

# MORGAN ON SILVER

## ALABAMA'S SENATOR SPEAKS IN FAVOR OF FREE COINAGE.

### AT THE GRIFFITH CONVENTION.

Discusses the Issue of Gold Bonds and Defines Sound Money--Says the Real Source of the Financial Power of This Country is the Strength of Its Credit--Money's Only Power is That of Paying Debts and to Demonstrate Silver is Cruelty to the Poor Man.

(Continued from Yesterday.)

If cause and effect have any logical relation the tinkering with the Sherman law, and the refusal of our government to furnish the people with means to enable them to delay the sale of crops, at gold prices, was the real cause of the issue of \$160,000,000 of bonds.

I do not take pride in the travels of \$80,000,000 of these bonds to London, in the keeping of our Assistant Secretary of the Treasury, to be signed there and delivered to the Rothschilds, and I can see no profit in selling them at 104 1-2, when they were worth 120; but I charge no evil intent upon any one for making this child's bargain. Its absurdity is a strong plea for its innocence.

But as a Democrat I protest that no law gives authority to an official to include in a contract, for the sale of bonds, the sale of any obligation of the government to those purchasers, that they should have the exclusive option to buy any additional issue of bonds until October, 1895. It is a serious humiliation that our government resorted to a sale of such an obligation. It placed the sovereign power of the United States, to borrow money, within the control of persons, some of them foreigners, and loaded it with a parole of honor to keep the promise, without regard to the actual necessities of the country, even if we should be involved in war with their country. The transaction is without precedent or justification and it has an odious flavor of subterfuge when it pays a foreign syndicate to prevent a run upon our Treasury for gold.

A government that pays foreign mercenaries to protect it from harm, has no relationship to that government of the United States which was gloriously independent for more than a century.

The plea for this departure is that Congress refused to give the President the authority to issue gold bonds.

#### Why the Demand for Gold Bonds?

The bonds he issued are gold bonds, according to his construction of the duty of the United States in paying them. Why then should the President demand of Congress the authority to issue bonds, expressly payable in gold coin, and accompany the demand with a threat that, if the demand were not acceded to, he would sell coin under the resumption act at a higher rate of interest, which meant a lower premium? Congress was quick to detect, in this demand for gold bonds, the conversion of all our securities into gold securities, for we could not make "flesh of one and fowl of another," and if Congress should yield, there would result an express enactment that there was not an actual parity between gold and silver money, under the law, although gold and silver were both a full legal tender.

It was easy enough for the President to have avowed that this was not his purpose in demanding the issue of gold bonds by act of Congress. It was to get Congress to denounce silver as unsound money, in comparison with gold, that this unprecedented threat was made.

This is not the sort of boldness in policy and candor in recommendation that we expect from a Democratic President of the United States. It does not reach the high mark claimed for Mr. Cleveland by his most ardent friends.

This great subject, with its American and European involvements, would defy any effort to epitomize it, but, in the United States we have a starting point in the discussion which begins with the Constitution of our country, and it ends there, with all such as respect the guarantees of that instrument, in securing the rights reserved to the people.

As our government is popular and free and was made to secure the rights of the people, mainly by abridging the powers of those in authority, the proper construction of its powers is to be liberal, in favor of the rights reserved, personally, to the people, and strict as to the powers delegated to the servants of the people, including the Congress and the President.

With these rules in mind, I will attempt, at the expense of your patience, I fear, to present my views on the real pivot points on which our financial system hinges. I scout all insinuations that have been made even by the President, that any Democrat in America is, knowingly, an advocate for cheap or unsound money.

That arrogant and unjust assumption is only intended to have a man's opinion condemned, without a hearing of the facts. It is a false denunciation in terms that are general enough to defy definition which is expected to go current because of the supposed high authority of him who utters it. In times of war, we have issued money by the authority of organized governments that could not be redeemed, such as our Continental money and the paper issued as money by the Confederate States. And during our civil war we had treasury notes in circulation that were worth only 50 cents in the dollar. We may call that "unsound money."

