

CURRENCY OF ARGENTINA.

PAPER MONEY IS THE SAVIOR OF PEOPLES AND NATIONS.

A True Money, Whether of Metal or Paper, Must Be Coined and Issued by the Sovereign Power of a Nation—The Law Makes and Unmakes Money.

I have been asked by a correspondent in Missouri to write an article for the Journal on the "paper money" of the Argentine Republic. It is said that the old parties are pointing to a depreciated currency of that country as a horrid example of the failure of "flat paper money."

I desire to remark, in the first place, that there is no "paper money" in the Argentine Republic. They have two kinds of paper currency, neither of which have any of the essential attributes or qualities of money. One is a bank currency based in the usual way on alleged coin when there is no coin. It is the old, old story. Coin has failed to meet the requirements of the country. It has left when most wanted. In their desperation the people must have money or society must perish.

Of all forms of money now used by civilized nations, gold is the least reliable, because of its cowardly habit of being absent when most needed. Always, in the supreme moment of a nation's monetary need, gold is in hiding or flies to other nations. There is no exception to this rule. Coin failed in Venice in the year 1171; in America in 1776; in France in 1790; in England in 1797; on the continent of Europe in 1813.

Mr. John James Ingalls, late Senator of the United States, has placed himself on record as follows: No people in a great emergency ever found a faithful ally in gold. It is the most cowardly and treacherous of all metals. It makes no treaty it does not break. It has no friend it does not sooner or later betray.

There is another view in which the finances of the Argentine Republic are interesting. That unhappy country has for years been the pasture ground of the great British money power. The speculators of Europe found it a land of unbounded natural resources, and they put their wits to work to utilize the situation.

Next to gold, silver money is the least reliable. Next to the metals comes paper money founded on the metals. No paper currency can be a safe reliance for a long series of years, when dependent for its value on a single commodity. Land is the most permanent, but it is too cumbersome, unwieldy and changeable in value, as we have already seen, and as in the case of Pennsylvania, must be managed with great care and accuracy.

A true money, whether of metal or paper, must be coined and issued by the sovereign power of a nation. It must be honored by the issuing power. That is, it must be receivable by the issuing government for all dues and taxes. This is the first or primary redemption of money, and without it there can be no good money of either metal or paper.

of the revenues collected. In the state of North Carolina it was found that, with revenues amounting to \$100,000 per annum, it was quite practicable to keep \$400,000 of currency at par with coin. If that currency had also been legal tender it would have been on a still broader basis. Hence it may be assumed that legal tender paper may be floated in a given country to the amount three or four times the sum of the annual revenues of the government. It is not assumed that a paper money will stand and be good if the government ceases. That would be unreasonable. It will be just as good as the issuing government only. It will live and die with the issuing government, and hence it will fight for its own life and for the government. That is one of its main glorious features. Paper money is patriotic. Gold is not. Paper money saved the republic of Venice when coin had failed. Paper money saved the American colonies from the tyranny of Great Britain, when coin and those who held it had hunted their holes or had joined the enemy. Paper money saved England from the power of Napoleon when the last sixpence had left the Bank of England. Paper money is the savior of peoples and nations. Coin is a traitor, a coward and a boaster the world over. Never reliable in any great emergency.

I have before me a volume of the reports of the consuls of the United States for November and December, 1889. Commencing on page 657 is a full and very interesting report by Consul Baker on the finances of the Argentine Republic. In this report I find that the republic has floated in the form of bank currency, resting on alleged coin for its redemption, \$191,000,000. Coin is so scarce that this currency is practically irredeemable. It is not receivable in the revenues of the government, nor a general legal tender. It is badly depreciated.

Besides this crushing load of bad bank paper, there is another currency, known as "Cedulas," or mortgage-loan currency, amounting to about \$490,000,000 at the date of the report. And it was still rapidly increasing. This land currency can only be redeemed in land by foreclosure, which is so annoying and so slow and expensive, for everybody except the banks, that it is little use in keeping the currency at par. This land currency is not receivable in the revenues of the country nor a general legal tender. It is issued also far in excess of the business needs of the country, making, with the bank currency, the enormous sum of nearly \$680,000,000 for a population of about 4,000,000 people. This gives them \$150 per capita, without counting anything for coin or counterfeits.

