

THE GOLDEN SOVEREIGN.

A Most Enlightening Review of the Function and Movements of Gold Coin and its Tokens in Paper, Silver and Bronze.

(From the Fortnightly Review.)

The attitude of a certain imperfectly informed section of the daily press is probably responsible for such manufactured anxiety as there may be in public mind about the recent heavy shipments of sovereigns from this country abroad.

Indeed, it has been suggested that owing to possible shortcomings in our fiscal arrangements and like disbursements involve a serious national loss and a consequent diminution of gold finding its way into the pockets of the British workingman. A detailed account of these and other movements of coin and bullion will, it is hoped, throw light on the actual facts, and thereby allay any anxiety on the subject. It is no doubt surprising to the uninitiated to learn that the annual absorption of gold in Egypt is out of all proportion to its population and poverty. As compared with this country it is enormous, although we maintain our papers in a state of luxury undreamed of by the simple felah of the Nile. But a kindred comparison may be made as between this country and Russia. The one with no gold or silver mines, and the other with some of the richest in the world; the one phenomenally opulent, the other miserably poor.

Such comparisons at once suggest that gold resources and gold reserves are not quite so essential to commercial prosperity as is commonly believed. We shall endeavor to show that before the organized forces of modern banking the more clumsy methods of barter employed by our forefathers must yield and that the importance of precious metal as a means of currency must wane, the quantity employed for the purpose forming an ever decreasing fraction of total trade turnover.

The transfer of metallic disks is a mode of barter which is no doubt less cumbersome than the primitive method: it has superseded, but it is far too cumbersome for the vast transactions of modern merchants and their bankers, who employ the cheaper, quicker, and in every way more valuable system of a currency of promises.

It is customary to make these promises in terms of coin of the realm, but if they were made in terms of the great principle of credit would not be affected. It is clear that two men constantly exchanging cargoes of goods credit and debit each other in any symbol they chose, so long as they were agreed as to the purchasing power of that symbol.

The state, however, stipulates, for convenience, that in the event of a dispute arising and their jurisdiction being required, the symbols shall be in a particular set of terms—i. e.

Terms of Coin of the Realm.

If for any good reason it were decided to make these promises in other terms the business of banking could be equally well conducted under the new conditions. Gold at the present moment is, however, the most convenient commodity for the purpose.

So much, and so much only, has gold to do with banking. In dealing with the question of "rent coin of the realm" we are approaching a subject over which many clever men, statesmen and economists, have admittedly stumbled. They have blundered not through any lack of mental power, but because in forming their conclusions from, as it were, a bird's-eye point of view, they have dwarfed matters of detail which had been observed from lower planes would have at once revealed themselves as insurmountable obstacles. The present writer once asked an Australian cowboy why he roofed his house with corrugated iron instead of thatch, urging that the corrugated iron was cold, ugly and expensive, and that thatch was warm, pretty and cheap.

"But," said the cowboy, "insects get into the thatch, frogs come after the insects and snakes come after the frogs."

We propose to consider the question of the function of the coin and its tokens not from the exalted position of a Chancellor of the Exchequer, but from the point of view of a banker's clerk. To make any safe progress to an understanding of the matter, we must be careful to avoid any vague language. For instance, the words "money" and "cash" are responsible for much hopeless bewilderment; both these words mean coin, tokens of coin, instruments of credit or purchasing power in any form.

In speaking of coin of the realm (as between the years 1817 and 1907) we must be taken to mean the "sovereign" and "half sovereign" of legal tender weight.

The sovereign is a coin struck at the Mint; it is composed of eleven-twelfths of pure gold and an alloy of one-twelfth copper, the alloy being added to make

tenacity there are to be found men of education and ability whose ideas of the function of gold coin are evidently based on experience of small transactions.

The writer has before him a letter from the editor of a London newspaper in which apprehension is expressed as to what would be the result.

Were Foreign Importers

to demand gold coin in payment of the bills of exchange held by them in respect of cargoes delivered.

Apprehension, however, is unwarranted, as this country would and does invariably gain by the transaction, and except in such cases as are justified by market conditions such a demand would involve a corresponding loss.

The merchant is fully alive to the many objections to the transport of gold in the shape of either bars or coin, and consequently he never ships it unless it is specifically required in the ordinary course of business. It is then handled in exactly the same way as any other commodity.