#### The Strength of Our Credit.

No money but gold and silver coins can bear the strain of a domestic war, when the whole country is involved. I, therefore, discard those instances from the argument and will not discuss what money is sound, except in the sense of being equal in current value in the United States, where our legal tender laws make equal every gold, silver and paper dollar issued by the United States. It is a paltry accusation or an unworthy fear to speak of an ounce of money as being issued by a country whose bonds are at 20 per cent. premium; that has paid nearly \$5,000,000,000 dollars on her public debt in thirty years; and whose re-

sources defy mismanagement and whose people prosper even under the severest taxation and in spite of laws hostile to production and the wages of labor, and triumph over every adversity.

I will try to show why this broad statement is true, and what is the real source of our financial power, and the best means of preserving it.

Our annual yield of gold and silver varies but slightly from \$100,000,000 a year. If we owed no debts, this annual sum, in legal tender coin, added to the accumulated money, would be ample to keep in operation and reward with profit every industry that our population needs. But we are deeply in debt—not from necessity, but to sustain a rapidly progressing development, and as that debt and its growth by way of interest, must be taken care of, our attention is, therefore, drawn first to this need for legal tender money, and second, the necessity of increasing its volume by associating it in banking with public credit.

In this discussion, I am compelled, through respect to your comfort and patience, to omit the consideration of many points that are held to be important, by the advocates of a single gold coinage as the only primary money of the United States—the only money of redemption.

If, in the wide range that is given to the discussion of this subject there is a pivotal point, as I am sure there is, it is found in the Constitution of the country. In its undefined form it is found among the vast array of personal rights and liberties that are "reserved to the people" by that organic law. It is in that form such a right as an individual can have and enjoy; and the government cannot exercise, because of the expressed or implied limitation upon its power; such, for instance, as the right to name delegates to this convention, or to vote in this body through its postmasters, marshals or other officers, from President to tide-waiters, the right to engage in the trade or pursuits of the people; to open and work mines, even on government lands, to mine for copper, nickel, gold or silver, for the supply even of the Treasury. These rights are reserved to the people, by our Constitution, and are, therefore, forbidden to the government, although no mention is made of them in that instance.

#### A Mint is a Mill.

The Government of the United States cannot make money by mining for gold bullion, as any person may do by digging gold at Dohlonega and having it coined at the mint, as the law now is.

The mining must be done by some man, and the gold is released from its prison in the rocks at the point of his pick, and when the gold is thus obtained, the miner finds a mint provided by law with a sworn Superintendent and he demands that his gold shall be coined into money and it is done; and the coin is turned over to the owner of the bullion as grist of grain made into flour, is turned over to the farmer who grew the wheat or corn. The miller does not own the flour, or the wheat, or corn. The ownership has not been affected by the process of grinding. So it is with gold at the mint. It is the duty of the government under the Constitution to coin this gold into pieces of a cent in weight and fineness and to put a certain stamp upon them. Now I hold that the government cannot coin this miner's gold and hand it back to him and then say to him that he shall not use it in the payment of his debt, unless his creditor shall agree to accept it. Such a provision would annul the whole value of the coin, as money, and would leave it as bullion, weighed and stamped, but still not converted into coin to be used as money.

Now the pivotal point in this act of converting this bullion into money is the imparting a coin value to it, so that it becomes the redeemer of promises—of all promises—to pay money. That means that there is given to the bullion, by the act of coining it, the flat or guaranty of the government that it shall be the final and compulsory redeemer of debts, obligations and promises, whether they are public or private. That is legal tender money. Now, I would as lawfully essay to burn a bank, or the gold money in it, as a public nuisance, by enacting a law for that purpose, as I would enact a law to rob gold coins of their legal tender power; or to take from the gold miner his right to have this bullion coined into legal tender money.

#### The Right to Coin Money.

This is the essential value of that reserved right, and it could only be an act of gross tyranny to abridge the right or to destroy it. These rights are due the owners of silver bullion as they are to the owners of gold bullion, as "rights reserved to the people" under the Constitution.

I wish I had time to fully discuss this point, but I can only refer to a few undisputed facts to prove it. I will state them with the greatest possible brevity and leave it to you to draw your own conclusions from them.

