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MR. GAGE'S MISTAKE.

TAKEN TO TASK BY A STUDENT OF FINANCE.

The Secretary of the Treasury Is Undoubtedly a Skillful Money-Changer but Is Ignorant of the Science of Money.

It stands to reason that a bimetallic standard would give a nearer approach to stability, and hence honesty, in the future than a standard based on gold alone, for the average fluctuations of two commodities is likely to be less extreme than the fluctuations of one. But, as we have said, a measure of value of strict invariableness in purchasing power, and hence of honesty, is not to be thus obtained. Such invariableness cannot be secured until the volume of money is regulated by its purchasing power, until it is increased just as an increase is shown to be needed by a tendency of prices to fall and provision is made for decreasing the volume of currency if a spirit of inflation is evinced by a tendency of prices to rise abnormally. And no assurance can be given of this while we base the supply of money upon the fluctuations in the supply of two commodities. Still, the making of the supply of money dependent on the supply of two metals, gold and silver, instead of one, would be an assurance of greater stability, of a nearer approach to honesty, and this is what is contended by bimetallists.

It is further contended by bimetallists that the opening of the mints to free silver coinage would fix mint price for silver as the price is now fixed for gold, and that this would be followed by such equalization of the demand for gold and silver that the commercial parity of gold and silver would be restored to the mint parity. In short, it is contended that under bimetallism the demand for money would adjust itself so as to restore and maintain this parity; that the demand for silver would be so increased and the demand for gold for coinage so diminished that the commercial parity between gold and silver would at once be restored at the mint ratio, the purchasing power of silver bullion increasing with the increased demand and the purchasing power of gold diminishing until parity was reached. And after parity was once reached it would be maintained, for it is evident that self-interest must impel debtors to make use of the money of full debt-paying power that they can most readily get, and so the moment one metal became relatively abundant for coinage, the demand for it would become relatively greater, while the demand for the other metal would become proportionately less. The inevitable result would be to check any tendency of the most abundant metal to fall below par and to keep the relatively scarcer metal from rising above par. These are the results claimed by bimetallists.

But now Mr. Gage, who has been drawn into a newspaper interview, comes forward and tells us that there is no basis for the contentions of bimetallists; that bimetallism, meaning the free coinage of both gold and silver into full legal tender money, is really a very different thing from what bimetallists contend. "In the first place," he asserts, "there is, properly speaking, no mint price for gold or silver." But when we turn to Dr. Linderman's work on "Money and Legal Tender in the United States," published in 1877, when he was director of the mint, and which is first authority on such matters, we find in the first chapter of his work devoted to a "brief explanation of terms commonly used in treating of bullion, mints, coinage and money," this definition of the

"Mint price of gold or silver—the rate per standard ounce at which the mint converts bullion into unlimited legal tender coins."

So it is quite clear that under free coinage at which a coinage rate is fixed for the conversion of bullion into coin, there is a mint price as defined by the first of gold authorities on such matters. And that Mr. Gage is unaware of the accepted meaning of the term "mint price" is not the fault of bimetallists.

It is very true, as Mr. Gage asserts, that "all the mint does with the man who brings to the mint a certain number of grains of uncoined gold, is to give him in return the same number of grains of coined gold, less enough to pay for the metal alloy used by the mint in coining." But this is equivalent to fixing a minimum price for gold for no man, when he can take standard gold to the mint, that is, gold nine parts pure gold and one part alloy, and have it coined and returned to him as gold coin at the rate of $18.60 for every ounce deposited, will sell an ounce of standard gold for less than this, the mint price, nor will any man sell pure gold at a less rate than $20.67 an ounce, this being the amount of gold coin that a pure ounce of gold will make, and what is true of gold would be, under free coinage, true of silver. The price of pure silver at our present mint ratio would be fixed at $1.2929 per ounce and the mint price per standard ounce at $1.16 4-11.

But Mr. Gage asserts that this coinage of silver would not make a demand for silver, that the government would not buy silver, but would merely give silver dollars in return for silver bullion. The latter part of this is true; the government would not purchase the silver, and would not in itself make a demand for silver, but with the mints open to free silver coinage, every man with debts to pay would make a demand for silver and every debtor would be a buyer of silver bullion or dollars as long as any could be had cheaper than gold, just as every debtor would be a purchaser of silver dollars today and no debtors, save those with gold contracts to meet, purchasers of gold dollars, if silver dollars could be had cheaper than gold.

