

### ECONOMISTS UPON THE NECESSITY FOR CURRENCY REFORM.

The committee appointed by the American Economic Association a year ago to consider the subject of currency reform made a very businesslike statement of the necessities of the monetary problem in the United States at the annual convention of the association at New Haven on December 29. The committee itself was a strong one, representing different great colleges of the country. It was signed by F. M. Taylor, University of Michigan; F. M. Taussig, Harvard university; J. W. Jenks, Cornell university; Sidney Sherwood, John Hopkins university; and David Kinley, University of Illinois. The points made in the report are recognized by intelligent business men and are practically the same brought forward by the monetary convention of business men at Indianapolis two years ago. The report says:

"Under existing conditions the only wise and consistent policy for the United States is the frank recognition of the fact that the actual monetary standard is now, and for some time to come will be, gold, and the adoption of legislation which shall insure the entire stability of that standard, until such time as the nation may have decided to establish some other. Assent to this statement does not commit any one to the position that the gold standard is, abstractly considered, the most desirable one. As is well known, a large number of economists hold to the opposite opinion. But, as is also well known, the particular substitute which such economists favor—*i. e.*, international bimetallism, is at present, and for a long time will be, out of the question.

"In consequence, the precise form which the question of standards now takes in the United States is as to whether the currency shall rest on a gold basis or on a silver or paper basis. Thus stated it can have, to the majority of economists, but one solution. Under existing conditions the gold standard is, for the United States, the best available. This being the case, it is the duty of the nation to render that standard as stable as possible, and to remove all uncertainty as to its maintenance and its easy working, for uncertainty as to the basis of the currency must always be a menace to prosperity.

The committee believes that much would be gained by a definition of the standard in terms of gold; and to enact legislation that will maintain the convertibility, into gold, of other forms of currency. It believes that under normal conditions the task in question can be devolved "most advantageously upon some institution or institutions of a banking nature." Also that this solution of the problem in the United States is, on the whole, best. If, on the other hand, the treasury must still maintain the standard of value, the department should be specially organized with reference to

the duty. The most important modification of the existing system should come in the separation of the management of the monetary system of the country from those functions which are of a purely fiscal nature. The report thinks it would be well to find a place for silver dollars where they will cause least trouble by retiring all notes under ten dollars; also to authorize the secretary of the treasury to retire, at least temporarily, notes which have been once redeemed.

The report declares that without reference to the disputed retention of greenbacks as a part of the currency the maintenance of some system of bank issues will be indispensable. It should be under federal control and should have more elasticity than exists in the present system. If it be not practicable to secure legislation to issue circulation upon ordinary banking assets, the report suggests that the banking law could be amended to permit reissue of notes within six months after retirement, and to raise the ratio of notes to bonds deposited; to lower the tax or to levy it upon capital and surplus. The committee would be inclined to prohibit any bank from paying out of the notes of other banks, except to the issuer through the redemption agency.

The recommendations of the report include: The establishment of branch banks in the newer and remote sections; that country banks should be permitted to circulate notes upon a portion of their general assets; the exemption from the federal 10 per cent tax on circulation of such state banks as comply with the regulation of federal law and submit to national supervision; and the lowering of the minimum capital of national banks to \$20,000 or \$25,000. The report concludes:

"Your committee are of the opinion that what is most needed at this juncture is a disposition on the part of the friends of reform to sink individual preferences as to details, and to insist that congress shall enact such legislation as it is possible to agree upon. Undoubtedly there is room in this matter of currency reform for honest differences of opinion, but such a degree of persistence in one's opinion as makes a working compromise impossible has no justification in monetary principles or in the conditions prevailing in the United States. It is safe to say that of the five or six currency bills that during the last twelve months have been in any serious sense before the country, the passage of any one would have resulted in great improvement and would have measurably satisfied the demands of reformers.

The sensible men of this country are almost as unanimously opposed to expansion as they are opposed to free silver. A few well-known republicans are favoring the doctrine at present because it is a party measure, but they will abandon

it. Men like Thomas B. Reed, Grover Cleveland, J. Sterling Morton, Andrew Carnegie, Charles Eliot Norton, Carl Schurz, and hundreds of others equally intelligent, are bitterly opposed to expansion. The republicans will be compelled to give it up. Eight labor organizations have already adopted resolutions against expansion. To believe that the American people, on sober second thought, will agree to spend hundreds of millions of dollars, and sacrifice thousands of lives, for no other purpose than to bring liberty to the Filipinos and Cubans, is to accuse the American people of being fools in spite of education. It is unfortunate that W. J. Bryan is an anti-expansionist, but in spite of him, expansion or imperialism is doomed. Every day the republican party stands by expansion, weakens its chances of success at the next presidential election. In two years expansion will be so unpopular that no political power will dare support it.—Atchison Globe.

### WINTER WHEAT IN NEBRASKA.

It may not have been remembered, or even known, to many people in our state, that winter wheat is mostly produced south of the line of latitude which marks its northern boundary. The success which has come to the farmers who, within the last past five years, of its cultivation, leaves no room for speculation upon the problem of wheat-culture on these vast and rich areas. The fact arms our people for a new advancement, and the advantage of diversifying production as a measure of both profit and safety, whose probable benefits it would be impossible to estimate. Actual results tell their own big story for the future. All that is needed to insure rich returns from winter wheat culture are two things. One of these things is the selection of good seed, and the other thing is to sow the good seed by the drill method of seeding to guard it from the strong winds and the wash of the rainstorm.

It is due to the truth of history to say of the agricultural progress of this state that it began with a general acceptance of the false idea of four and forty years ago that successful agriculture could not be prosecuted on these then alleged barren soils. Public opinion mapped our geographies so as to make us a part of the "Great American Desert," and the early settler shared the idea. It was only by timid steps and gradual discoveries that the first occupants of the territory and the world were taught by the lessons of experience and practical demonstration that this is one of the most fertile regions for producing staples for the consumption of hungry mankind upon which the sun of heaven has ever shown.

There is a French proverb: "A spoiled child always turns out a success."