1. As early as 1652, the Colony of Massachusetts had a mint for the free coinage of silver money, and all the colonies had independent coinage laws.

2. A few years later, in the reign of Charles II, the King yielded to the people of the realm the prerogative of the crown, to own all mines of precious metals; and he granted to them the right to have gold and silver coined at the mints, on equal terms, and free from charges.

3. Under this great concession to the people, which no other sovereign in Christendom has made, the subjects of Great Britain, in their own right, furnished gold and silver money to the realm, and they and the government prospered beyond all other nations.

4. This right existed in full force, in favor of the people of the colonies, when we became an independent power.

5. It was a great and peculiar right and power which ranked among the personal liberties.

6. What did our fathers do with this inherited right? Did they destroy it or did they preserve it? The answer is, that owing to its importance, it was protected and enforced by special provisions in that instrument, as was the case, also, of the writ of habeas corpus, the right to trial by jury, and the right of free worship and other rights.

7. The special provision so made was the mandatory power given to Congress, to coin money and regulate the value

thereof. At that time gold and silver coins were both included in the meaning of the word money, and the power to coin money was not intended to refuse coinage to either gold or silver, but to preserve this great right of the people, as it then existed. The Constitution destroyed none of the rights that were comprised in the liberties of the Britons. But, as I have already pointed out the vital element of the coins consists in their compulsory legal tender power. This is expressly preserved in the constitution in this language, found in Article I, Section 10. No State shall make anything but gold and silver coin as a tender of payment of debts." Here the coins of gold and silver that Congress is empowered to make under Article I, Section 8, are described as legal tender money.

If Congress, therefore, provides for the coinage of any legal tender money, it cannot coin silver, to the exclusion of gold, or gold to the exclusion of silver, without violating a plain injunction of the constitution. I do not doubt that Congress can do such a thing, but I do say that it may as well refuse to provide, by law, for the issue of writs of habeas corpus, or for trial by jury and for the same reason, the refusal of free coinage to the holders of gold, while giving it to the holders of silver would be an abuse of power that cannot find any justification.

In providing a supply of legal tender money for the people of this free republic, it was the intention of the founders of the government that it should not be limited to one metal, but should include the free coinage of both metals.

This is the claim I set up as the privileges of the constitution in favor of the people, which were embodied and enforced in our first coinage law, approved by George Washington in 1792. I am not willing to surrender it on command of John Sherman or even of Grover Cleveland. As I believe the question now before the country is whether we shall be forced back to the situation we were placed in by the act of February, 1875, I desire to present to your view the danger to our rights, which rank with the most important of our liberties if we yield the constitutional protection of the law of legal tender.

I do not believe that any paper money can be a constitutional legal tender for a debt.

The Supreme Court of the United States has decided that paper promises to pay coin, issued by the Government are legal tender, and we are all bound to obey the decision, but I am not bound to believe it. Nor do I believe that the tax of ten per cent on the issues of State Banks is a constitutional tax, nor that the income tax is unconstitutional, but we are all bound to obey those decisions.

But I do believe that gold and silver coins of the United States are a full legal tender, under the Constitution, whatever Congress may say. I state these propositions, not because they are necessary to the argument, as to the power of gold and silver as legal tender money, but to illustrate the power that belongs to all legal tender money whether silver, gold, or paper, even if we do not admit its rightfulness.

#### Money's Only Power.

The only actual power money has is the power to pay a debt.

A contract is complete when the parties express their assent to its terms. If it is a contract to pay money, the amount of legal tender money will pay it that is stated in the agreement, and the debtor can compel the creditor to accept it. If he refuses, the court will ascertain the amount that is due him, in dollars, and will satisfy the judgement, so that he can take the money so tendered, or go away empty, as he may choose.

No greater liberty, and none more just exists, than the right of the debtor to compel the creditor to take legal tender money in payment of any debt, demand or obligation he is bound to discharge.

In all civilized, free countries, where personal liberty is at all valued, the laws protect the debtor from the natural rapacity of the creditor.

The divine law takes up this subject and makes respect for this protection a personal duty of religion.