Mr. Gage asserts that debtors would not in general, under free coinage, use silver in payment of their debts, that most debtors would prefer to "keep their honor and integrity," that "many will do it at any sacrifice," and that only "a few will forfeit both for the most paltry consideration." But debtors do not consider today that they are forfeiting honor and integrity when they offer silver dollars or silver certificates in payment of their debts, and creditors do not hold them in any the less respect because they do so. And it would be the same under free silver coinage.

It is said that the case would be different, that silver dollars are now worth just as much as gold dollars, that they would not be under free coinage. But what makes silver dollars and their representatives—silver certificates—worth just as much as gold dollars today? Nothing at all, save the fact that debtors use them in payment of their debts when they are more plentiful, whenever the banks pay them out in preference to gold or greenbacks. If debtors did not so use them silver dollars could not now be kept at par with gold. And as they are kept at par today—namely, by the commercial demand for them, so the new dollars coined under free silver coinage would be kept at par.

It is indeed asserted that so many would be coined under free coinage that they would more than fill the demands for money, that there would be no demand for gold. If so, gold would go to a premium, go out of use as money, be exported to where it could be used as money. But it if did, the volume of money in gold standard countries would be appreciably expanded and gold cheapened, while the demand of the American people for money falling solely on silver would cause that metal to rise. And as our domestic exchanges equal the exchanges, domestic and foreign, of all continental Europe, excepting Russia, there is no measure of doubt that silver would rise until it reached a parity with gold that would fall. Indeed, there is no reason to suppose that the free coinage of silver would disturb the present parity between gold and our silver dollars. It would bring the commercial parity of gold and silver together, leaving the parity between the gold and silver we now have in use as money undisturbed. This would be effected by a rise in the purchasing power of silver bullion, and a coincident decline in the purchasing power of gold and silver dollars, which decline would be measured by a general rise of prices.

WHARTON BARKER.

FRANCE AND SILVER.

French Premier, M. Meline, Suggests a Ratio of 15 1-2 to 1.

The London Times, in a special article dealing with the causes which led France to propose the free coinage of silver, says that the French ambassador proposed 15½ to 1 as the ratio at which France would open her mints, and then proceeds to review the bimetallic movement in France. It points out that in spite of protection the price of wheat continued to fall in France until M. Meline, in 1895, in view of the immense agricultural vote, changed front and decided that as protection had failed and a high price for wheat was necessary bimetallism must be tried. The Times continues:

"At the conference in May, in the presence of M. Loubet and of M. Magnin, he (M. Meline) said to Senator Wolcott: 'Our support will not be wanting.'

"It must be said then that what the Times hinted is absolutely correct. Politics is at the bottom of all this. It is stated in the city that France is not serious and that the governor of the bank is aware of this. Do not let us be too sure in questioning the statements, and avowals of leading French statesmen, for we shall be neither courteous nor prudent in doing so and may even be mistaken in the facts in the case."

A Word to the Overpaid.

Say, you over-paid, over-fed, well-housed and well-clothed free and independent American citizen, who can't get a job to save your neck, I suppose you think the collective ownership of the railroads, telephones, coal mines, oil wells, etc., etc., would destroy your individuality and reduce you to a condition of slavery, don't you? Did you ever observe to what a condition of slavery Uncle Samuel has reduced his letter carriers? They work eight hours a day, and get from $75 to $100 a month for it.—Rights of Man.

H. A. BELL HAS A PLAN

PERPETUAL MONEY WOULD CREATE A KLONDIKE.

Prosperity Sure to Follow Its Adoption—No Bonds to Eat the Profit on the People's Labor—The Burden of Interest Explained.

Editor State Register (Springfield, Ill.):—We see the claim made that the Klondike country can, or will turn out in the next two years, one thousand tons of gold, at which rate in three years it could turn out one thousand million dollars' worth—about one-fourth as much gold money as is now supposed to be in the world. That sounds pretty large, but if we had the perpetual money and industrial system in force as proposed in The New Idea, we could beat that nearer home in both wealth and money by putting one million idle men at work at $2 per day for three years, or 900 days, which would give us eighteen hundred million dollars of actual wealth. Now, while you may not agree with me, or indorse the plan, I feel sure that many of your readers, after reading the work, will agree with me in the claim that the perpetual money proposed in The New Idea would be the best money the world ever saw, and that the system would give the best results to mankind of any system ever known to the world, from the fact as coined and issued wealth would be added to the country, and everybody would be employed in making a living.

As eighteen hundred million dollars would be issued, we would have that amount of additional government wealth in property serving us, and the additional eighteen hundred million dollars of absolute legal tender money in circulation without bond or mortgage; besides, we would have millions of private wealth added to our country, to the extent of homes and other improvements, from the earnings of the ones who worked and built the proposed government wealth.

