SHOTS AT SILVERITES.

Lowering the standard of value won't raise wages.

An increased currency does not mean increased wealth.

The place for freak coinage is a museum of monstrosities.

Calling a white chip red doesn't make it worth as much when you cash in.

Mexico has free silver. Would we exchange conditions with the Mexicans.

The only man who would be enriched by currency inflation is the land speculator.

Calling a gallon a peck would not increase the value of the farmer's grain crop.

Advocates of a fifty-cent dollar say they believe in sound money. So they do—principally sound.

The farmer, who wants cheap money so that interest will be low, won't rent his house or hire his horse for two per cent. a year.

The low price of silver means low cost of production. Cheap metal means cheap money. Cheap money means cheap labor.

The currency which serves as a medium of exchange need not be the money which measures the values of the goods exchanged.

Next to the protection of the right to property a stable standard of values is the most important factor in commercial prosperity.

Thomas Jefferson's great principle —that that Government is best which governs least—should be applied to the currency question.

"The country is suffering because we have not got enough money," say the inflationists. How do they know? How much money is "enough?"

Tampering with the standard of values for the purpose of inflating the currency, is like removing the pendulum to make the clock run faster.

Artificially stimulating business by injections of cheap money has the same effect as giving a man alcohol. With the reaction comes weakness and failure.

The professed friends of the farmer want to make money abundant by debasing its standard of value. And then they want to make it scarce by taxing it!

Scotland produces neither gold nor silver. Yet the rate of interest on ordinary business loans is lower than in any other country. A good banking system does it.

Curious, isn't it, how the free silver advocates who claim to oppose class legislation will be satisfied if the selfish interests of the silver producers are recognized.

No one denies that our present financial system needs reform. But that is no reason why we should destroy it altogether by adopting the silver standard.

The American wage earner's interests are all on the side of a fixed standard of value. He wants a dollar with a purchasing power equal to that of any dollar in the world.

Josh Billings never read "Coin's Financial School," but he was acquainted with the arguments, sophistry and false statements of Greenbackers when he said: "It is better to know a few things that are so than a great many things that are not so."

"Under free coinage wages would be higher," is the claim of the silverites. Why? It is not the quantity of money in a country which regulates wages, but the amount of wealth produced. If tens of thousands of workers were engaged in mining silver we do not need, instead of making useful things we do need, would the total wealth be divided between employers and employed be larger?

"Coin's Financial Fool."

Job had lots of trouble and plenty of things to worry about. He was, however, a wise man, and knew what he was talking about when he said: "Oh, that mine adversary would write a book." He knew that if he could get his enemies to put their charges against him down in black and white he could answer and refute them.

It is fortunate for the sound money men of this country that their adversary has at last written a book—"Coin's Financial School"—which is being accepted as the bible of the free coinage men. This book is written in an interesting, chatty style, and has some good cartoons in it, but it is filled from front to back with absurd and false statements about money and finance. The book itself is a gigantic fraud in that no such school and no such dialogues as it describes ever took place. The whole thing is fully exposed by a pamphlet called "Coin's Financial Fool," just published by the Reform Club at 52 William street, New York City. Any one who reads "Coin's Financial School," and who is inclined to take it seriously, should also read this little pamphlet, the price of which is five cents. A single number will, however, be sent free to anyone who writes for it, mentioning this paper.

EMERGENCY CURRENCY.

INELASTICITY OF OUR NATIONAL BANK CURRENCY.

How Yankee Ingenuity Tided Our Business Industries Over the Currency Famine of 1893—Samples of Paper Substitutes for Money Used in August and September, 1893.

"The Currency Famine of 1893" is the title of an interesting pamphlet by the Hon. John DeWitt Warner. It is No. 6 of "Sound Currency," published by the Reform Club, of New York. It contains besides a detailed sketch of this crisis, fac-similes of about fifty different kinds of paper substitutes for money that tided many business industries over the panic and kept thousands of mills running, and millions of men employed who would otherwise have been idle. Comparatively few persons, outside of banking and commercial circles, understood the peculiar conditions as regards our currency, that accompanied the hard times that began in 1893.

