

# THE MONEY QUESTION.

## A Key to the Financial Situation.

HON. JOHN P. JONES ON FINANCE.

The Quantitative Theory of Money—Value of Dollars as Compared to the Number Issued—If Money Were of Unlimited Quantity, It Would Have No Value.

Political economy has been called "the dismal science." The most dismal branch of it, if men are to endeavor to force conclusions to fit some preconceived theory without reference to principles, is that which relates to money. The persistent determination to make the whole science subordinate to the absurdities of the gold standard has operated like a Westinghouse brake on the progress of the civilized world.

But there is one principle of monetary science that, if held steadfastly in view, will constitute an unerring guide through what would otherwise be a path of inextricable difficulty.

That principle is that the value of the unit of money in any country is determined by the number of units in circulation. In other words, the value of every dollar depends on the number of dollars out.

The greater the number of dollars out, other things being equal, the less will be the value of each dollar; the fewer the number out, other things remaining the same, the greater the value of each, and this without any regard whatever to the material of which the dollars are composed. This is the key to the financial situation in the United States. Much more, it is the key to the financial situation in every land. Without this key it is in vain that the student attempts to unlock the door leading to the arcana of monetary knowledge. Unlike many of the locks made by man, the lock on that door is unpickable. The household of science is one that thieves cannot break through and steal. He who would enter must first find the key. With this key in hand, the most secret recesses may be explored with confidence. Without it, the student travels in a circle, returning after much labor to the point from which he started upon his journey. Like one in a maze, when most confidently expecting to find his way out he but sees himself coming up against impassable barriers.

If money were unlimited in quantity, it would have no value whatever. Nothing has value that is unlimited in quantity. If instead of sand the ocean beach were strewn with gold dust, it would have no value whatever as a commodity. Yet if that gold dust were taken up and coined into pieces of money, the number of such pieces being limited, they would have value precisely as goldpieces have value today. And, on the other hand, as Adam Smith says, if gold should reach a certain degree of scarcity, the slightest bit of it might become as valuable as a diamond.

So absolutely clear are the leading writers that the value of money unit is in every case, other things being equal, determined by the number of units out and does not depend on the material of which the money may be composed that they have not the slightest hesitation in asserting that the rule applies even to uncovered paper money, so that the value of every dollar of gold and silver in circulation is diminished or increased according as the quantity of paper money is increased or diminished, and, reciprocally as to all of these, the increase in the number of dollars of either kind diminishing the value of each dollar of the others, while the decrease in the number of either increases the value of each of the others, without the slightest regard whatever to the material of which either of the dollars is composed.

If this be so, if the value of the unit of money depends not on the material of the dollars, but on their quantity, what becomes of the gold standard? If this be so, inasmuch as silver has been utilized as money since the dawn of creation, why abandon it now, unless senators are prepared to abandon the automatic system altogether? If we must by legislation compel a change in the value of money, why legislate so that it can change in one direction only, and that the direction which is always favorable to the classes that lend money and live idly on their incomes, the direction most injurious to society, most fatal to industry, most narcotizing to energy?

The idea that the value of a treasury note issued by a government such as ours is not based on the number issued, but on something behind the note, or upon the credit of the government, defers the whole idea of money. It is clung to because people have been accustomed to look upon money as something of "intrinsic" value, and on that theory they have been at a loss to account for the fact that uncovered paper dollars, when sufficiently restricted in number, have precisely the same purchasing power as gold money, quantity for quantity. There is no question of credit about it. No man takes a piece of money of any kind, whether gold or silver or paper, as a piece of credit. If it is not legal tender, it is not, in the true and full sense, money at all; if a full legal tender, it needs nothing behind it but the law which makes it a legal tender

for all debts and demands, and a regulation of its quantity, to maintain the monetary unit at any desired level of value.

It is not the credit, but the power of the government that is behind it in the law of legal tender and in the right to increase or diminish the issues. Taxes are payable in money, and debts are payable in money, and the only way that people can get money with which to pay debts or taxes is by competing with one another for it in all the occupations of life. It is this universal competition to get it that fixes the value of all kinds of money, as it is competition that fixes the value of all other things. In this work of competition the number of dollars to be competed for, other things being unchanged, must determine the value of each dollar.

**Standards of Value.**  
We are informed by so called "financiers" and statisticians, and by an army of ready made political economists among the gold standard press—gentlemen who have not taken the trouble to carefully study the subject—that the value of gold is unchanging, and that to attempt to depart from what is called the "gold standard" would be to set at naught all the principles of justice and even to defy the very laws of nature. This is an argument used only since the demonetization of silver. Up to that time it was well recognized by all who gave any attention to the subject of money, and is still well recognized by all the authorities on political economy, that both silver and gold are variable in value. So serious indeed have from time to time been the variations in the value of money that thoughtful men—some of them distinguished economists—have long observed and commented on the gross injustice which such variations involve, and various suggestions have been made of methods for securing stability of value in the monetary unit.