Money so issued or coined would be many fold better for our country than like amount of dollars' worth of gold being found by a few persons, as only comparatively few would be employed in getting out the gold, and, except for the needs of the few owners, the gold would not get into circulation without government or corporation bonds or individual mortgages. If the owners of it should build railroads, they would issue stock and bonds to themselves, so as to draw dividends and interest, and hence we would still have bonds on transportation—bonds on all the people during all our lives and to be extended on to unborn generations—a crime which ought not to be tolerated. Under the perpetual money and industrial system proposed in the New Idea, we would have the wealth added to our country free from debts, mortgages and bonds forever.

If the people whom this most affects, regardless of party politics, would look into the proposed plan and study it for sixty days, they would likely have it in operation before five years. If said system had been in effect the nineteen years prior to 1896, there would have been saved to the people in railroad transportation alone on the same amount of business over five and a half billion dollars (more gold money than in the world); besides railway employes, except high salaried officials, would have received better pay, and every other class of labor would have been employed at good wages, all the while, adding millions more wealth to our country.

Each perpetual dollar coined or issued in payment for government property—wealth—would be a title in the hands of the persons receiving it for a dollar's worth of any commodity at market price or at the price offered for sale anywhere in the United States, and legal tender for services (taxes) debts or claims of any kind in our country.

This perpetual money would come from prosperity—from labor adding wealth to our country—wealth free from bonds. Prosperity coming from confidence money is only spasmodic to result in a panic each few years, or as soon as that confidence money eats up all its worth in interest and dividends, or when it wants an extension of interest-bearing bonds. If people could but comprehend the enormity of interest on perpetual bonds to be piled upon posterity, to say nothing of dividends, they would not suffer another bond to be issued under any circumstances.

Dr. C. F. Taylor, editor of The Medical World, Philadelphia, got professor H. E. Whitaker of that city to calculate the interest on one dollar for 1896 years. Having no time to verify the figures before closing this article we will quote Dr. Taylor in The Medical World of February, 1897. "Had one dollar been loaned on the first day of January, A. D. 1, interest being allowed at the rate of 4 per cent per annum compounded quarterly, then 1896 years later—that is, on January 1, 1896, the amount would be $593,333,360,819,-160,830,000,000,000,000,000,000 (593 nonillion dollars). If it were desired to pay this in gold 23.22 grains to the dollar then taking spheres of pure gold the size of the earth, it would require 51,858.3 of them to pay the amount.

"A single sphere of gold to pay the debt would have a diameter of 294.957 miles. Just think of it. Over fifty thousand worlds all pure gold to pay for that dollar.

"Shall we now ask which is accounted the most important in our civilization, the man or the dollar? Here is the record of only one dollar, but it draws interest for a very long time. Now think of our national bonded indebtedness, which, it seems, a certain class of people want to make perpetual.

"Further, our states, counties and municipalities have fallen into the bond habit. And still further our railroad bonds amount to more than all these combined, issued mostly on fictitious values, but the people have to pay interest on it all in the form of exorbitant and ruinous transportation rates. (Added to all the farmer buys and taken from the price of all he ships from his farm.)

"The attempt has been made, and will be made again, to make all these payable in gold. In the light of the above calculation, the 'goose that lays golden eggs' must retire to an insignificant place and God must come forward and change the planets into gold to pay these bonds. Let us place high upon our banner this motto: 'No More Bonds Forever.'"

Let us hope that Dr. Taylor and other able men as he will join in and get the people to make a start by adopting a perpetual money and industrial system as proposed in The New Idea. If once started, the people can soon release themselves from transportation bonds without wronging anyone of his rights and without the loss of one dollar's worth of property. In place of loss to any one they would add millions of real wealth to our country daily and everybody would have plenty to do at good pay.

Yes, in perpetual money so good that less than five dollars would pay for a ride to New York or San Francisco, and so plentiful that a section hand could pay for it with a couple of days' wages or less. Respectfully,

HENRY ALLEN BELL.

Inheritance Tax Decision.