Industrial panics occur about every ten years. Hence, one was due in 1893, and probably would have arrived before 1895, even if our currency had been entirely sound. It would, however, probably have been delayed a year or two and have been less severe—as in Canada and England—had our currency system been on a sound basis and permitted of greater elasticity. Our currency was bad enough in 1890, when the passage of the Sherman Silver Purchase act began to make it worse. The coinage of $4,500,000 of silver each month then began to still further dilute a currency already well watered by greenbacks and cheap silver dollars. Investors became more and more timid; gold began to be considered the only thoroughly sound money, and people began to lock it up and hoard it; the gold clause began to be inserted in new mortgages and old mortgages renewed; credits of all kinds began to contract; the shrinking surplus in the Treasury added to the general alarm; attempts to sell stocks and other forms of credits caused a shrinkage of values and increased the apprehension of creditors. All of these processes, going on with accelerating speed, reached a critical point in 1893. The withdrawal of many kinds of credits which, in ordinary times, perform the work of money, and the practical retirement of gold from our circulation caused an unusual demand for other forms of currency. When it came time to move the crops, in July and August, 1893, our currency system proved to be entirely inadequate. Suddenly everybody wanted currency and nobody wanted credits of any kind, no matter how "gilt-edged." As Mr. Warner says:

"Currency was hoarded until it became so scarce that it had to be bought as merchandise at a premium of 1 per cent. to 3 per cent. in checks payable through the clearing house; and to enable their families to meet petty bills at the summer resorts the merchants and professional men of the cities were forced to purchase and send by express packages of bills or coin; while savings banks hawked their Government bond investments about the money centers in a vain effort to secure currency.

"No civilized Nation has ever experienced such a currency famine. None has ever found itself so fettered by positive law in its efforts to rescue itself. None ever so promptly arose to the emergency. Never was there so prompt a return to normal conditions."

The only means of legally providing the increased currency demanded was through additional issues of National bank notes. The result demonstrated the worthlessness of our National banking system. The National banks were unable to give any relief until the need of more currency was passed. The National banks were able to increase their outstanding notes only from $178,713,872 on July 1, 1893, to $183,755,147 on August 1, and to $198,980,368 on September 1. This increase, as Mr. Warner remarks, "was far less than the amount by which the banks of a single city virtually increased it by clearing house certificates alone and was in great part accomplished only after the necessity for it was over, millions of dollars of the additional currency taken out being returned to the Treasury with the packages unbroken."

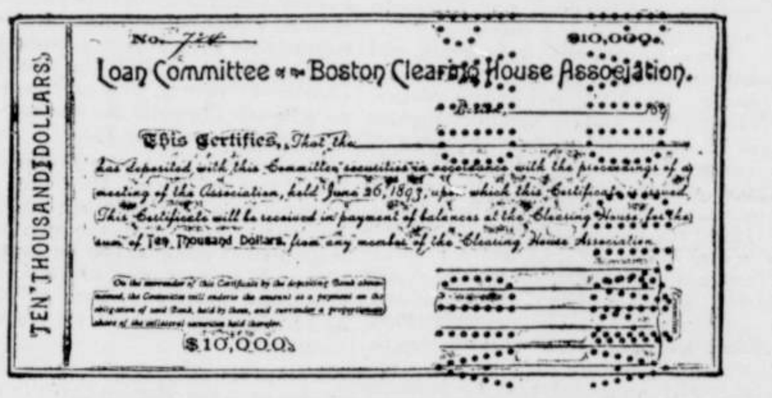
Our currency system not being elastic, like Canada's (which responds within a few days to any change in demand), and there being no legal way to secure the extra currency suddenly demanded, did our business men cease operations and wait supinely until our National bank laws could be abolished? No. In defiance of these laws they set to work in different localities to devise substitutes for money. Their Yankee genius was everywhere successful, and millions of wheels were kept going that must otherwise have stopped and millions of stomachs were filled that otherwise would have been empty. Mr. Warner says:

"No civilized Nation has ever experienced such a currency famine. None has ever found itself so fettered by positive law in its efforts to rescue itself. None ever so promptly arose to the emergency. Never was there so prompt a return to normal conditions."

