

THE MONEY QUESTION.

Why Gold Has Appreciated In Value.

GOLD, SILVER, BONDS AND PRICES.

Relations of Demand and Supply to the Value of Gold as Money—Bond Buyers and the Rights of the Government—Senator Jones on the Gold Standard.

It is asserted by the advocates of the gold standard that there is no insufficiency of that metal for the purpose of money. If before the demonetization of silver there was only enough of both metals combined, how can men justify the assertion that there is now enough of one of them alone to answer all demands without rendering necessary a fall of prices of commodities? It will be conceded that value depends on the relation of demand to supply. No reason has ever been or can be given why money is not subject to that law. What, then, was the demand for gold in 1871 at the time Germany resolved to go to the gold standard? There were but three countries of Europe that were then formally on the gold standard—Great Britain, Portugal and Turkey—and of those Turkey was making no demand for coin, but conducting its business with irredeemable paper.

Six of the other countries of Europe had nominally the bimetallic standard—namely, France, Italy, Belgium, Switzerland, Greece and Spain. But of these only two—Belgium and Switzerland—were actually using coin, all the others, by reason of wars then but recently concluded, using inconvertible paper and making no demand for coin of either metal. The countries then formally on the silver standard were Germany, Austria, Russia, Sweden and Norway, Denmark and Holland. Of those Austria and Russia were without coin and transacting their business on inconvertible paper money. The people of the United States, as is well known, were also at the time transacting their business with paper money. Placing the several countries in separate categories, according to their actual condition in 1871, we have the following results:

Countries making demand for gold alone—Great Britain and Portugal.

Countries making demand for gold or silver indifferently—Belgium and Switzerland.

Countries making demand for silver alone—Germany, Sweden and Norway, Denmark and Holland.

Countries making no demand for coin of either metal, but using inconvertible paper money—Austria, Russia, Turkey, France, Italy, Greece, Spain and the United States.

In Belgium and Switzerland, both of which were on the bimetallic standard, silver money was as useful and as welcome as gold, so that those countries made no demand that was imperative for either of the metals in preference to the other.

In Germany, Holland, Sweden and Norway there was no demand for gold as money. All the other countries named, with the exception of Great Britain and Portugal, were at that time, as matter of fact, upon the paper standard and made no demand for gold. The population of those two countries therefore (being in 1870 respectively \$1,600,000 and 4,000,000, or in all less than 56,000,000) comprised the entire population of Europe and America that made an imperative demand on gold for monetary purposes. Let us compare that demand with the demand of today.

What are the countries of Europe and America now demanding gold, struggling for it, and endeavoring to conduct their business with it? Those actually on the gold standard are the following:

Great Britain, with a population of 38,000,000; Germany, 50,000,000; Austria, 40,000,000; Turkey, 33,000,000; Scandinavian union (Norway, Sweden, Denmark), 9,000,000; Egypt, 7,000,000.

As our bonds have always been paid in gold, we must add to this group our own country with its 67,000,000 population. Inasmuch as Holland and the countries of the Latin union have closed their mints to the unrestricted coinage of silver, and although not on the gold standard have entered upon the struggle for gold in order to make international payments, we must also add the 85,000,000 comprising the combined populations of Holland, France, Italy, Switzerland, Belgium and Greece, resulting in a colossal struggle for gold participated in by 330,000,000 people, and this notwithstanding the admission of Mr. Giffen that substantially none of the gold yielded annually from the mines becomes, or, if minted, remains, money, but is absorbed by the arts and manufactures!

This is a population nine times that which in 1871 made demand for gold, yet we are informed by the advocates of the gold standard that there is an ample supply of gold for all purposes, and that the fall of commercial prices has been brought about by new inventions!

Bond Buyers Always Scrutinize the Standard of Payment.

People who buy bonds do not buy them from altruistic motives. They buy them for their own profit and advan-

tage. They buy bonds of the United States, as they buy all bonds, only after careful scrutiny of the terms on the face of the bonds and of the laws by authority of which these bonds have been issued. They look sharply to the figures which show the dates of payment of principal and interest; but, above all and rising beyond all other considerations, they look to the medium, or, as they term it, the standard in which the payment is, by the terms of the bond, to be made.

