THE STATE'S VOICE

O. J. PETERSON, Editor and Publisher
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Attention, Subscribers, Please.

Look at your label for date of expiration of subscription, and if you find yourself in arrears please send renewal or communicate with us if only by postal card.

Occasionally one of the best of men has directed the paper sent to him with the assurance that he would hand in the subscription price when he saw a representative sometime or would mail it. That was exactly the case of Marshal W. T. Dowd. Turn to the personal paragraphs and see what he says about it. But Mr. Dowd remembered well that he had given the order. Some may have forgotten. On the other hand, we may have made errors in some subscription accounts.

This is the first time the dates have been carried on the labels. We haven't particularly needed them so long as a representative of the paper was visiting the towns close upon the heels of the expiration dates of the group in each town. But some would always be absent; if the visit was late and a bunch of new subscribers was added, it made another expiration date for the town.

It has been found cheaper and more convenient, in case of a semi-monthly paper, to typewrite the lists for mailing than to have them set in type with the considerable work attending keeping the list in metal revised. But adding the dates makes it a different proposition, and only occasionally will the dates be written, attention each time being called to the fact.

In the issue of April 1 was explained the situation in which the limitation of the editor's activities by the condition of his health, confirmed by the order of the physician, had left him. Your prompt compliance with this request will help us very much in adapting the subscription work to the new conditions. We would like to clear the list of all those who really do not care to renew, and thus be in a situation in which whatever personal work is done on the fields may be done in securing new subscriptions in areas which have not yet been entered by a representative of the paper. There are propably hundreds of subscribers who will find insufficient interest in a paper of *The Voice's* type to renew by mail, and those would be a burden to the paper in the long run. Yet very few fail to respond to a personal solicitation for a renewal and only three have taken the suggestion of the article in the last issue and reported that their names should be dropped.

I can hardly accredit that meager response as the expression of the true situation. *The Voice* is either much appreciated generally or not at all. I can expect no help from the latter group in getting the sheep divided from the goats, or vice versa. Some of the disinterested will no more see this notice than they would find a thousand-dollar bill covering the Sermon on the Mount in their Bible. To get clear of that group while retaining all of the desirable type is my problem—and it arises when I must work and think less than at any other time in many years.

Please see the label and promptly communicate with us. It is not so important that you send the renewal now (though that is important) as it is that we be aided in saving a dependable subscription list without deadwood.

Excuse us for taking up this space on shop business, but a one-man paper and the man are in a different condition when the staff has a sick man on it than is the paper with scores on its staff.

Respectfully,
O. J. PETERSON.

The Omitted Number of April 15

As stated in the tardy issue of *The State's Voice* for April 1, the scheduled issue for April 15 was omitted because of the illness of the editor. It was fortunate that the statement was made, as the attempt to get out the issue of April 1 completely consumed the strength of the editor, who had not fully realibed his weakness. For eight days he lay and rested. By taking it gradually, the copy for this issue has been prepared on time, and it is hoped that it will not be necessary to omit any other issue. But the task this issue would have been much more difficult if it had not been for the several contributions, which you should find of real interest.

ABOUT GARET GARRETT'S "PIECES OF MONEY"

In the Personal Paragraphs appearing on other pages of this paper the reader will find noted a request of Rev. Jonas Barclay's for the editor's "re-action" to "Pieces of Money" by Garett Garrett in the Saturday Evening Post of April 20, 1935.

It happens that I published, in *The State's Voice* of November 15, 1933, an answer to an article by the same gentleman in the Post of November 4, 1933, on "Inflation." That article remains yet a fair answer to Mr. Garrett's later article—so much so indeed that I am tempted to republish it. Yet that decision of the Supreme Court in which were confirmed the devaluation of the dollar in terms of gold and the refusal of the Government to allow any group to dictate permanently the kind of money it should issue—even to pay the impossible, or at least injudicious, pledges made by its former unwise agents—was not discussed in the 1933 articles. Therefore, the article mentioned is not a complete answer to the most recent Garrett disquisition. However, I am sending Mr. Barclay a copy of the 1933 paper that he may refresh his memory if he happened to read the article on its publication.

The Letter of the Contract.

As far as the letter of the contract is concerned, Mr. Garrett is justified in crying 'fraud.' Yet it is not assumable upon any reasonable grounds that a government of to-day must suffer itself to be bound to a ruinous course by the acts of earlier agents. The right of revolution in any degree is inherent in the people of any government. Portia, in the *Merchant of Venice*, was fully justified in nullifying the letter of the contract for the pound of flesh next to the heart by making the accomplishment of the devilish purpose impossible. Government agents had been as reckless with the pledge of the government as Antonio was with his pledge to the fiendish Shylock. The latter might readily have had the just return for his loan, yet a decent soul can but echo the gleeful mockery of "A Daniel come to judgment" when he reaches the climax of the drama.