Up to the period when the creditors discovered the ingenious plan of surreptitiously increasing by an appeal to the legislative arm of all governments the value of all debts due, and to become due, to them, by depriving debtors of the immemorial right to pay in either of the two metals, it was acknowledged by the most eminent economists that the adoption of a single metal as a so called "standard" of money did not secure so great a degree of uniformity in value as the adoption of both metals. This may seem a paradox to those who have not reflected on the essential nature of money and upon the method by which it obtains what is termed its "value," which it does through the medium of the prices of commodities. They ask: How can there be a standard composed of two things? Must not a standard be one? Can it be two or more?

**Material, Quantity and Credit.**  
The seeming paradox involved in the idea that what is called a "standard of value" may be composed of more than one material is made plain when it is borne in mind that it is not the material, but the quantity, of money which constitutes the standard. The quality to which in the case of value the word "standard" is applied is not a quality inhering in the material of the money. Value, as I have shown, does not reside in any article or in the substance of any article. When the consideration to be kept in view is not an object, but a service—not a material, but a function—the instrument by which that service or function is performed need not necessarily be limited to one material. Inasmuch as the purpose to be served is the attainment of a correct result, whatever the material by which it may be accomplished, such a number of materials as may be induced to that end should without hesitation be employed. If we wish to obtain a bushel which shall indicate the correct time, we do not insist that it shall be made of one material. The material of which money is made is no more a standard of value than the material of a clock is the standard of time.

The yardstick which by statute is declared to be the metal for all other yardsticks is made of brass, and bronze is not, therefore, a standard of length. A bushel measure may be composed of any material or of any number of materials combined, but this makes no difference so long as the precise purpose sought is attained—namely, the securing of perfect accuracy of measurement. If we assume the model or "standard" bushel measure to be composed of brass, it is not the brass that is the "standard of measure." Assuming that all bushel measures were made of brass, then this particular piece of brass comprising the model constitutes a standard by which to test the metal of which all future bushel measures may be made, but this does not constitute brass per se a "standard" of cubical content.

Credits aid in the establishment and maintenance of prices, but credits are themselves based on the quantity of money available for liquidation. They can be safely extended only to the degree to which money payments can in the ordinary course of business be made. No one will pretend to say that credits can be wisely extended beyond that point.

Hence a gold standard means the maintenance of a level of prices consistent with the quantity in use as money.

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which means a level of prices on the average the same as those prevailing in gold using countries. This must be clear from the consideration that if from a country which possessed no gold mines all the gold had been sent out it could be attracted back only to buy commodities, which clearly means that unless the prices of the commodities forming the subject of international trade were for the moment lower here than in the country from which the gold should come we could not have exported the commodities except at a loss.

JOHN P. JONES.

**The Boxes Less Popular Than the Guides.**  
After having been shown through the grounds and buildings of Sailors' Snug Harbor a gentleman offered to tip his guide, an old seadog.

"I'm much obliged to you," said the latter, "but I can't take anything. We guides used to accept money from visitors and turn it over to the general fund, but the managers were apparently suspicious of our honesty. Now we can't take anything, and the visitor's attention is attracted to contribution boxes placed about the corridors of the buildings. As a result the donations have fallen off 75 per cent, because while the people are usually moved to reward a polite guide they are not so ready to add to the funds of a rich corporation. That's what comes of being too suspicious and too greedy."

The old fellow accepted a cigar, however.—New York Sun.

## SATANIC CRUELITIES.

### HORRIBLE STORIES TOLD OF BULGARIA'S MURDERED PATRIOT.

**The Brother of the Man Accused of Stambuloff's Murder Paints Him as an Inhuman Fiend—Tortures Worse Than the Inquisition—A Boy Burned Alive.**

Naoum Tufkchev, who has been arrested at Sofia on suspicion of being the murderer of M. Stambuloff of Bulgaria, has a brother studying at the university at Liege, who recently told a reporter of the Paris Figaro a romantic story of the reasons his family had for hating Stambuloff. He asserted his belief that his brother is innocent of the crime of which he is accused, while the reporter found it difficult to believe the story he told. This is what he said:

"My brother, like a great many other Macedonians living in Sofia, was a close friend of Major Panitza, who had taken up the demands of Macedonia, whose rights were and still are overlooked in spite of the treaty of Berlin. It was simply a friendship, however, such as bound my brother, for instance, to M. Petkoff, mayor of Sofia and Stambuloff's friend.

"When the Panitza plot broke out, ending in the condemnation and execution of the conspirator, my brother was studying here at the Liege university. He had been noticed by the Prince of Battenberg and had been sent by him to finish his education in Belgium with money from his private purse. He promised him a place as equipment officer in the Bulgarian army on his return. After the discovery of the plot many persons were arrested at Sofia. By Stambuloff's order all those who in any way had been connected with Panitza were included. Among them the tyrant arrested my youngest brother, Dentcho,

only 17 years old, who had just come from Macedonia to finish his studies at the Sofia high school.