The value of an ounce of standard gold is £3 17s. 10 1/2d., quoting it in terms of itself. By the words of coin we mean all silver and bronze pieces struck at the Mint and recognizable as having been so struck. Tokens differ from coins in having a face value in no way related to their intrinsic value—e. g., a new half crown is of no greater value (considered as a token) than an old half crown which is worn down to two-thirds of its original weight. Both old and new half crowns are worth on their face value one-eighth of a sovereign. The value of the metal contained in a new half crown is about 1s. 3d., and the value of the metal contained in an old half crown is about 10d.

By the words "instrument of credit" we mean pieces of paper such as bank notes, bills of exchange or checks, all of which in their present form are abridgments of more elaborately worded letters from one man to another making some kind of definite promise.

For convenience the kind of promise is now confined to terms of coin of this or some other realm.

It will be seen from the foregoing definition of a sovereign that its vastage during its legal life is a little more than three-fourths of a grain, about 1 1/2d., and that the weight of a half sovereign, a little more than one half of a grain, about 1d. These differences in value are so small where the use of one or a dozen or so of coins is involved as to pass unrecognized by the general public and unheeded by those who are fully alive to the fact. It is partly due to non-recognition of the varying intrinsic

Values of Gold Coin

and partly due to non-recognition of the cumbersome masses of large masses of metal that much misconception arises as to the actual function performed by gold coin.

Gold coin (and its tokens, shillings and pence) is used among neighbors in small transactions, but it is not used, nor can it be used, among merchants in settlement of accounts. This latter function it is a part of the bankers' business to discharge, and it is carried out by them in the cheapest, quickest and safest way possible by the interchange of checks, and bills drawn on them by their clients at a place called the Bankers' Clearing House.

The Bankers' Clearing House is a large room in the City where bankers "settle up" accounts with each other every day. Each banker brings all the checks, etc. he holds, drawn on other bankers, to the Clearing House, and the Clearing House gives him credit for the total amount. The Clearing House (on behalf of all the other bankers) holds documents drawn on this banker, and the total of these is placed on the other side of the account. A memorandum of the difference between the two totals, either for or against the banker, is forwarded to the Bank of England at the end of the day and the banker's account in the ledger of the Bank of England is either debited or credited with the amount of that difference one way or the other. These differences are as a rule small and the labor involved in recording them is insignificant. A few strokes of the pen and the thing is done. In this way the wholesale business of London is settled in a currency of promises (promises far too valuable to be broken, but the cheapest currency in the world). Cargoes of merchandise have changed hands, but the gold in question of which the values of these cargoes have been quoted, has remained stock still on a number of trucks in a cellar in the Bank of England.

The man in the street does not recognize the impossibility of the use of coin in large transactions; this is evidenced by the widespread belief that the difference in value between our imports and exports, amounting to some £150,000,000 (or 1,200 tons of sovereigns), is made up by annual disbursements of British sterling coin.

This belief, which probably owes its origin to the fact of values being quoted in terms of coin, has been publicly professed by a colonial Premier and is an accepted canon among the savants of the bar parlor on both sides of the world. Apart, however, from this far-

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DANGEROUS PURGATIVES

Many People Ruin Their Health Using Purgatives in Spring.

A spring medicine is an actual necessity. Nature demands it as an aid to carrying off the impurities that have accumulated in the blood during the winter months. Thousands of people recognizing the necessity of a spring medicine dose themselves with harsh, gripping purgatives. This is a serious mistake. Ask any doctor and he will tell you that the use of purgative medicine weakens the system, but does not cure disease. In the spring the system needs building up—purgatives weaken. The blood should be made rich, red and pure—purgatives cannot do this. What is needed in the spring is a tonic, and the best tonic medical science has yet devised is Dr. Williams' Pink Pills. Every dose of this medicine actually makes new, rich, red blood. This new blood strengthens every organ, cures every part of the body. That is why Dr. Williams' Pink Pills banish pimples and unsightly skin eruptions. That is why they cure headaches, backaches, rheumatism, neuralgia, general weakness and a host of other troubles that come from poor, watery blood. That is why men and women who use Dr. Williams' Pink Pills eat well, sleep well, and feel bright, active and strong. Mrs. Joseph Lepage, St. Jerome, Que., says: "My daughter suffered from headaches and dizziness. Her appetite was poor. She had no strength and could not study or do any work. She was thin and pale as a sheet. A neighbor advised the use of Dr. Williams' Pink Pills, and after taking a couple of boxes we could see an improvement in her condition. She used the pills for some weeks longer, when they fully restored her health, and she is now enjoying the best health she ever did." Try Dr. Williams' Pink Pills this spring if you want to be healthy and strong. Sold by all medicine dealers or by mail at 50 cents a box, or six boxes for \$2.50, from the Dr. Williams' Medicine Co., Brockville, Ont.

