

# WORLD'S GOLD OUTPUT BEING HOARDED IN THE FAR EAST

Discussing the extraordinary scarcity of gold, Mr. A. C. Simkins, in Harper's Weekly, after pointing out that the world's output is almost a million dollars a day, and that somewhere there should be great stores of the precious metal, asks: Where does it go? Some of it, a small proportion, indeed, into the arts and jewelry. The balance is supposed to be coined or held in bars ready for coining. But where are the coins and the bars?

Only a matter of fifty or sixty million dollars were needed recently to save the country from a panic, and that amount was obtained with difficulty, after a prodigious effort, by scouring the whole of Europe. Think of it; fifty or sixty millions—about the output of American mines alone for a short half year. Surely there must be something wrong somewhere. Where does all the gold go? Is asked again and again; and there is no satisfactory answer.

Does the stream run on through the ordinary channels of trade and finally disappear, as some streams do, in the desert beneath the ground, never to reappear? It would seem so.

Lord Cromer, in a speech recently delivered at a banquet at the Guild hall in London, sounded a note of alarm when he drew the attention of his hearers to the hoarding proclivities of the Egyptians. He told how the hydraulic engineers had made a new Egypt—an Egypt freed from the erratic favors of the Nile, needing every year a hundred and fifty million dollars in gold to finance the cotton crop. Engineering skill has worked wonders in this old land of the Pharaohs, but we must doubt after reading his remarks whether the world, at large has been benefited thereby, for but little of the large amount of money expended ever leaves the country again. Year after year England exports to Egypt the hundreds of millions of dollars needed to pay for the cotton, that, thanks to irrigation, can be counted on with absolute certainty. A hundred millions is half of the world's yearly gold output.

Hoarding among the Egyptians and the Orientals is an old, old story. Some scoffers treat the matter lightly, though, and laugh at what they are pleased to call it an Asian myth. But it is no Asian myth. The gold we should have in our marts of commerce today lies under ground in India, in Egypt, and in China. It is buried. There the product of hundreds of gold mines, won by so much skill and effort, is returned once more to mother earth, to lie unproductive in the eternal quiet of the tomb.

Lord Cromer gave several instances, one of a cotton planter not supposed to be rich, who died not long ago. In his cellar, there came to light a hoard of 80,000 British sovereigns, almost \$400,000. Another bought a piece of property for \$125,000, and paid for it in coins taken from a hoard buried in his garden. This sum of money was brought to the place of transfer on the backs of donkeys. Instances such as these could be quoted without number,

but there is no need of them here. Hoarding in Egypt is such a well-recognized institution as to be beyond the sphere of argument.

Then there is India, that land of a never-changing conservatism, where caste and hoarding are customs as unalterable as the laws of the Medes and Persians. There the practice of hoarding has been the custom of ages; and by ages is meant not merely a few centuries, but time running back a thousand years and more; during all of which, except for the past century, India has been the camping ground of warlike princes.

During the past twenty years one great hoard of silver, that of sixty million pounds sterling in rupees, has been quietly exchanged for gold. The true extent of this hoard was first brought to light some years ago in evidence before the Currency Commission which sat at the time of the closing of the India mints to the coinage of silver. It is a twice told story. There is nothing original about it. Chowlingee Lall gave his evidence to the commission, and it was widely printed.

"You know," he said, "how anxious the late Maharajah Scindia was to get back the fortress of Gwalior, but very few knew the real cause which prompted him. That cause was a concealed hoard of sixty crores (sixty millions sterling) of rupees in certain vaults within the fortress, over which redecoated British sentinels had been walking for about thirty years, never for one moment suspecting the wealth concealed beneath their feet. Long before the British government gave back the fortress every one who knew the entrance into the concealed hoard was dead, except one man, and he was exceedingly old and, although in good health, might be expected to die at any moment of sheer old age. If that had happened the treasure might have been lost to the owner forever, and to the world for ages, because there was only one entrance to the hoard, and that most cunningly concealed.

"So the Maharajah was in such a fix that he must either get back his fortress or divulge the secret to the government and run the risk of losing the treasure for all time. When after long negotiations the fortress was given back to Maharajah, even before the British troops had left Gwalior territory, masons were brought from Benares, where they had been sworn to secrecy in the Temple of the Holy Cow; and when they reached the Gwalior railroad station they were put into carriages, blindfolded, and taken to the spot where they were put to work. There they were kept till they had opened out the terrace into the secret vault; and when its great concealed hoard had been verified by the Maharajah, the masons were once more blindfolded, put into carriages, and taken back to the railroad station and returned to Benares. The soldiers who had stood guard over the masons during the progress of the work were taken out to a court yard and shot to death, so that the secret

of the location of the great Gwalior hoard was safe once more."

For the benefit of those who doubted the truth of the extent of this hoard, it was pointed out that several smaller ones, each amounting from ten to thirty million dollars, had been brought to the attention of the government, which had obliged the owners to invest them in Indian bonds. These smaller hoards had been accumulated by princes who had never had the tithes of power and importance in the land once belonging to Maharajah who held his court in the city of Gwalior.

