whole silver product of the world for seven years to coin \$20 per capita for the United States.—Missouri World.



WHY SUFFER WITH Sick and Nervous HEADACHE? You may be easily and quickly cured by taking

AYER'S PILLS

"I have been a victim of terrible headaches, and have never found anything to relieve them so quickly as Ayer's Pills. Since I began taking this medicine, the attacks have become less and less frequent, until, at present, months have passed since I have had one."—C. F. NEWMAN, Dug Spur, Va.

"Having used Ayer's Pills with great success for dyspepsia, from which I suffered for years, I resolved never to be without them in my household. They are indeed effective."—Mrs. SALLIE MORRIS, 125 Willow St., Philadelphia, Pa.

"I always use Ayer's Pills, and think them excellent."—Mrs. G. P. WATROUS, Jackson, Fla. Received Highest Awards AT THE WORLD'S FAIR

THE LAME WALK. LINCOLN, Neb., July 16.—Complaint was filed yesterday in Justice Spencer's court, this city, against "Dante, alias Prosser, first name unknown," who has been advertising to make "the lame walk, 'the blind see," etc.

NEBRASKA WHEAT HARVEST. BUTTE, Neb., July 16.—A report has reached here that a band of vigilantes from Keya Paha county, numbering twenty-five, has chased cattle rustlers from Keya Paha county and located them on the Ft. Randall military reservation in possession of ninety head of cattle. At last reports the committee had captured only four of the supposed rustlers.

GASOLINE CAUSES FIRE. NORFOLK, Neb., July 16.—The house of M. Yount in this city suffered damage to the extent of a couple hundred dollars' worth yesterday, all because Mrs. Yount thought the fire in the burner was out and attempted to fill the reservoir.

CONGRESSMAN REMANN DEAD. VANDALIA, Ill., July 16.—Frederick Remann, representative for the Eighteenth Illinois congressional district, died yesterday at his residence in this city. Mr. Remann was elected last fall as a Republican, defeating Lane, Democrat. He was an active member of the G. A. R., and had for years been prominent in politics in his district.

AMERICANS CAUGHT. A United States Senator, a Representative and Others Arrested in London. LONDON, July 23.—It has developed that a police raid was made upon the Palace club on Thursday. A number of prominent Americans were caught in the raid. The club is one of several fashionable night clubs in London where the demi monde resort. It opens at midnight and closes at 6 a. m. Lately the Palace has been very riotous.

Broke the Record. No Cultivator ever had such a remarkable run the first season. Sales nearly 20,000 in 1894. Deere & Co.

Are You Ready For the Harvest? 1895. There's only one way to get ready so that you can be sure that you are ready—and we are ready to get you ready with the World-Beating.

LIGHT-RUNNING McCORMICK STEEL BINDERS AND MOWERS. BEST IN THE ... WORLD. We might to-day be selling a line of so-called "cheap" machines at a price which would still be high, but prefer to sell the high-class McCormick at a price which experience will most assuredly prove is low.

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.

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.

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.

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.

TINGLEY & BURKETT, Attorneys-at-Law, 1026 O St., Lincoln, Neb. Collections made and money remitted same day as collected.

Among the Ozarks. The Land of Big Red Apples, is an attractive and interesting book, handsomely illustrated with views of South Missouri scenery, including the famous Olden Fruit Farm of 3,000 acres in Howell county. It pertains to fruit raising in that great fruit belt of America, the southern slope of the Ozarks, and will prove of great value, not only to fruit growers, but to every farmer and homeseeker looking for a farm and a home. Mailed free. Address, J. E. LOCKWOOD, Kansas City, Mo.

DE LAVAL CREAM SEPARATORS. Address for catalogues and particulars, The De Laval Separator Co., 74 Cortlandt Street, New York.

Walter Baker & Co. Limited, The Largest Manufacturers of PURE, HIGH GRADE COCOAS AND CHOCOLATES. On this Continent, have received HIGHEST AWARDS from the great Industrial and Food EXPOSITIONS IN EUROPE AND AMERICA.