THE FARMER AND SPRING.

Lol where the robin's early song,
Proclaims the youth of spring.
Awaken from slumberland the strong,
New life and vigor bring.
The full-mouthed crocus laden flower,
Drearily the chequered fields of snow,
Fushion blossoms in drooping spray;
While, flushing o'er the rosy east,
Morning's dawn, o'er man and beast,
It welcomes sunshine free.

Burns forth the waxen buds anew,
Revive the leafless trees,
The breathing zephyr whistles too,
To rouse the drowsy bees.
The cattle freed from winter's chains,
Bound from the barnyard down the lane,
Rejoicing in their holiday;
How clear and loud the proud cock crows,
How all the hens, too, cackle so,
O'er nests hidden away.

Surrounded by his humble wealth,
Stalwart the farmer stands,
The robust picture of good health,
As at the dawn of his life's dawn.
Each lengthening day clouds clear from mind,
Makes keen the eye as on wind,
Prove o'er the world his humble sphere,
Grow less in wisdom every year,
The stretched cord of his plow strains;
Well knows he growing wants of spring
Will round him promised verdure bring.
He feels no more again.

His rough countenances foretell,
A stalk holding plume ears,
In nature's lore he knows full well
More than the average peer:
Ye grow ye mock his humble sphere,
Grow less in wisdom every year,
The stretched cord of his plow strains;
Well knows he growing wants of spring
Will round him promised verdure bring.
He feels no more again.

'Gaiest carnal strife of worldly ways,
'Tis not his business to care;
These fretful folk from day to day
To elude their liberty:
Spent his hopes rove their master-hand,
Life's regulator of the land;
Yes! in them rests the care of all—
The glided pomp of estate and power
Alike are as some borrowed flowers,
Faint moonbeams in life's hall.

Spring mocks the strength of millionaires,
Earth holds her stocks in store;
Nature her soil from seed prepares,
The farmer scans it o'er:
Tilling and sowing early and late,
Foremost is he in every state.
The backbone of our country dear:
Mark with ye rulers, men of pride,
Whose strength thereon ye build abides,
Depend from year to year.

W. M. J.

Editorial Difficulties in Oklahoma.

We are getting out a paper under difficulties to-day. We had just gotten the press out of the hole in the floor, which had given way under it, when a gust of wind came through a crack and sent the stove sliding across the room. We got that chained down just as another blast of wind blew the office cat through a hole in the roof, and the last we saw of her she was ungracefully drifting through the air toward Redrock. Fresh air is healthy, but it is hard on the cat. —Perry News.

Who Was Responsible?

Tommy had been punished. "Mamma," he sobbed, "did your mamma whip you when you were little?" "Yes, when I was naughty."
"And did her mamma whip her when she was little?" "Yes, Tommy."
"And was she whipped when she was little?" "Yes."
"Well, who started it, anyway?"

Same on Him!

"Of course, John," said Mrs. Young, husband, "I like my kitchen quite well, but I'd like to have one of those new portable stoves sliding across the room. We got that chained down just as another blast of wind blew the office cat through a hole in the roof, and the last we saw of her she was ungracefully drifting through the air toward Redrock. Fresh air is healthy, but it is hard on the cat. —Perry News."

"Anything new in the paper this morning?"
"Yes. Man killed in an elevated train."
"How?"
"He was talked to death."
The saloon faced passenger with the eye glasses guiped once or twice and breathed hard, but he had nothing further to offer.

Legume Bacteria.

A bulletin will soon be issued from the bacteriological laboratory of the Ontario Agricultural College at Guelph, giving the results of Canadian experimental work on the inoculation of seed of legumes.