There is one further item: A coin-basis paper like that of Argentina will not circulate alongside of coin on equal terms. Everybody prefers the coin and the coin is hoarded, or coin-like, leaves the country when most needed. On the other hand, a legal-tender paper, as advocated by the Alliance men, will circulate by the side of coin, on equal terms with it, as is seen at the present time in the United States and in France.

It is claimed by the coin men that paper currency can be kept at par with coin by sufficiently restricting the issue. That is hardly true in any just sense. Brazil has a paper currency of about seven dollars per capita of the population, and some coin. The Brazilian paper is badly depreciated like that of Argentina, though not quite so much. We are safe in assuming, therefore, that restriction of issue alone will not keep paper at par with coin. It is the law that makes and unmakes money, both metal and paper. The value of the material to which the monetary function is attached cuts no figure when it is being used as money.

There is another view in which the finances of the Argentine Republic are interesting. That unhappy country has for years been the pasture ground of the great British money power. The speculators of Europe found it a land of unbounded natural resources, and they put their wits to work to utilize the situation. They took a hand in its legislation and its finances. They have had their own way in almost everything. They found it a land of promise. They have made it a land of promise. Today the most prominent feature in the republic is debt. The speculators of Britain have had their own way with the finances to the fullest extent. The main business of the republic is borrowing money and paying interest. Hand in hand with this is the levying and collecting of taxes. Debt and usury is the order of the day. It is but a question of time when these things will end. In fact, the end now seems to be in sight. The public debts of the general and provincial governments are held by foreigners, and are coin debts. When the coin grows scarce, it is high-priced and paper runs low. When coin runs out entirely, interest on the debts cannot be paid. Then comes refunding at enormous disadvantages to the debtors. To show the debt-ridden condition of the country I quote the following from the consular report before me:

"The national government has set the example by increasing its indebtedness from \$82,017,291 in 1881 to \$220,000,000 in 1889. The various provinces caught the contagion, and such of them as could have rushed into the European money markets for loans, some of them in excess of their present abilities to pay."

The report gives a table showing the total foreign public debts of the country to be nearly \$400,000,000. This enormous sum is payable in coin to foreigners. The coin is not in the country and it cannot be had. The bonds have depreciated; the British money lenders feel the loss. Even the great house of Baring Brothers, London, has been shaken. That great house thought it had found a good thing in the Argentine bonds. And so it had. But "it bit off more than it could chew," and is now somewhat choked. If the chewer is thus mortally choked, what shall we say of the chewer? The people of Argentina owe a coin debt to foreigners, amounting to about \$100 per capita for every man, woman and child in the country. Besides that, the people are mortgaged to the hilt by the banks and speculators to an amount even greater. The country is in a deplorable condition. It is coming to a condition like that of Egypt, when the money-lords will own everything and the poor laboring people will suffer everything. This is a fair specimen of money-power legislation when the speculators and money-lenders have their own way in full, as in Turkey, England, Ireland, Egypt and some other countries. This discussion of Argentine finances is entirely from official sources and may be relied on as being correct.

The Alliance theory of finance is this: "All money, whether metal or paper, must be issued by the sovereign government; it must be legal tender for all monetary purposes and receivable in the revenues of the country." The currency of Argentina has none of these necessary qualities. It is entirely in the hands of bankers and loan agents; in fact, it seems to be a system created for their special benefit. It is neither a general legal tender nor receivable in the revenues of the country. It is largely overissued and easily counterfeited. The older bank notes were printed in that notorious den of counterfeiters known as the city of London. It was a propitious harvest-time for them, and they doubtless enjoyed the picnic.

The American consular report for 1884 says: "The original notes were printed in London. They were poorly done and easily forged." Those bank-note printers of London forged the continental currency of this country during our war of independence by the "ship-load." They did the same thing with the French money in 1790. And these forgeries were committed with the sanction and by the authority of the British government. The printing of the bank currency of Argentina was an uncommon opportunity. To what extent it was improved we have no means of knowing. But it was evidently too good a chance to pass unnoticed by adepts, when the notes were poorly done and easily forged and the dies were in their own hands.

