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THE UNMERCERNARIES.

Jolly good fellows who die for the death of it,
Fight for the fun of it, live for the breath of it;
Catch at the instant and drink of the minute,
Thinking not, caring not what may be in it;

Foolish good fellows (and all of us know it),
Wasting their midnights in being a poet,
Giving their lives to the life of humanity,
Dreaming of fame—that extreme of insanity;

Silly good fellows who labor for science,
Lighting the way for the race's reliance,
Bearing their burdens with mien of a stoic,
Dreaming of gratitude—myth unheroic!

All the good fellows who think not of wages,
Foreign, in part, to the thing that our age is,
Giving no heed to the weight of the coffer,
Taking what fate and not men have to offer;

They and the like of them, here's a health to them!
Taint of our lower aims never undo them!
They will survive us all, passed through the portal;
Life often jests at what death makes immortal!

—New Orleans Times-Democrat.

THE CREDIT CURRENCY PLAN.

For some years past it has been claimed by several banking institutions in the East that there was not sufficient currency in the country to supply the needs of business during an extended period of prosperity.

This claim has been argued pro and con in financial circles for a long while and has been the cause of many suggestions being made for so improving our currency system as to make it more elastic and render it capable of being stretched when money is needed and contracted when it is not.

The scheme which has finally been settled upon by the Hepburn committee of the American Bankers' association is known as the "Credit Currency plan." **IT EMBRACES THE ISSUANCE OF NOTES BY ANY BANKING INSTITUTION AND THE CIRCULATION OF THESE NOTES AS CASH, GIVING THEM A TIME LIMIT** the same as a promissory note, and retiring them at maturity or issuing others in lieu of them, as circumstances may demand; the amount of such notes being regulated by congressional enactment and in pro-portion to the bank's capital.

The enormous financial power such a plan would give a bank like the National City, of New York, or a coterie of smaller banks operating for some special purpose, has been urged as a reason against it.

It has been argued that the plan was merely a scheme similar to the old state bank note system of more than half a century ago, but greatly elaborated, and embellished with "the latest modern improvements."

In advocacy of the plan, ex-Deputy Assistant United States Treasurer Maurice L. Muhleman says:

"In the first place, a continuation of the bond-secured currency system means the perpetuation of a very substantial amount of the public debt.

"It has already caused a reversal of the unbroken policy of the nation covering more than a century, of using surplus revenues to pay off its obligations.

"This alteration in our policy is unwise, and the excuse for it—the continuation of an unsatisfactory bank note system—is not justifiable.

"We should, therefore, pave the way for the gradual elimination of this need for bonds, by gradually accustoming the banks and the people to the use of credit currency, as other people are.

"In the second place we have the individual bank system and should not attempt to supplant it, although modification would be very desirable.

"It is with the local bank that the demand for currency first manifests itself.

"These demands at interior banks, as expressed by their loans, constitute 77 per cent of the country's total; this is the element to be observed in the endeavor to adjust the currency supply to the needs.

"It is not only logical but eminently proper that these banks should be enabled to supply these needs, within specific limitations, and under adequate regulations."

Ex-Governor Horace Boies, of Iowa, opposes the plan of the Hepburn committee and says:

"My plan of a national paper currency (of which many others might be better) would be, in substance, as follows:

"Let congress provide for the issue of United States notes, payable to bearer on demand, in gold or silver bullion at the world's market price.

"Make these notes legal tender in payment of all debts, public or private, not heretofore made payable in gold coin of the United States.

"Provide that these notes shall issue, in the first instance, in payment for gold or silver bullion and for no other purpose whatever.

"Provide that the bullion so purchased shall be deposited in the treasury of the nation and be there held for the single purpose of redemption of notes of the government and for no other purpose whatever.

"Provide that every redeemed note shall forthwith be reinvested in gold or silver bullion, the same to be at once covered into the treasury and there held for the redemption of such notes and for no other purpose.

"To prevent inflation of the currency by this issue of these notes, provide that as fast as they are issued and put in circulation, existing United States notes shall be withdrawn from circulation.

"As fast as a fund of this character is accumulated in the treasury let congress provide for the issue of United States notes say, to double the extent of the value of bullion in the treasury for their redemption.

"In this way a reserve in the Treasury equal to 50 per cent of the face value of all notes of that character would be constantly maintained."

Hon. A. Barton Hepburn enters into a very elaborate defense of his plan, which he summarizes as follows:

"1. Any national bank having been actively doing business for one year and having a surplus fund equal to 20 per cent of its capitol shall have authority to issue credit notes as follows, subject to the rules and regulations to be determined by the comptroller of the currency:

"(a) An amount equal to 40 per cent of its bond-secured circulation, subject to a tax at the rate of $2\frac{1}{2}$ per cent per annum upon the average amount outstanding. * * *

"(b) A further amount equal to $12\frac{1}{2}$ per cent of its capital, subject to a tax at the rate of 5 per cent per annum upon the average amount outstanding in excess of the amount first mentioned.

"2. The same reserves shall be carried against credit notes as are now required by law to be carried against deposits."

In support of his plan, Mr. Hepburn says:

"It provides a 5 per cent guarantee fund, from which to redeem the notes of any defaulting bank; it provides numerous redemption cities conveniently located in various parts of the country.

"A study of the statistical history of the national banking system from its inception will leave no doubt in the minds of candid men as to the goodness of the proposed note issued and its certainty of redemption.