But India princes do not take kindly to Government paper. Quickly and in the course of only a few years these bonds were turned into gold, and the gold sealed up in some secret vaults, to be lost to the use of the world. And as it is with the princes, so it is with the merchants. Take a merchant with an income of 5,000 rupees a month. At the very outside, 500 rupees would replace all the furniture in his house. Beyond a few curtains and rugs, furniture, as we understand the word, simply does not exist. Even the very wealthy, who possess horses and carriages and a retinue of servants, own no furniture worthy of the name. No expensive cut glass and china were adorns their tables at times of feasting. Money thus saved the merchant hoards. Occasionally he places a little in some bank to meet a foreign draft or some temporary convenience, but such a sum in comparison with his hoarded wealth is trivial; and in the same way the amount on deposit in the Indian banks, in comparison with the vast volume of underground treasure is a mere drop in the bucket.

At the currency commission the English members sought to ascertain how much gold would be needed to give India its own gold coinage. It was thought that fifty million pounds sterling would cover the demand. They were astonished to learn that that amount would be swallowed up by one province alone. Rupees by the scores of millions and over would be brought forth from the hidden hoards of princes and merchants to be exchanged for the precious metal, and the exchange would go on until the hoards, which at that time were divided about equally between gold and silver, should be entirely gold. The commission realized later on in its deliberations that before a gold currency had been in force twelve months five hundred million sterling would be absorbed.

The hoards of the princes were largely gathered when the Mahratta armies systematically swept the plains of India, and were the accretions of hundreds of plundered cities in the good old days before the British came to introduce a new order of things. But great as are the individual hoards of the princes and merchants, they are surpassed in the aggregate by the thousands of smaller hoards, the property of the middle and lower classes.

Eliminating the millions of poor, half starved wretches who merely exist in India, laboring for the well to do on pittance so small as to barely keep body and soul together, it must be remembered that there are yet a hundred million able to accumulate something; and even if this be only a



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## A NEW MAN IN THE SADDLE

(Hugh O'Neill in Denver Post.)

And now the political fat is in the fire. Watch it sizzling, and consider what may happen when the hour-glass brings Colorado around to the presidential election. Mayor Speer has gained the overwhelming indorsement of the state democracy. If he consents to contest the next city election he will be re-elected mayor of Denver. And when he does that he will inherit the leadership of the Democratic party in Colorado. He may then organize the state Democracy as thoroughly as he has already organized the city machine. The balanced and scientific precision of his methods will win a tremendous vote for Democracy in the national campaign; and it is just possible that the state would


become "Democratized" once more. That happened once before, in a devious way, and it might happen again. If he led Democracy in the state he would be the most formidable opponent the Republicans have ever met. The possibilities of the situation seem almost unlimited, and they are not without a streak of caustic humor. Mr. Speer has grown with his opportunities. There may be in his heart an ambition that his lips have never revealed, and, if there is, he has the kind of brain that can realize it. It would only be another instance of the irony of fate if the Republicans of Denver have helped to build up the man who should break the rule of the Republicans of Colorado.

The mortality rate among the old soldiers is increasing at a very rapid rate, more pensioners having died during the past fiscal year than fought on either side at the famous battle of Shiloh in 1862. Nearly 50,000 names have been stricken from the pension rolls during the past year, caused by death. It is estimated that at the end of nine more years the old soldiers of the war of the rebellion will be almost extinct. The will be as scarce at any rate as are the Mexican war veterans today. All honor to their memory.

to arouse the troupe's dejected spirits. The leading man stepped to the footlights after the first act and bowed profoundly. Still the clapping continued. When he went behind the scenes he saw an Irish stage hand laughing heartily. "Well, what do you think of that?" asked the actor, throwing out his chest. "What d'ye mane?" inquired the Irishman. "Why, the hand-clapping out there," was the reply. "Hand-clapping?" "Yes," said the Thespian, "they are giving me enough applause to show they appreciate me." "D'ye call that applause?" inquired the old fellow. "Who, that's not applause or general uprising of the audience, there was enough hand-clapping

**New Jersey Applause.**  
A certain theatrical troupe, after a dreary and unsuccessful tour, finally arrived in a small New Jersey town. That night, though there was no applause or general uprising of the audience, there was enough hand-clapping

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few rupees, these are hidden until the time comes when they can be conveniently exchanged for gold and hoarded.

Until financiers can determine the amounts buried in these secret hoards of India and China, with its four hundred millions, and can discover some means to hold the gold above the ground, the miners will continue mining, and the stream of precious metal will yearly pass us by.

It will stay for a while in the banks and treasury vaults, and some of it even will be made into jewelry and plate; but the great bulk of it will be carried silently along the stream of the world's trade to the Orient. Once in the Orient, the work of smelters, of mills and cyanide plants, the skill and labor of hundreds of thousands of men, will have all gone for naught. In these money graveyards of the East side by side lie the bullion of the Incas, the wealth of the Montezumas, California and Australian millions, and the output of the hundreds of gold mines in South Africa and elsewhere. All is lost to the world, completely as the gold of treasure ships wrecked and forgotten in the sands under the sea.

**Figures in the Race.**  
Figures compiled up to Saturday night upon the instructed delegations thus far in the presidential race give the following results:  
For Taft, 136, with 14 of these contested.  
For Fairbanks, 26.  
For Cannon, 6.  
For Hughes, 2.  
Uninstructed, 16.  
The total number of delegates will be 380; necessary to elect, 491.  
Secretary Taft is fortunate in having some of his nearest delegations, such as Ohio and Missouri, already on record. The New York delegation has not yet been named, but will be for Hughes; Pennsylvania will be for Knox, and Illinois will be for Cannon. Just how much more strength the various favorite ones will derive remains to be seen.—Colorado Springs Telegraph.