"Stambuloff, it appears, believed that the Bulgarians living at Liege were in constant correspondence with Panitza. For six long months he subjected the little fellow to torture that cannot be imagined, in trying to draw from him the admission that Naoum, my older brother, was connected with the plot. The boy knew nothing; Stambuloff could get nothing out of him; he had exercised his ingenuity, however, in multiplying the most dreadful tortures, till one day in his presence the executioners in his pay tore out the nails from the hands and feet of the poor martyr, and made him endure still more barbarous acts.

"The boy, who behaved like a hero to the very end—we found out all the details when the tyrant was overthrown and we have proofs of all I tell you—refused steadfastly to accuse Naoum. At last, exasperated, he spat in Stambuloff's face, crying out, 'Tyrant, I despise thee; thou shalt know nothing.' That decided his fate. Stambuloff had kerosene poured over him and he was burned alive.

"Stambuloff's accusation when he was dying is explained as follows: He must have felt remorse for the atrocious death of Dentcho, if he had any human feeling left. Knowing that his life was in constant danger, he probably believed that my family wished to avenge the martyr. Consequently, as he hardly preserved his senses after the crime, he must have named my older brother as one of the probable assassins."

### To Boom Oregon and Washington.

Oregon and Washington people have lately started to boom their state products for eastern consumption in a large way. They are particularly anxious to sell fruit in the east, because there has been a notable development in the fruit raising industry in their region of late years. They are making the novel claim that much of California's reputation for fine fruits has been made on Oregon and Washington products.

Great quantities of fruit from these states have been sold to California buyers, and, it is alleged, shipped east as California fruit. A recent case offered in proof is the receipt of an order by a Salem (Or.) cannery from a California fruit packing house for 500 cases of canned cherries, "to be shipped without labels." The inference is that the fruit would be labeled as California product and sent east. Under the new policy of booming their own state the cannery managers declined to fill the order.—New York Sun.

### Their Sixtieth Anniversary.

Leonard Leachman and wife, well to do people, living near Worthville, in Carroll county, have just celebrated the sixtieth anniversary of their marriage. Mrs. Leachman's maiden name was Lewis, and she and her husband were both born in the neighborhood where they now live. They have lived nearly all their married life on the farm upon which they reside. Both are remarkably well preserved—he at 83 years and she at 82—and bid fair to live many more years. They have a large family of children and grandchildren.—Louisville Courier-Journal.

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**FOR SALE**—A second hand steam engine; stationary, seven horse power; used for a time in this office, but displaced to make room for a smaller engine; needs some repairs; \$80 cash buys it. This is a bargain. Address "Madisonian."

**NOTICE**—Sealed bids will be received at my office, at Virginia City, Montana, up to and including September 10th, 1895, for the digging of ditch, laying of pipe and covering same, putting in hydrants, and completing a water pipe line from springs to, and through cemetery. Bids for digging and filling must be by the rod. Specifications furnished on application. Right reserved to reject any and all bids.  
W. A. CLARK, Trustee.

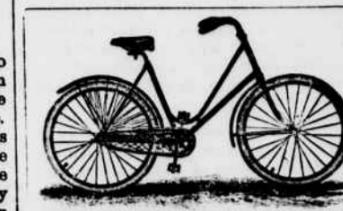
**NOTICE to Creditors**—Estate of Etta F. Parker, deceased. Notice is hereby given by the undersigned administrator of the estate of Etta F. Parker deceased, to the creditors of and all persons having claims against the said deceased, to exhibit them, with the necessary vouchers, within ten months after the first publication of this notice, to the said administrator at his office in the City of Virginia, County of Madison, State of Montana. Dated this 28th day of August, 1895.  
JULIAN A. KNIGHT, Administrator of the estate of said deceased.

First publication August 31, 1895. 45-3t.

**NOTICE for Publication of Time Appointed for Proving Will, etc.**  
State of Montana, county of Madison. In the district court in the matter of the estate of George H. Godwin, deceased. Notice for publication of time appointed for proving will.

Pursuant to an order of said court, made on the 26th day of August, 1895, notice is hereby given, that Tuesday the 17th day of Sept. 1895, at ten o'clock a. m. of said day, at the court room of said court, at the court house in the City of Virginia, county of Madison, has been appointed as the time and place for proving the will of said George H. Godwin deceased, and for hearing the application of Peter LeBeau for the issuance to Julian A. Knight of letters of administration with the will annexed, when and where any person interested may appear and contest the same.  
Dated August 26th, 1895.  
THOMAS DUNCAN, Clerk.

First publication Aug. 31, 1895. 45-3



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