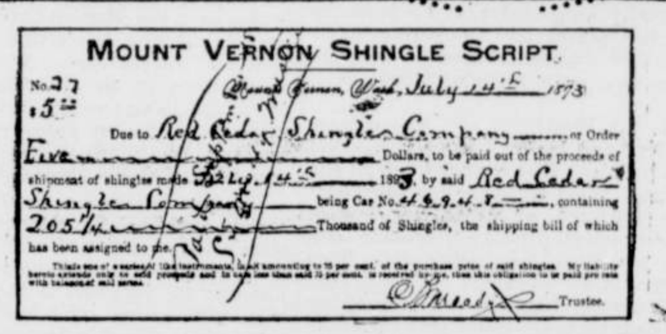
Hundreds of localities devised different forms of what may be called "Emergency Currency." Clearing house certificates; clearing house due bills; certified checks; negotiable certificates of deposits; bond certificates; grain purchase notes; credit and corporation store orders; teachers' warrants; and shingle script were some of the forms of credit that were temporarily utilized as currency when the premium on legal currency was so high that few business men could afford to pay it.

Mr. Warner estimates that about $80,000,000 of this "Emergency Currency" was in circulation by September 1st, 1893, when the House having passed a bill repealing the Sherman Silver Purchase act, and we having purchased $40,000,000 in gold abroad, the worst apprehension of creditors were quieted and the panic collapsed as suddenly as it had begun. The "Emergency Currency" gave no trouble; not a single dollar of it was lost to anybody; partly because it was illegal, and partly because it was no longer needed it was quickly redeemed and disappeared so promptly that before the end of the year specimens became curiosities.

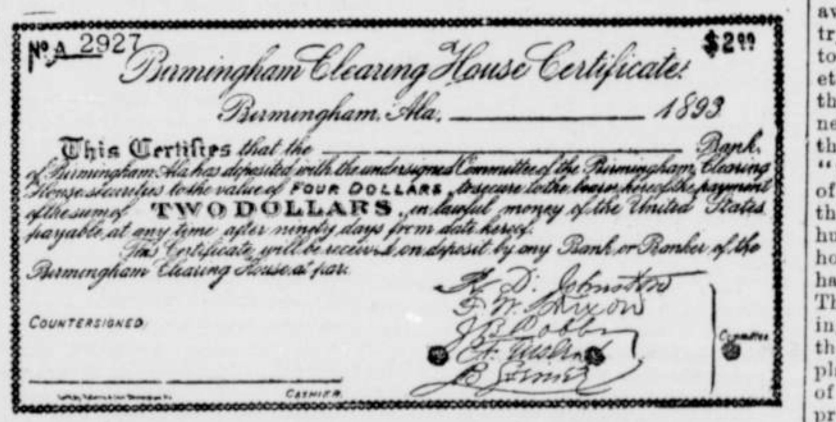
In and near large cities this "Emergency Currency" usually took the form of clearing house certificates or certified checks. In manufacturing districts pay checks were the only currency available for weekly pay rolls, and cash purchased by wage-earners. In grain districts, grain purchased notes and credit store orders were more common. In lumber districts shingle script was current. Below are given fac-similes of the specimens of "Emergency Currency," contained in ex Congressman Warner's pamphlet:



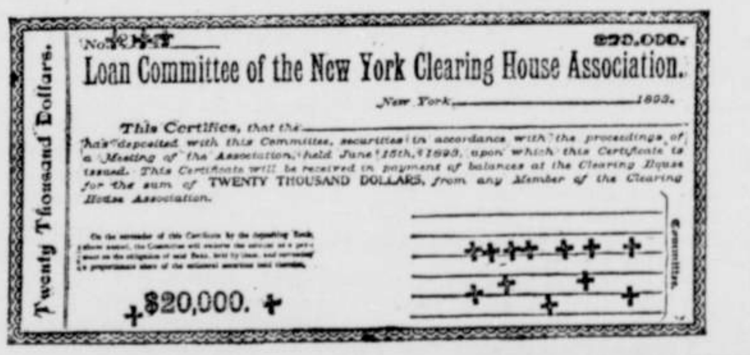
No. 724 $10,000.
Loan Committee of the Boston Clearing House Association.
This Certifies, That the
has deposited with this Committee securities in accordance with the proceedings of a meeting of the Association, held June 26, 1893, upon which this Certificate is issued.
$10,000.
TEN THOUSAND DOLLARS.