The jubilee was established by Moses to prevent Jewish creditors from oppressing their brethren. It was a statute of limitation upon all indebtedness; it gave the right of redemption by the mortgagor of lands, and restored bondsmen, who had been sold for debt, to their liberty. To these statutes we have added large exemptions of property from sale under execution, and have abolished imprisonment for debt. We punish usury with heavy forfeitures, and are frequently resorting to the laws of bankruptcy to extinguish all the indebtedness of unfortunate men. In this way at least we qualify ourselves to repeat with sincerity the Lord's prayer, "Forgive us our debts, as we forgive our debtors." Georgia was the first asylum for imprisoned debtors. Oglethorpe opened the prison doors of England and brought the poor debtors to his colony at Savannah. Oglethorpe was the Moses and Georgia was the "promised land" of the creditor's bondsmen.

I believe in maintaining the security of debts and the inviolability of contracts, and that they should be paid in one common legal tender money, which the debtor is bound to pay, and the creditor is equally bound to accept. If the bond or treasury note of the United States is payable, as they are always payable, in coin, I believe, indeed I know, that it is both honest, lawful and moral that the holder of such securities should be willing to accept that sort of coin, whether of silver or gold, that is thus named and described in the terms of the contract; and, if he wishes to violate his agreement by refusing to comply with it, he should be compelled to accept it.

If no special coin is named in the contract, it is payable in any full legal tender coin, at the option of the debtor.

I again state that the only real power that money has under the law is the power to pay a debt, and it is only through the legal tender laws that this power, in its compulsory form, is available.

In whatever currency, whether foreign or domestic, whether gold, silver, or paper, a debt is measured, or expressed, it is payable under our Constitution, in dollars and parts of dollars. The articles of confederation and the

laws enacted under them made dollars and cents the money of account, and article 7 of the amendments to the Constitution fixes the sum of "twenty dollars" as the lowest limit of the right of trial by jury.

No court in the United States can lawfully render a judgment for a sum of money in pounds, shillings and pence or in marks or francs. All money judgments must be rendered in dollars. They must be dollars that are a lawful tender. Why? To prevent the debtor from paying in depreciated currency that may be called dollars; and to prevent the creditor from demanding payment in currency that is worth a premium over legal tender dollars, or, in some coin of a foreign country that is difficult to obtain.

#### Debtor and Creditor Equal.

In framing our Constitution the convention was careful to protect both debtor and creditor in these vital points, and it took from the States the power to enact legal tender laws except only that they might make "gold and silver coin" legal tender.

No more important provision could be made in the organic law, whether it relates to the government, or the people, than was done by this exercise of one of the highest powers of sovereignty, in coining money into dollars and in giving to them compulsory power in making payment of debts, public and private.

It was provided for, fixed and made permanent in the Constitution, as one of the essential guards of the liberties of the people and as an indispensable exercise of sovereign power, without which the United States government would have been utterly impotent.

The legal tender power, that is, the compulsory power of money in the payment of debts, is that, alone, which distinguishes between money, as it is known to commerce and commercial law. Money that a creditor is not compelled to receive in payment of a debt, is not money within the meaning of the Constitution. It is not money, such as a sheriff or marshal can receive in satisfaction of a judgment, for the collection of which he holds an execution, in his

coins and gold coins that are legal tender for debt are simply legal tender, and their value is created by command of the government.

Neither silver dollars and British sovereigns are just that kind of money, because they are legal tender at their full face value in the payment of debts.

(CONTINUED TO-MORROW.)

#### Two Lives Saved.

Dr. Thomas, of Junction City, Mo., is told by her doctors she was dying, and that there was no hope, but two bottles of Dr. King's New Discovery completely cured her. Dr. King says it saved her life. Mr. Thomas, 139 Florida street, San Francisco, suffered from a dreadful cold, approaching consumption; tried without result everything else, then bought one bottle of Dr. King's New Discovery, and in two weeks was cured. He is naturally thankful. It is such results, of which these are samples, that prove the wonderful efficacy of this medicine in coughs and colds. Free trial bottles at John Y. MacKee's drug store. Regular size 50c and \$1.

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