To suppose that such a feature is neglected would be to suppose that public creditors, the keenest of men, had lost their cunning. Every bond ever issued has in plain terms stated on its face the authority for its existence. It contains a clear citation of the law or laws which constitute the reason for its being. These laws are open to public inspection. No class of persons better than public creditors so well understand the limitations which the laws of all civilized nations place upon the functions of executive officers with respect to issuing bonds or incurring debts or obligations on behalf of their country. They know that the duties of those officers in connection with loans are specified in the laws by which the loans are authorized to be effected. Hence these loans are examined as with a mental microscope to see that no doubt exists as to the authority of the officer who executes the securities, and as to all other particulars concerning payment of the obligation. If they did not observe on the bond the plain printed statement that it was payable in the standard coin of the United States of July 14, 1870, they must have been blind indeed.

I have never heard a denial by any one having knowledge of the legislation under which the bonds were issued that it is the legal right of the United States to pay those bonds in either gold or silver coin. It is said that at the time of the negotiation of the bonds silver money was out of use in this country. The sufficient answer to that is that gold was equally out of use. It is said that the bonds were sold to citizens or subjects of countries in which silver was not recognized as money. This was certainly not true of Germany, in which country early and considerable sales were made.

Germany was on the silver standard until December, 1871, and had considerable silver in its coin for a long time after that. Besides, our bonds were not, either by their terms or by implication, payable in foreign countries or in the money of those countries. They were payable within the United States, and it was distinctly affirmed on their face that they were payable in dollars of the United States. If the citizens or subjects of foreign countries who bought such bonds did not understand what a dollar of the United States meant, they could not have had the slightest difficulty in ascertaining, and of course they did ascertain.

The Fall of Prices—A "Premium" Which Producers Have to Pay.

When the number of dollars in a country is from any cause reduced, there is a tendency to a fall in the prices of commodities. If, then, a man be engaged in productive operations in this country, and if by reason of the outward flow of gold to meet foreign payments a fall takes place in the prices of the products of his labor, compelling him to accept less for those products than he otherwise would receive, he suffers a loss which, though not called a "premium," is in tenor and effect a premium on gold. So far as he is concerned he is so much the poorer by reason of the outflow of the money of the country.

Why quibble about names? In order that a payment may be entitled to be called a "premium," and to involve the serious consequences attributed to a premium, is it necessary that it shall be paid by a particular person? If a farmer, planter or manufacturer in this country is compelled to pay \$100 through the medium of products, the prices of which have been to that extent reduced owing to the maintenance of the gold standard, what but the mere name is the difference between that man's payment and the payment of the banker or broker who disburses \$100 as a difference in exchange and on his books enters the amount as a "premium?" If an American farmer, hatter or shoemaker has to give more of the products of his labor for gold, what divinity doth hedge around the American banker or broker which entitles him to call his occasional payment a "premium," while the constant and persistent payments of the producers are called a mere "fall in price?"

If farm products fall 10 per cent by reason of the sending out of gold, if the product of the shoemaker's labor is similarly reduced, as well as that of men engaged in all other industries, is not that 10 per cent a premium on gold? And if not, does it differ in anything but the name? Being a loss caused by the gold standard, does it not have all the effect of a premium? Is it not in nature and substance a premium? Yet the importer says, and our financiers and statesmen all unite in saying, that so long as it is the producer who is suffering the loss everything is all right, and that it is only when it becomes the turn of the importer or the money broker to pay that "the times are out of joint." So long as the producing classes do the paying it attracts no attention, but as soon as the broker or importer has to

pay a great wall is heard. The masses of the people take no note of changes in the value of money, but the banking and creditor interests are keen to observe all such changes. Whenever a variation of value appears between two forms of money, they select the form which commands the greatest amount of property, and loudly proclaim that to be the "best" money and the only "honest" money, while the other form, which may have retained its value unimpaired, and therefore be an exactly just and equitable measure of value, is derided as "cheap" and dishonest money. The gold standard advocates never speak of any advance in the value of the dearer metal. By them the change is always made to appear as a decline in the value of the other metal, which may, in fact, have suffered no decline.