The supreme court of California has decided that the inheritance tax law of that state, enacted in 1893, is constitutional and valid. This is a valuable contribution to the judicial decisions on the subject. The California law does not provide for a graded tax. But it has other features of discrimination which have caused similar legislation in several states to be assailed in the courts. The tax is levied only on collateral heirs and estates of small value are exempt. According to the statute of California inheritances descending to children and brothers and sisters are exempt from taxation. All inheritances of $500 or less, whether going to direct or collateral heirs, pay no tax. The tax is uniform on all estates of over $500 going to collateral heirs—that is, to relatives not of full blood, like children or brothers and sisters of the deceased. There has been no judicial decision in any state declaring that discrimination against heirs on account of their degrees of consanguinity invalidates the tax on inheritances. Adverse decisions rested on the ground that estates were taxed according to graded values—large estates at a higher rate per cent than small estates. On this ground the act of Ohio was held to be void as destroying the uniformity of taxation. Governor Black of New York vetoed a bill of the last legislature of that state providing for a graded tax. The courts in other states, including Illinois, have decided that a graded tax is constitutional—that it does not violate the rule of uniformity in taxation, because it is in the nature of a license to bequeath and inherit property—not a tax on the property. This is the more enlightened view of the question and probably will prevail in the final adjudication of the question.

Standard of Impracticability.

The secretary of the navy, in a communication to congress lately, states that in the opinion of the ordinance bureau the establishment of an armor plate factory by the government would be impracticable. Of course it is. Anything is impracticable that interferes with combines and trusts. The armor plate manufacturers were liberal contributors to the party slush funds of the campaign. They combined to hold up Uncle Sam, refusing to accept the $300 per ton limit placed by congress on armor plate, despite the alleged fact that some of these factories are supplying Russia with armor plate at $250 per ton. Everything is impracticable nowadays that interferes with the rule of combines, trusts and monopolies in general.—Erie People.

Learn to Labor and to Wait.

The greatest enemy of modern reform is politics, is the agitator who cannot labor as did Jacob. When he failed to get his wife at the end of seven years he labored another seven.—Southern Mercury.

The Unheavenly Twins.

Republicanism and Cleveland democracy still go hand in hand.—Nebraska Independent.

M'KINLEY'S RECORD.

HE HAS ALWAYS SUPPORTED FREE SILVER

And Has Never Explained His Change of Base—Just Obeyed Wall Street's Orders and Said Nothing—He Is One of the Weakest.

McKinley's record as an advocate of the free coinage of silver has been unearthed in detail by Congressman Gaines of Tennessee, and was published in the Congressional Record of August 11, thus:

January 29, 1876, Mr. McKinley voted for a resolution offered by Senator Stanley Mathews of Ohio, declaring that all bonds of the United States are payable, principal and interest, at the option of the government, in silver dollars containing 412½ grains each of standard silver, and that to restore to legal tender in payment of said bonds, principal and interest, is not in violation of the public faith nor in derogation of the rights of the public creditor.

This resolution passed the Senate by a vote of 43 to 22, and the House by a vote of 143 to 70. McKinley voted yea.

February 5, 1877, McKinley voted for the Bland 16 to 1 free coinage of silver act.

February 21, 1878, he voted against laying the Bland bill and Senate amendment on the table. April 8, 1886, he voted against a bill to suspend the coinage of silver under the Bland act.

In 1888, at the Republican national convention, Mr. McKinley reported the platform which declared that "The Republican party is in favor of the use of both silver and gold as money, and condemn the policy of the Democratic administration in its efforts to demonetize silver."

In 1890, Mr. McKinley, as chairman of the House Ways and Means Committee, and leader of the Fifty-first Congress, earnestly advocated the passage of the bullion purchasing act as the next best thing to free coinage.

In May, 1890, he said, in the House, "Men are poorest when everything is lowest and cheapest measured by gold, for everything is highest and dearest when measured by labor."

June 14, 1890, McKinley, in a speech in the House of Representatives, said: "I am in favor of the biggest use of silver in the currency of the country. I would not dishonor it; I would give it credit and honor with gold."

It will be especially noticed that Maj. McKinley voted for the free and unlimited coinage of silver at the ratio of 16 to 1—precisely such a measure as he now stands ready to veto.

This record should be literally "pasted in the hat" for ready reference by everyone interested in public affairs.

Let Anarchy Be a Monopoly.

