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VOLUME OF MONEY.

That Contained in This Great Country of Ours.

The Report of the Director of the Mint contrasted with that of the Comptroller of Currency—Some Interesting Facts and Figures Worthy of Personal—Gold, Silver, Etc., Held by the National Banks.

On page 46 of the report of the director of the mint of 1892, there are some tables purporting to give the volume of money in this country. In particular this:

"The following table exhibits approximately the stock of gold, silver and uncoined paper money in the United Kingdom, France, Germany and the United States:

COUNTRY.	CURRENCY.		Total.
	Gold.	Silver.	
United Kingdom	\$1,447,000,000	\$1,447,000,000	\$2,894,000,000
France	1,000,000,000	1,000,000,000	2,000,000,000
Germany	1,000,000,000	1,000,000,000	2,000,000,000
United States	1,000,000,000	1,000,000,000	2,000,000,000

These figures coming from such a high source have been generally relied on and quoted to show that the amount of money in this country was large.

Turning now to the reports of the comptroller of the currency we find that for several years he has been making inquiries of all the banks in the country—national, state and private—as to the

amount of money of all kinds which they held at the close of business on a given day of each year. He tells us that substantially all of the banks in the United States reported. On page 86, of the comptroller's report for 1892, he gives the following:

Statement showing the amount of gold, silver, etc., held by national banks on July 12, 1892, and by other banking institutions on or about the same date:

CLASSIFICATION.	National Banks (1892)	Other (1892)	Total.
Gold Coins	\$6,232,888	\$8,888,370	\$15,121,258
Gold Certificates	1,497,286	1,497,286	2,994,572
Gold (including) Certificates	7,730,174	10,385,656	18,115,830
Silver Dollars	21,253,810	14,971,085	36,224,895
Silver Certificates	11,912,000	10,127,708	22,039,708
U. S. Certificates of Deposits for Legal Tenders	28,418,000	28,418,000	56,836,000
U. S. Certificates of Deposits for Legal Tenders, not cashed	1,000,000	1,000,000	2,000,000
U. S. Certificates of Deposits for Legal Tenders, not cashed	1,000,000	1,000,000	2,000,000
Total	\$88,612,718	\$117,790,282	\$206,403,000

It will be seen that the national banks classified the money they held, while the state banks reported most of their holdings as unclassified, but the total of all the money held by all the banks in this country at the close of business on July 12, 1892, was only \$206,403,000. To this sum must be added the amount then in the United States treasury over and above the gold and silver certificates outstanding. This sum, according to the tables on page 44, report of director of mint, for 1892, was \$308,281,683. Add this to the total amount then in the banks and it makes \$514,684,683, as the total amount of money in the United States, except what there was in the pockets of the people.

There is no way of ascertaining exactly how much this was on July 12, 1892. Competent judges who have lived among

all classes of people insist that as the entire country was already thoroughly banked, there being a bank in almost every large village which paid interest on deposits, as merchants deposit daily, and as nearly all money held by treasurers was already in the banks, and further as there was at that time no alarm among the people and no general withdrawal of the funds from the banks, there being in fact one hundred millions more in the banks then than on the corresponding day of the previous year; that this was a time of year when farmers had no money and when money was supposed to be in the banks—that when all these things are considered, an average of five dollars to a family would be a large average when we include the colored people of the south and the poor all over the country, that the majority of families would not have more than from 75 cents to \$2. If we accept this estimate it would make \$65,000,000, as the amount of money then in the pockets of the people. But suppose we double this sum. Let us assume that on July 12, 1892, there were on an average \$10 in the pockets of every family in the United States, including the colored people and the poor generally as well as the western settlers, who usually have no money. Yet this would make only \$130,000,000

as the total amount of money among the people outside of the banks and of the United States treasury. Adding this sum to \$889,686,788, the amount in the banks and the treasury, and it makes \$1,019,686,788, and from this must be deducted \$25,595,167, being the sum deposited to redeem national bank notes which will go out of circulation, leaving \$994,091,621 as the total amount of money in the United States of America on that day, being but little over half the amount named in the report of the director of the mint.

What then causes the discrepancy between this sum and the amount given by the director? An examination of his reports and of those of the comptroller clears the matter up.

First as to Coin.

On page 43 of the report for 1892 the director says: "It may be proper to repeat here that the basis of the annual tabulations of the stock of gold coin in the United States was the actual amount of gold coin in the treasury and in national banks to June 30, 1872, with an addition of \$20,000,000 as an estimate of the minimum amount of gold coin in circulation in the states of the Pacific slope.

Since that date the official estimates

presented from year to year have been compiled by adding to the actual visible stock June 30, 1872, the coinage of the mints (less re-coinage of our coins) and the gain (or loss) by import and export of our own coin as registered at the custom houses, with an annual allowance for melting of United States coin for use in the industrial arts, based upon three censuses taken by the bureau of the mint of the jewelry trade.