Every person who desires to understand this subject can now easily do so. There is no more similarity between the currency of Argentina and the money advocated by the Alliance men in this country than there is between a crazy wildcat and a good reliable fat ox. Yet there are those who, no doubt, will still stand to it that the money power system of Argentina and the people's treasury-note system of the United States of North America are the same.

Both extremes of the money-power system are now being tried in South America. In Brazil they have extreme inflation; in Argentina they have extreme contraction. In both countries the paper currency is badly depreciated, and in both countries it is the only means the people have to do business with. Coin failed them long ago.

There is one further item: A coin-basis paper like that of Argentina will not circulate alongside of coin on equal terms. Everybody prefers the coin and the coin is hoarded, or coin-like, leaves the country when most needed. On the other hand, a legal-tender paper, as advocated by the Alliance men, will circulate by the side of coin, on equal terms with it, as is seen at the present time in the United States and in France. In a country of legal-tender or "flat" paper, furnished in a fair and reasonable volume, coin accumulates, as in France and the United States. In all cases coin is plentiful when least needed, and scarcest where and when most needed. This is the peculiar nature of coin. In a country of bank paper, depending solely on coin for its par value, coin soon disappears and remains absent, as in Brazil and Argentina.

I am asked to say whether there is any escape for Argentina from her difficulties. I reply that there is a plain and easy way of escape if the country can adopt it. But Argentina is so completely in the hands of the money power of London that she can hardly have any legislation for the benefit of the common people. Everything is controlled by the bankers, speculators and the holders of the bonds of the country, and other interested agents and friends of the London money power. The very first step in the way of relief for the people of Argentina would be a law making the coin bonds of the country payable in the same kind of money that was borrowed. Very little coin, if any, has been borrowed. It is not the custom of the money-lenders to loan coin, but to loan the cheapest currency on exchange that they can lay their hands on. They usually buy up the cheap currency of the country, loan it to the people and to the government, and then in due time collect the interest and principal in coin. That is the way they did and are doing in the United States during the late war and afterward. In that way our own United States bonds, which were sold for about 50 cents on the dollar, are now costing the people more than twice that sum to redeem them, besides the interest we have paid. In that respect we are in the same boat with Argentina. We are both paying coin, and even gold, only on paper loans. It is the money-power system in both cases. And every money-loaner and speculator will swear that it is right, and that anything short of it is repudiation.

But it is time for people and nations to pay less attention to what the speculators say. They should do what is just and right for themselves and their own children. The people have been turning their pockets inside out to get the applause of speculators, counterfeiters and pirates long enough. The first thing for Argentina to do is to declare all debts and bonds payable in the same sort of money and currency that was borrowed. That will shut off the great demand for coin. When not needed it will then remain in sight. The next step will be to receive all money of the country in the revenues of the government, and make it legal tender for all debts and taxes in the provinces and among the people. These steps will raise the value of paper currency and convert it into money. Then, after that, more than one-half of the present volume of the currency should be slowly retired, especially burning up all counterfeits. These steps will give Argentina a good money. Her paper will be preferred to coin as ours is and as the bank credits of Venice were. When the great creditors are compelled to take the same currency in payment that they loaned they will cease to swell the volume of the money with counterfeits, as inflation of any and every sort tends to lessen the value of

READ THIS!

I have bought the Maxwell, Sharp & Ross Company Stock at Receivers sale for less than 50 cents on the dollar, and I am now offering it at about the same to consumers. The entire stock will be closed out during the next 30 days for what I can get for it. If you want HARDWARE, STOVES, TINWARE, DRY GOODS, BOOTS AND SHOES, FURNITURE, or Crockery this is an opportunity that only offers once in a lifetime. Come and see what I have to offer.

1532 to 1538 O St., Lincoln, Nebraska.

W. H. TRAVER.

WESTERN :: MANUFACTURING :: CO. LINCOLN, NEBRASKA.