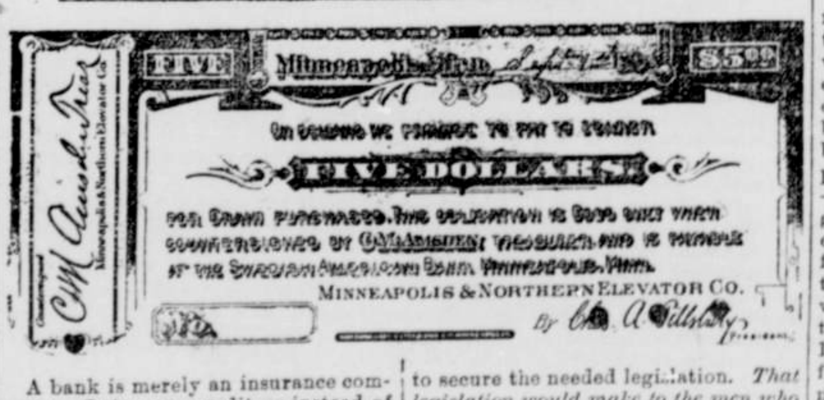
MOUNT VERNON SHINGLE SCRIPT.
No. 27 $5.00 Mount Vernon, Wash., July 15 1893
Due to Red Cedar Shingle Company or Order
Dollars, to be paid out of the proceeds of shipment of shingles made July 15 1893, by said Red Cedar Shingle Company being Car No. containing
Thousand of Shingles, the shipping bill of which has been assigned to
Trustee.



No. A 2927 $2.00
Birmingham Clearing House Certificate.
Birmingham, Ala. 1893
This Certifies that the Bank of Birmingham Ala. has deposited with the undersigned Committee of the Birmingham Clearing House securities to the value of FOUR DOLLARS, to secure the payment of the sum of TWO DOLLARS, in lawful money of the United States payable at any time after ninety days from date hereof.
This Certificate will be received on deposit by any Bank or Banker of the Birmingham Clearing House Ass'n.
COUNTERSIGNED.



$20,000.
Loan Committee of the New York Clearing House Association.
New York, 1893.
This Certifies, that the has deposited with this Committee, securities in accordance with the proceedings of a Meeting of the Association, held June 15th, 1893, upon which this Certificate is issued. This Certificate will be received in payment of balances at the Clearing House for the sum of TWENTY THOUSAND DOLLARS, from any Member of the Clearing House Association.
$20,000.
Twenty Thousand Dollars.



FIVE DOLLARS
MINNEAPOLIS & NORTHERN ELEVATOR CO.
By

A bank is merely an insurance company. It insures creditors instead of lives or buildings.

The world's production of gold is steadily increasing. At the same time the extension of banking facilities is constantly decreasing the amount of gold needed as a basis for currency.

Farmers complain that overproduction of their products makes is impossible to find a market for all they have to sell. What would be the result of increased prices, so that many consumers would have to buy less than they do now?

Don't be fooled by the plausible talk about "bi-metallism." What the free silverites really want is silver monametallism, which we should certainly have if the United States opened its mints to the coinage of all silver at the ratio of 16 to 1.

Suppose that in some mysterious manner all the money in the bank vaults of the country were to be doubled in a single night, how would the men who now have no money get some of the increase except by making something to exchange for it?

FREE COINAGE BENEFITS.

How They Will Be Divided Between Mine Owners, Farmers and Laborers.

It is easy to understand why the owners of mines and other property in mining States and Territories advocate the free coinage of silver at 16 to 1. Like all of us they are selfish and greedy. If the Government will agree to take all of the silver they can produce at twice what silver is worth in the open markets of the world, business will boom in the vicinity of silver mines. Mines and real estate of all kinds will more than double in value—that is providing our Government can stand the strain of buying all of the silver offered at this high price. There are millions in this kind of free coinage for the mine owners. That this is true was openly admitted by the Salt Lake Tribune (mine owners' organ) of April 30, 1891, when it said:

"We believe that by the expenditure of $40,000 or $50,000 the Boards of Trade of Chicago and New York, and even of old goldite Boston, could be made to pass resolutions asking Congress to give full recognition to silver. The Silver Committee, who are working for remonetization, think that with a small amount of money, used this year right away, they could bring such a pressure behind Congress and the President next winter as to secure the needed legislation. *That legislation would make to the men who produce silver in this Territory a difference of $3,000,000 per year.*"

But what excuse is there for the simple minded wheat, corn and cotton grower who imagines that he is going to get rich by having his Government adopt such a foolish policy? Suppose that the Government should succeed in doing all that the free silver men expect it to do. Suppose it should declare that silver now worth 50 cents should be one dollar. Where will the farmer and laborer come in? Prices of everything would soon be double what they now are.