In the case of silver the stock of silver dollars is estimated to be the coinage since March 1, 1878, and the stock of subsidiary silver coin, the coinage since 1873, with an estimate of the amount in the country at that date of \$5,000,000, and the annual gain or loss by coinage (export) and import, and an annual allowance for melting in the industrial arts, as in the case of gold.

From this it will be seen that the strange assumption is made that every dollar of coin that went into circulation in this country since June 30, 1872, and whose exportation is not registered at the custom house, is not only still in circulation, but is in circulation in this country.

No deduction is made for the money lost and never found during twenty years, nor for coin used in the arts by the thousands of goldsmiths who make no report of what they use. No deduction is made for what the Chinamen have sent home in twenty years, nor for what has been carried in men's pockets over our northern border or our southern border, nor for what was carried away in the pockets of traders who brought goods to our markets and did not register the gold they took away, nor was any deduction made for the vast amounts carried to Europe by American travelers during those years.

On page 38, report of the director of the mint for 1891, in speaking of the vast sums of American coin carried out of the country in the then previous year, the director says:

"The gold carried out of this country to meet the expenses, by sea and land, of Americans spending their summers abroad, must have nearly, if not quite, equaled the year of the Paris exposition, when such expenditures were estimated at over \$92,000,000."

Whether the director means that this sum was carried out by American travelers, over and above the money they paid for letters of credit, etc., and which was registered at the custom house, is not clear; but we will assume that a part of the above was registered at the custom house when it left this country, and

was to be the increase in the exports already deducted. Still a very large part of it was carried out of the country in the pockets of American travelers, and was therefore not registered anywhere, although it was completely lost to this country, or if it came back it was imported and registered and formed a part of the stock given by the director. The European travel on the part of Americans has been very heavy every one of the twenty years since 1872, so that during this time there must have been several hundred millions of coin carried abroad in this channel alone without being registered, and was therefore not included in the deductions made for exports. When this and the other channels through which coin has been flowing from us for twenty years without being registered are considered, it becomes at once apparent, even if there were no other source of information, that there is not much over half of the coin now in this country that is claimed.

In determining the amount of paper money outstanding, the department assumes that all the paper money that was issued since 1862 is still in circulation unless it has been returned to the department for cancellation. No allowance is made for loss by destruction, nor for money that was lost and never found.

The comptroller of the currency, in his report for 1892, page 57, shows that from the time the national banking system was created, nearly thirty years ago, to the present, the national banks have issued \$1,693,501,685 of currency consisting of 214,563,922 separate bills of different denominations. Of this, \$1,521,437,753, consisting of 193,281,997 separate bills, have been presented at the treasurer's office and canceled or redeemed, and the department assumes that the difference between the amount issued and the amount canceled is still in circulation. Just what the loss would be during nearly thirty years—from destruction and from money that was lost and never found by anybody—on these national bank issues it is impossible to tell, but when the length of time and the volume which was issued from first to last is considered, it is apparent that the loss must have been large.

The treasury department from time to time since 1862 issued large volumes of United States notes under the different acts authorizing such issues, and then proceeded to redeem the larger part. According to the report of Mr. Windom, secretary of the treasury, for 1890, the total amount of money thus issued was nearly three billions of dollars, which

has all been called in and canceled except about four hundred and fifty millions, and it is assumed that every dollar of this is still in circulation. It is impossible to tell how much of this vast amount was lost and destroyed during nearly thirty years. But when the large volume issued and the long time is considered it must be a large sum.

Again, during the same time the government has issued over two billions of gold and silver certificates and has redeemed all but about four hundred and seventy millions. How much of this large volume was lost we cannot tell, but a considerable sum must have been. To be sure the gold and silver against which these certificates were issued is supposed to be in the treasury, but so long as the certificates are not presented the coin must be held to redeem them, and therefore cannot go into circulation.

Taking the national bank notes and all the paper money issued by the United States treasury during the last thirty years, and it amounts to more than six and a half billions of dollars. That there was annually a large sum of this lost and destroyed is certain, yet the department assumes that every dollar is still in circulation unless it was canceled at the treasury.

If we had no other source of information the facts above, given relating to the annual loss of coin and destruction and loss of paper money for thirty years would lead to the conclusion that we cannot have much more than half the amount of money now in circulation in this country that is claimed in the tables given by the director of the mint. And this is simply confirmed by the report of the comptroller of the currency, showing the exact amount of money in the banks. It may be claimed by some that I have estimated the amount of money in the pockets of the people too low, that there were more than ten dollars on an average in the pockets of each family in the United States. This claim will hardly come from any one who has lived among the farming and laboring classes of this country and who knows how very little money is usually to be found among them. But if it were even to be conceded that there were fifteen dollars instead of ten on an average in the pockets of each family in the United States, including the negroes of the south and all the laboring and poorer classes, at the close of business on July 12, 1892, it would add only sixty-five millions of dollars, which would hardly bring the whole sum up to two-thirds of the amount that is claimed to be in cir-

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