J. H. WALSH, President. M. D. WELCH, Sec'y-Treasurer.

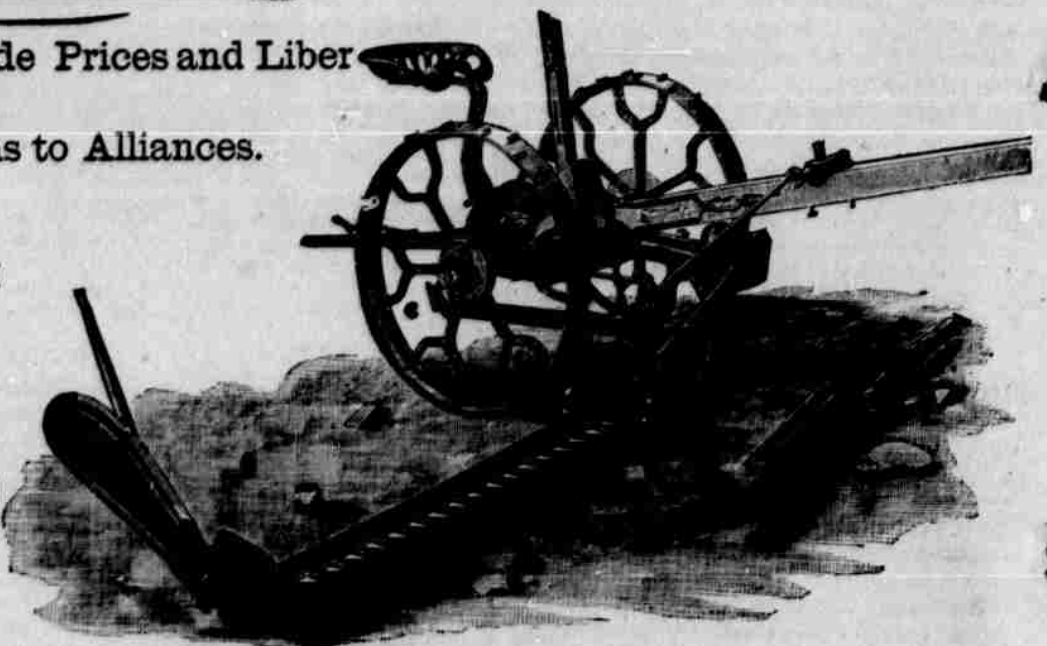
Special Inside Prices and Liberal Terms to Alliances.

al Terms to Alliances.

WE CAN SAVE

YOU MONEY

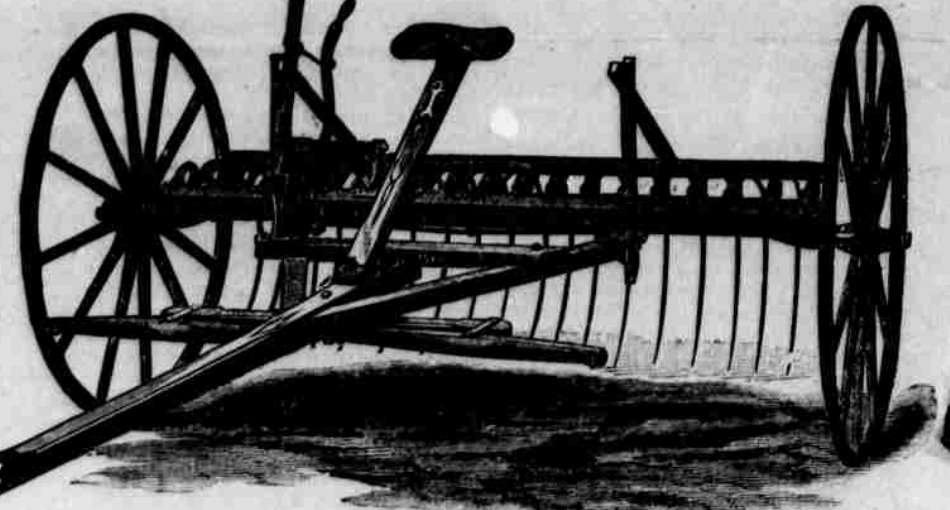
TO BUY FROM US.



THE CAPITAL MOWER.

Mo better Mower or Hay

Write us for particulars.



THE UNION RAKE.

WESTERN MANUFACTURING COMPANY, LINCOLN, NEB.

O. O. HEFNER,

IMPORTER OF

SHIRE AND HACKNEY HORSES.