The laborer would get left because while the prices of commodities would double at once the price of labor—wages—would not double at once. Wages would begin to advance; strikes would be numerous; but it would require at least one year for wages to advance as much as goods of all kinds would advance at once. Meanwhile the laborer, whose wages depend upon how much they will buy, would really be working at reduced wages.

The farmers would get twice as many cents for each bushel of wheat or pound of cotton, but each cent would be worth only half as much, for the prices of everything else (except possibly labor) having also doubled, his money would purchase only half as much—and money is worthless unless it is to be spent. But the farmer would lose in one way: the prices of wheat and cotton would continue to be fixed in Europe just as they are now. The prices at which we must sell our surplus millions of bushels of wheat and pounds of cotton will, in the main, fix the prices at which all wheat and cotton are sold. But prices in Europe are fixed in gold. Hence, the prices there would be half what the apparent price would be here. Now it costs something to reduce prices from one currency to another and somebody must pay for this work, and who but our own farmers would foot the bills—just as the Mexican farmer now pays for the cost of computing his silver prices into gold when he sells to Europeans.

Besides the price of American silver dollars will fluctuate from week to week in foreign markets, just as now is the case with Mexican dollars. This adds uncertainty and risk and will tend to keep foreign buyers of wheat and cotton out of our markets and to drive them to purchase in Russia, Egypt, India or South America. This uncertainty and risk will also be charged to our farmers.

No, the farmer will not get rich by means of cheap money. He will, when he votes for the free coinage of silver at 16 to 1, get a lot of costly experience which will put millions of dollars into the pockets of mine owners. He will have the experience; the mine owner the profits.

Taking Things for Granted.

Serious mistakes are often made by jumping at conclusions. The free-silver-coinage man sees the prices of wheat and horses declining, and he at once concludes that the decline is due to the demonetization of silver in 1873. His unthinking neighbors come to the same conclusion. All have been reading the same Populist paper. They do not stop to think that there might be other causes to account for the decline than the appreciation of gold, if gold has appreciated in value—an open question amongst political economists.

They do not consider that there are natural causes for the decline in price of wheat, such as the opening up in South America, Europe and Asia of new territory where wheat can be grown very cheaply. Cheaper harvesters, binding twine and improved methods of farming also contribute to the decline. New fields and competition are mainly responsible for the lower prices of wheat, cotton and other farm products.

In the cases of horses, still other causes have contributed to the decline. The silverite who says that the average value of horses in this country has declined from $69 in 1890, to $36 in 1895, because of the demonetization of silver, is not talking through his thinking cap. If he reads newspapers, he knows that during these years hundreds of "cable" and "trolley" roads have taken the places of "horse" railways. Then, if he thinks at all, he will realize that the hundreds of thousands of displaced horses thrown upon the market must have caused a great decline in prices. The same process of reading and thinking will convince him that many more thousands of horses have been displaced by the rapidly extending use of bicycles, and that the result on prices of horses must be the same. He will not be surprised that the number of horses has declined from 16,206,802 in 1893 to 15,893,318 in 1895.

If appreciation of gold were the cause of the fall of prices, the fall of prices of all kinds of commodities would be uniform. Instead, the prices of some commodities have fallen while prices of others have risen. The free silverite should think twice before he expresses his opinion.

Cheap Money and Wages.

Wage earners who imagine that more and cheaper money will benefit them should study the effect upon wages of the issuing of greenbacks during war times. When millions of dollars in paper money, with nothing but the promise of the Government behind it, was put into circulation, prices and wages at once began to rise—apparently. By 1865 prices had gone up on an average about 116 per cent. and wages about 43 per cent. from what they were in 1860. But the real value of wages is fixed by what they will purchase. Real wages then were only two-thirds as great in 1865 as in 1860. These figures are from the report of the Finance Committee of the United States Senate and were computed by Labor Commissioner Carroll D. Wright.

Commenting upon this question Edward Atkinson said in the April Forum:

"During the Civil War even the withdrawal of a seventh part of the men of arms-bearing age and the destructive demand growing out of the consumption of war, did not advance wages as fast as prices rose; the purchasing power of a day's work lost by one-third in that dark financial period.