"**LIFE INSURANCE IS PREDICATED UPON MORTALITY TABLES GLEANED FROM VITAL STATISTICS OF THE HUMAN RACE**, and such business is conducted with safety and in enormous volume.

"**FIRE INSURANCE IS PREDICATED UPON THE DESTRUCTION OF PROPERTY BY FIRE OVER A PERIOD OF YEARS**, and the amount of premium necessary to cover the risk ascertained with reasonable certainty.

"How much easier and with **HOW MUCH GREATER CERTAINTY IS THE MORTALITY OF LONGEVITY OF BANKS ASCERTAINED?**

"With over forty years of complete statistical history of the national banking system before us, we must conclude with certainty that the guarantee fund is more than sufficient to redeem any of the proposed currency in case any bank issuing the same should be guilty of default."

With so many eminent specialists at work, an effective remedy should be evolved for the cure of whatever ailments may at present affect our national currency system.

ASKS SOME PERTINENT QUESTIONS

Present Flurry In Money Affairs Causes Discussion of Old Time Measures

Ballston, Or., Nov. 8., 1907.

Editor Capital Journal: Our friend of the Oregonian is nothing if not the rabidest of rabid gold bugs. His consistency, however, is still open to question. The writer, having taken a part in the green back "craze," has a lively remembrance that the howl of the hard money men at that time was for a "gold basis" for currency.

A gold basis means the piling up of thousands of millions of credits upon a foundation of a few millions of available gold—in other words standing a pyramid on its apex. As soon as "confidence" disappears the gold vanishes into old stockings, mattresses, and private safes, and the foundation being removed your mighty pyramid of credit comes down with a crash.

I remember a conversation I had with the present governor of Kansas, then editor of the Marion Record, and a staunch gold basis man, in which I showed him that a true currency should be one that has no intrinsic value, and therefore no temptation to hoard, but whose integrity every man should rally to support, as he would the sacred national flag. Mr. Hoch saw the point and admitted that that was the best argument he had heard for "fiat" money.

Listen to Brother Scott, he says: "Your fiatist wants money that will have so little value, that nobody will ever want to hoard it, or hide it away." Yet this man, and the rest of his kind have been telling us (what we already know) that panics like the present are caused by people withdrawing their money from banks, and hiding it away, and this is given as the very reason why banks are closed by legal holidays and such—to prevent people from hoarding the coin, and smashing every bank in the country.

In criticising the Journal the Oregonian says that the value of the Portland wheat bills resides in the fact that they are to be "redeemed in money—gold money—within a specified time," but "your true fiat money has no security, for it never is to be redeemed." Will that able editor tell us what special virtue there is as "money" about that gold more than in greenbacks, unless the recipients want to hoard it as bullion? If they want gold, let them take greenbacks, and buy bullion in the open market, and then their hoarding will not decrease the circulating medium.

In the next column, however, he tells us that "what is wanted is a national system of credit currency that can be increased, or decreased, to meet emergencies, just as our clearing house certificates will now do, and that will be accepted wherever presented." Now, "to meet emergencies," how would the platform on which that able business man, Peter Cooper, ran in 1876,—the interconvertable bond plan—suit Mr. Scott? For that was the very plea of Mr. Cooper, that we need an elastic currency whose volume can be increased in order to move the crops, and retired into the treasury when not so needed. And are not national bank notes—mere "fiat" money based on government credit—"accepted wherever presented?"

The actual fact, the condition devoid of theory is that these clearing house certificates, or wheat bills as he calls them, are nothing more than a putting in practice of the Populist's sub-treasury plan, but without the Populist demand for a government guarantee.

WALLACE YATES.

WILL PLAY CORVALLIS.

Willamette Football Team Will Meet O. A. C. Next Saturday.

The Willamette pigskin warriors and rooters will hie themselves over to Corvallis next Saturday with blood in their eyes, to annihilate all the farmer booters off the gridiron which they expect to accomplish and end the season by a brilliant dash for the championship trophy. The team has strengthened its line-up since the fray with Oregon by placing Unruh and Hewitt, two well known heavy weights, back of the line. If Willamette wins the O. A. C. game it will place Oregon's historic institution again in line for the championship. There will probably be a large crowd of enthusiasts accompany the local team to Corvallis Saturday to witness the game, which promises to be one of the most interesting of the season. There is a game scheduled between Multnomah and Willamette on the 23rd of this month, which will be played in Portland.

BOOSTER CLUB MEETS.

Salem Business Men Pass Resolutions for Improvement of Oregon City Locks.

The Salem Booster club met in the police department of the city hall last evening and besides receiving the applications of sixty-two citizens of Salem to become members of the organization, passed resolutions relative to the improvement of the Oregon City locks and discussed various plans for the progress of the city and Willamette valley. It was decided by the club that all matter for the press should be given out by the executive committee. The organization has in its membership nearly every business man in Salem and will doubtless accomplish much by advertising the Willamette valley and by creating a greater pride in the growth of Oregon's capital city among its citizens.

Just As Good.

Yes, she had to sell her auto—
Expenses she must curb;
Yet when she walks upon the street
Her carriage is superb.

ChicagoNews.

Sweet Woman.

"From which one of her parents does Mary get her good looks?"

"Her father. He keeps a drug store."—Bohemian.

One Girl's W

She was heir to a
But proved she
She got every cent
By marrying her lawyer
—Chicago