THE LARGEST IMPORTER IN THE WEST.

Stock Companies can Purchase Horses Absolutely on their own time.

Every horse imported registered, and guaranteed a sure foot getter. I buy the best and do not handle culls. Nor do I have a partner to sit in the corner and grin and take half the profits. I give my customers the benefit of small profits and first class stock.

THE BEST CLASS BUYERS BUY FROM MY ESTABLISHMENT.

No horses peddled. Don't run a lottery, nor drop a nickel in the slot, and see what you get business. Horses of fine style, action, bone and pedigree for sale.

O. O. HEFNER, Importer, Lincoln, Nebraska.

A Model School.

A representative of THE FARMERS' ALLIANCE called to visit Rathbun Business College last week and through the courtesy of the proprietors was shown through the entire institute. The theory department where the student first enters, prepares them for the practical drill which they receive in this college. The students are much interested in banking, insurance, wholesaling and retailing as though they were in business for themselves. Students attending this institute are certain to be well prepared to enter the business world. Short hand writing is taught in the most practical manner. See their advertisement in this issue. It

An Old Soldier Bids Farewell to Soup and Hash.

Mr. F. P. McMillon, of Frontier county, an old soldier who was getting very thin and poor in consequence of his teeth. He had been unable to eat anything but spoon victuals as has been for several years. After examining the dental skill of the west he came 200 miles to Dr. Burros and got a fine set of teeth that he could eat with, and was home 20 years younger.

Appointments of State Lecturer.

Bro. O. Hull, State Lecturer sends notice of the following appointments. O. Boers of County Alliances are urged to arrange their county meetings to correspond with these dates. All members who can be requested to be present:

- Hitchcock County July 31.
Webb " " August 2.
Furnas " " " 4.
Holt " " " 5.
Franklin " " " 6.
Webster " " " 7.
Stoddard " " " 8.
Thayer " " " 9.
County Secretaries will notify me at once before meeting will be held in the various counties.
O. HULL, Greenwood, Neb.
Lesse & Stewart, 201 S. 11th St.

For Sale.

Improved farm of 100 acres 1 1/2 miles east of Trumbull, being S. W. 1/4 Sec. 9, T. 8, R. 8, Clay Co. Title good, no encumbrances. For particulars apply to or address, 44th Street, Trumbull, Neb.

Strictly in it.

At Baker's clothing house 115 S. 6th Street. Men's, youths' and boys' suits will be sold regardless of cost for the next ten days. Mr. Baker is the authority for the statement that they can't "score him" with their \$15 suits; nor, with their \$10 bills. Call and look over his immense stock. Low prices and square dealing is his motto.

DAIRY FARM

For sale or rent. My well improved farm adjoining Huskyville, and in connection with it milk and ice business, alone worth \$1,200 a year. Will sell cheap and on easy terms. For particulars address W. J. LEAVITT, 6-41 Huskyville, Neb.

Sheriff Sale.

Notice is hereby given, that by virtue of an order of sale issued by the Clerk of the District Court of the second Judicial District of Nebraska, within and for Lancaster County, in an action wherein A. H. Weir & Co. money lenders, et al., are plaintiffs and the Farmers' Alliance, et al., are defendants, I will, on the 31st day of August, 1891, at the hour of 10 o'clock in the forenoon of the said day, sell at public auction the following described real estate, to-wit: Lot 18, Section 18, in block 18, in the Madison Square addition to the city of Lincoln, Lancaster County, Nebraska. The said day of July, A. D. 1891. W. H. MULLAY, Sheriff.

The Stenger Benevolent association of Columbus, which was presented with \$10,000 in notes four years ago by Martin Stenger, for the relief of indigent farmers, has commenced suit against Caroline Stenger for \$3,300 interest due and not paid.

H. R. Nissley & Co.

DEALERS IN Dry Goods, Carpets, Notions, Shoes, Groceries, Etc.

DEPARTMENT STORE

Largest Stock in the City.

Terms: One Price and Cash.

Country Produce (butter and eggs) taken in exchange for merchandise. Our store is headquarters for the farmers of Lancaster County. 524

H. R. NISSLEY & Co.

Corner 10th and P Streets.