"When once more the evil influence of a discredited currency, which was issued in a time of profound peace at the dictation of the mining camps, whose power in the Senate is in inverse proportion to their population, brought on the panic of 1893, a paralysis of industry ensued and great masses of people suffered for want of the means of subsistence in the midst of an unparalleled abundance of food, fuel, fibres and fabrics of every kind."

"We demand the dollar of our daddies." Why don't the nice little silver boys demand the stage coach, tallow dip and flail of their daddies, instead of the railway train, electric light and steam thresher?

Trouble for Free Coinage Men.

The New York Evening Post of April 26 says:

"The advocates of the unlimited coinage of silver are already finding that there is an obstacle in their path which is insurmountable. Their whole contention is based upon the claim that the existing financial system is ruining the country, and that the continuance of this system involves general misfortunes for the people.

"Experience has shown that financial heresies thrive in hard times and collapse upon the return of prosperity. The movement for an inflation of the currency which swept over the country in 1874; the demand for the repeal of the resumption act, which was raised during the next two years; the greenback agitation and the demand for free coinage of silver, which followed a little later, were all natural sequels of the terrible panic of 1873 and the long period of business depression that ensued. When specie payments had been successfully resumed and general prosperity had returned, there was a collapse of greenbackism and all of the other wild schemes which had flourished during the hard times.

"For nearly two years past the condition of business has been peculiarly favorable to the development of financial crazes. The panic of 1893 was followed by a long period during which men were thrown out of work, had their wages reduced, found the prices of their products falling until the margin of profit disappeared. What were the causes? The silver speculators declared that they were all to be found in the demonetization of silver by "the crime of 1873," and assured the people that a quick and certain cure was to be found in free coinage. Such demagogues were sure at least of a sympathetic hearing when a large number of men were out of work and a large number more were receiving insufficient returns for their work. A prolonged continuance of the same conditions would have inclined the unthinking and the reckless to accept any nostrum that promised relief from what seemed intolerable.

"But during the last few weeks a change has set in which has already gone far enough to assure a complete revolution. Ever since the success of the last bond sale convinced this country and the world that our National credit was established upon a firm foundation, the signs of the times have grown steadily more favorable. There is not a department of industry which has not felt the improvement, and the outlook only grows more promising month by month.

"A busy and contented people have little patience with demagogues whose stock in trade is rant about 'calamity' and 'ruin.' They have no time to listen to new theories, and no desire to try them. When men are getting good wages for their labor and good prices for their crops, they speedily lose their interest in speculations as to improved financial systems. A standard which brings them prosperity is a good enough standard.

"The return of prosperity will be a fatal obstacle to the success of the silver propagandists. Good times will constitute an argument that they cannot meet. It is only necessary now to push the advantage that the sound money men thus enjoy, and the overthrow of the free-coinage movement may be made complete and final."

The Greatest Labor Saving Machin

Money is a convenience—a lab saving machine. When several th sand persons, each making differe articles, wish to exchange with ea other so that all will have a fu ply of articles, it is much easier them to do so by means of money common standard of value—than try to barter with each other.

Imagine a man with a bag of p toes going around to exchange 2 tatoes with one man for a gallo oil, 15 with another for a yar calico, 10 with another for a pour sugar, 60 with another for a straw 2½ with another for a paper of pin so on until he has spent a whole exchanging his bag of potatoes few articles that he could have at a country store in ten minute the $2.00 for which he could ha his potatoes. Money, is, perha greatest labor saving machine e vented.

But it is only a labor savi chine. It will not work itself when left alone. It produces when left to itself. It will no its possessor rich unless it is u labor saving machine; and wh is enough money in use to t exchange, any more is as unn and useless as are a dozen mo chines on a farm where on needed. The trouble with t greenback men is that they t all that is needed to make is more money. Does a far any more hay because he h mowers instead of one? A l thinking by a few million v settle the money questio without going through th periments with cheap mone always resulted in failure.

The pretence that gold i of the East and silver that has no foundation in fact produces no gold. The Eastern States was got by goods with the gold mi West. The people of the goods which they could u fore parted with their g want it back they can g ducing things and sellin East.

Why does Senator St "gold clause" in an ag turn him borrowed mon is good enough for the ple, isn't it good enoug