It has long been known that clovers, alfalfa, etc., when ploughed under greatly enriched the soil. In the middle '80's Hellriegel discovered that the reason for this was that the nodules on the roots of such plants were inhabited by bacteria which had the power of drawing the valuable fertilizing element, nitrogen, from the air and storing it up in the plant. A few years ago the idea was conceived of cultivating these bacteria, and applying them directly to seed before sowing. In Canada this work was begun in 1905, when Harrison and Barlow sent 240 cultures of such bacteria to Canadian farmers. A letter was sent to all these asking for a report of their experience, and the replies were tabulated and published as Bulletin 148 of the college.

During 1906 cultures were again sent from the college, 375 cultures being distributed to nine provinces and to four foreign countries. As in the previous year, blanks were sent to recipients of the cultures asking for a report as to their success or failure. Of a total of 120 reports received, 72 showed a benefit, and 48 no benefit.

Last season 372 cultures were sent, and the reports received showed a benefit fit to the crops in a little over 54 per cent. of the application.

When Inoculation is of Benefit.

When a leguminous crop is thriving, it indicates either that the soil is plentifully inoculated with the necessary bacteria, or else that the soil already contains a sufficient amount of nitrogen. In either case the use of artificial inoculation would be of little if any benefit. On the other hand, if the crop fails to thrive, and on examination no nodules are found on the roots, the culture would probably be of benefit. The culture usually proves beneficial in seeding to a legume crop that has never been grown on the land to be sown. The soil may lack available potash, phosphoric acid or lime. Inoculation of seed cannot remedy this deficiency. Nor will the use of culture compensate in any way for carelessness in selection of seed or preparation of the soil.

Cultures for inoculating seed will again be distributed during the coming spring to any who apply. Full directions are sent with each culture, and it is expected that each recipient of the bacteria will carry on the experiment carefully, sowing some untreated seed, and report his experience at the end of the season. The price of the culture is 25 cents for sufficient to treat one bushel of seed. Cultures will be sent for inoculating seed of alfalfa, red clover, alsike, peas, beans.

Applications should state the kind and amount of seed to be treated, and as nearly as can be judged the date of seeding, and be addressed to Bacteriological Laboratory, Agricultural College, Guelph, Canada.

CHILDHOOD INDIGESTION MEANS SICKLY BABIES

The baby who suffers from indigestion is simply starving to death. It loses all desire for food and the little it does take does it no good; the child is peevish, cross and restless, and its mother feels worn out in caring for it. Baby's Own Tablets always cure indigestion, and make the child sleep healthily and naturally. Mrs. Geo. Howell, Sandy Beach, Que., says: "My baby suffered from indigestion, colic and vomiting, and cried day and night, but after giving him Baby's Own Tablets the trouble disappeared and he is now a healthy child." The Tablets will cure all the minor ailments of babyhood and childhood. Sold by medicine dealers or by mail at 25 cents a box from the Dr. Williams' Medicine Co., Brockville, Ont.

Ever Met Him?

"Fine day," observed the saloon passenger with the eye glasses.

"Huh?"

"I say it's a fine day."

"Yes," answered the man who was trying to read a newspaper.

"It's a lot of trouble with the fruit, though, when the cold weather comes along next month."

"Huh?"

"I say there'll be a lot of trouble with the fruit when the cold weather comes along next month."

"Oh, yes."

"It's all right, though, I guess. What ever happens is all right."

"Uh-huh."

"I see old Jake Schaeffer bent the young fellow last night."

"Beat him?"

"Yes; playing billiards, you know."

"Uh-huh."

"I don't know anything about it, but I heard myself, but I am told it's a fine game."

"So?"

"Yes. But I'd rather see a good game of baseball. Wouldn't you?"

"Uh-huh."

"Don't you think Taft stands a good chance of getting the nomination next June on the first ballot?"

"Uh-huh."

"Think it'll be Hughes?"

"Uh-huh."

"Or maybe it'll be La Follette?"

"Uh-huh."

"Anything new in the paper this morning?"

"Yes. Man killed in an elevated train."

"How?"

"He was talked to death."

The saloon faced passenger with the eye glasses guiped once or twice and breathed hard, but he had nothing further to offer.

Grippe or Influenza, whichever you like to call it, is one of the most weakening diseases known.

Scott's Emulsion, which is Cod Liver Oil and Hypophosphites in easily digested form, is the greatest strength-builder known to medical science.

It is so easily digested that it sinks into the system, making new blood and new fat, and strengthening nerves and muscles.

Use Scott's Emulsion after Influenza.

Invaluable for Coughs and Colds.

ALL DRUGGISTS: 50c. AND \$1.00.