The executive board of the Social Democracy of America has done well to suspend local branch No. 2 of that organization for incendiary and violent utterances. The tariff barons and their henchmen should be allowed a monopoly of anarchy, as they have achieved a monopoly of pretty nearly everything else. No organization of workingmen can hope to endure—much less to flourish—so long as it countenances, even by indirection, a forcible revolution in our system of government. Other considerations aside, all the power and authority of society are united against such a propaganda, and such forces are irresistible. Revolutionary talk simply puts weapons into the hands of monopoly, which is already too strongly intrenched. Force cannot win in the present struggle. Its employment by the Pennsylvania mine owners has already weakened their cause to an extent which cannot be over-estimated. The coal barons have made a mistake which they would be glad to see workingmen imitate. They have undertaken to override the law, and the almost universal condemnation which they have excited shows the strength of public sentiment against unlawful measures. Not only the Social Democracy, therefore, but all other associations of workingmen, will serve their real interests by adhering strictly to the law and leaving to monopolists the odium of lawlessness. The American people discountenance anarchy, not only in the form of bombs, but in the disguise of judicial usurpation and official homicide. Their reprehension will be as surely felt after Lattimer as it was after Homestead. They are not deceived as to the merits of the case. Let the Social Democracy, therefore, discountenance all talk about hanging monopolists. Those gentry, if given enough rope, will infallibly hang themselves.—Chicago Chronicle.

Hanna's Doctrine.

Hanna starts out in his campaign in Ohio with the following taken from his first speech:

"Our country is the greatest wealth producing country on the earth, and you tillers of the soil are charged with the duty of protecting it."

But when it comes to appointing a currency commissioner the farmers are expected to attend to their potatoes while the bankers fix things.—Dakota Ruralist.

POINTS FROM THE PRESS.

We will not have honest money until we put honest men in congress.—Ennis Populist.

Notwithstanding the existence of the gold standard, there is comparatively no gold coin circulating in the country.—Stuart Enterprise.

What the laboring people need most is not muskets, but sense.—Tacoma Sun.

To abandon 16 to 1 is to abandon the silver question as a political issue. If 16 to 1 is not material to bimetallism, then bimetallism is immaterial from any standpoint. The real fight of plutocracy is to make debts difficult to pay; to make obligations greater by lessening the ability to pay them. Government bonds are payable in coin and this is specified as of established weight and fineness. A change of ratio makes these bonds payable in gold, and that is what the money power is laboring to secure.—Chicago Express.

If a hog digs a root from the earth it has sense enough to claim the right to eat it. This is many stages ahead of most people in point of intelligence.—Living Issues.

The gold men are urging the people to look pleasant, so that the infant prosperity may not be frightened away.—New Era.

The American workingmen have demonstrated their ability to invent any kind of a machine except a good government.—Journal of the Knights of Labor.

Silver comprises one of the greatest sources of wealth of our country, if it were only developed, but to appease our rich Northerner, it must be kept in the background. The West might get some of the wealth were it brought to the front.—Stuart Enterprise.

It would be safe to bet that all of the twenty-one men murdered by the sheriff at Hazleton voted for him and the whole Republican ticket.—Tacoma Sun.

A New York man has secured a verdict of $300 for the loss of a toe. It will comfort the average workingman to know that he is walking about hunting for work with $3,000 worth of toes in his shoes.—Journal Knights of Labor.

There is no law on the statute books authorizing the redemption of a silver dollar with any other dollar, yet 43 cents worth of silver, having received the stamp of the government, passes for 100 cents.—Visalia News.

Sheriff Martin, the brute who is responsible for the murder of the Lattimer coal miners, says the miners "valued life at a very small figure." From one who regards human life so highly as to cause the slaughter of people by the score, and then brag how he had upheld an infamous injunction of a wizened brained judge on the bench, the above is indeed very pertinent.—Dakota Ruralist.

We are told in the editorial columns of the goldbug press that our country is blessed with peace, prosperity and happiness, while the news columns record the shooting down of scores of unarmed and defenseless workmen by deputy sheriffs in one of the richest and most prosperous states of all. If this is the Republican brand of prosperity we had better have less of it.—Mandan Independent.

There are a great mass of people so thoughtless that they believe it is well for a community or nation when its real estate sells at a high figure. But just the reverse is true. The higher it is the more your children will have to give of their labor for the privilege of having a spot to live on. Do you think the high price of New York dirt is good for those who have to pay proportionately high for the use of it? Every rise in real estate means that the many of the future will have to pay to the few owners of the future more and more of their labor for the privilege of living on the earth. The lower priced the land and the higher priced the labor the better for the masses of mankind.—Appeal to Reason.

London Bankers Are Uneasy.

Owing to the continuance of the sensation caused by the recent letter of Mr. Hugh Smith, governor of the Bank of England, in regard to holding one-fifth of the bank's note reserve in silver, a meeting of representatives of all banks in the clearing house has been summoned to discuss the situation. It is asserted that the bank already possesses some millions in silver. The financial editor of the Standard contends that this is impossible, so far as the issue department is concerned, and again attacks the governor of the bank for taking what is characterized as an utterly grotesque position, which indicates, however expert a business man Mr. Smith may be, that he is not acquainted with the bank's account.