JOHN P. JONES.

Glassmakers.

Baron von Lowhan, in his "Analysis of Nobility In Its Origin," states that "so useful were the glassmakers at one period in Venice and so considerable the revenue accruing to the republic from their manufacture that to encourage the men engaged in it to remain in Murano the senate made them all burghesses of Venice, and allowed nobles to marry their daughters. Whereas, if a nobleman marries the daughter of any other tradesman, the issue is not reputed noble."—Boston Herald.

THE DEVIL'S MARK.

If You See a Man With a Wart on His Nose, Beware of Him.

A correspondent of the New York Sun has sent the following amusing letter in regard to the devil's marks on people:

To the Editor of The Sun:
Sir—In last Friday's Sun, in the article "Good and Bad," you wish to know how to detect the "devil's marks" on people's faces. You can find an answer to your question in chapter 81 of "Tom Burke of Ours." To save you investigation I quote the part:

"You were a United Irishman, Mr. McKeown, I believe?" rejoined the counsel with a frown of stern intimidation.

"Yes, sir, and a White Boy, and a Defender, and a Thresher besides. I was in all the fun of them times."

"The Threshers are the fellows, I believe, who must beat any man they are appointed to attack. Isn't that so?"

"Yes, sir."

"So that if I was mentioned to you as a person to be assaulted, although I had never done you any injury, you'd not hesitate to waylay me?"

"No, sir; I wouldn't do that. I'd not touch yer honor."

"Come, come, what do you mean? Why wouldn't you touch me?"

"I'd rather not tell, as it was pleasing to ye." "You must tell, sir. Speak out! Why wouldn't you attack me?"

"They say, sir," said Darby, and as he spoke his voice assumed a peculiar lisp, meant to express great modesty, "they say, sir, that when a man has a big wart on his nose there, like yer honor, it's not lucky to hate him, for that's the way the devil marks his own."

PREACHES ADAMLIKE.

Not Even a Fig Leaf on the Followers of Rev. John Morrow.

The Rev. C. W. Savidge, one of the best known ministers in Omaha, makes startling charges against the Rev. J. Morrow of Pittsburg. He became acquainted with Morrow some years ago, while that gentleman was a minister of the Presbyterian church, and when Morrow went to Omaha received him kindly.

Strange stories came to his ears concerning Morrow's doings and religious teachings, and Savidge started an investigation. The reports were to the effect that Morrow was preaching that the proper way to worship God was in a state of absolute nudity.

Savidge says he first went to Morrow and asked him as to the truth of the stories, and that he admitted that he had not only preached such a doctrine, but that it had actually been practiced by his congregation. He justified his action by passages from the Bible—viz: II Samuel vi, 20; I Samuel xix, 24, and Isaiah xx, 3.—New York Recorder.

A Gas That Will Not Burn.

The Middle Fork settlement, west of Kokomo, Ind., is much excited over the peculiar actions of a gas well being drilled on the Harness farm by Frank Wilhelm. At a depth of 50 feet the workmen were driven from the scene by a foul odor that came up with such force that its roar could be heard for a mile. The vapor comes from neither gas nor oil, as it will not burn. The stench drove the people from their homes in a panic. The oldest gas drillers are puzzled over the strange visitation and are at a loss to know how to restrain it. The mysterious noxious vapor flows with no indications of abatement and is so offensive no one can go near it. State Gas Inspector Leach is investigating the matter.—Indianapolis Journal.

Opera In London.

One of the features of the next opera season in London will be the appearance of Mme. Bellincioni in the new opera "Eros." The score of the opera is by Signor Maus, while the libretto has been written by Mme. Bellincioni herself, an unusual achievement for a prima donna.—New York World.

Not Political.

The Joan of Arc boom has no political significance.—Nashville American.

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