The bond holders have, it is true, the letter of a ruinous contract upon their side, but a Daniel more concerned with the safety of the nation than with the collection of the ghastly forfeits demanded by a group as reckless of the people's safety as was the vengeful Jew of his supposed victim's, happily arrived for judgment and has replaced the letter of an impossible, an uttely inequitable, contract with fair and just, also readily fulfilled, terms. This nation needs feel no compunction over the substitution of terms. Sanity was only denying the responsibility for the act of a former insanity, yet denying no one a just quid-pro-quo instead of his fiendishly demanded pound of flesh.

The brilliance of the Roosevelt strategy will be one of the glories of his administration among generations who shall at last have solved the problem of money.

The Garrett Fallacies.

It being granted that there can be no fraud accomplished so long as adequate quid-pro-quo's are rendered all creditors, even if they be denied the pounds of flesh specified in the letter of the contract, it remains only to point out the fallacies in the Garrett diatribe.

First, Garrett and his ilk falsely assume that gold is an invariable measure of value. It cannot be, since the value of any commodity varies with its demand. Yet the demand for gold, unlike that of any other commodity, is 90 percent an artificial demand, produced and producible by its monetization, since the demand for money is a most variable one, growing constantly with the increase of population, of production of all exchangeable commodities, of the standard of living, involving increased wages and higher prices, more numerous purchases, etc., etc.

With no adequate steady increase in the gold supply, the tendency would be for gold to increase in value relatively with the factors mentioned above. But there is another artificial factor that depresses or raises the value of gold according to circumstances. I refer to the invention of the currency scheme which results in a hundred-fold multiplicity of mortgages upon the available monetary gold, which currency hazardously assumes to represent the value of the gold itself in exchange relations, and not only does the currency do so but the dozen-fold greater volume of "credit money," bonds, etc., all of which in a gold-standard country are theoretically exchangeable for gold and actually so to a limited extent.

The Status of Business Affects Value.

The effect of the multiplicity of mortgages, theoretically of the value of gold, varies not merely with their number or face value but with the quantity of "credit money" based upon them.

During 1918 and 1919, something like 20 billions of European vouchers came into this country and became the basis for several times their face value in credit money during the period of wild-cat speculation. Theoretically every dollar of bankable securities was of equal value with the gold dollars in the government vaults.—Yes, those unpaid French and English billions.—The consequence of this enormous inflation, terribly emphasized by the speed of exchange, was a rise in wages, prices, etc., that deflated the value of the gold itself so long as it was supposedly of the same value as the currency or multiplied mortgages upon it.

The real value of gold at that time was its replacement value, as it always is with gold or any other commodity or object, provided replacement is desirable at all, as it is not in the case of many burned houses. In 1919, I am confident, it would have taken three dollars, and gold dollars at that, to pay a miner for producing the amount of gold contained in a dollar. The gold dollar had fictitiously assumed, under the redemption feature of the currency, the actual value of an amount of gold by monetary standards worth only, say, 35 or 40 cents. Then was the time for monopolists to drain the reserve, as did money lenders in Cleveland's day. But it was already under their control.

In 1933 there was no considerable volume of "credit money" and the speed of circulation of the currency had become a snail's pace. Mind you, the purchasing value of money is in reverse ratio to its quantity and its speed of circulation. And both the quantity, counting "credit money," and the speed of circulation had been so diminished by 1933 that a dollar in currency would mine the weight of gold in a dollar even in the abandoned mines of Randolph county and from the rubbish heaps of the once prolific California mines. And that dollar in currency would buy a wheelbarrow load of commodities against an overcoat pocketful in 1919, or 1926.

Those whose observation is alert and memory good can but consent that the gold dollar which might have been secured for any dollar of currency in 1919 or 1932 underwent during those 14 years at least a six-fold increase in value, as measured in wages or in the prices of commodities in general. Yet Mr. Garrett is crying "fraud," because the dollar has been reduced in terms of gold by 41 percent, though it will still

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Did John Rob Baggett Chuckle?

One can imagine that John Rob Baggett, if interested enough in mundane affairs to peep down from the battlements of heaven upon the procedure of the senate some days ago, could but chuckle at seeing Senator W. P. Horton and Senator Rivers Johnson voting together for the sales tax—and Senator Horton out-doing the Duplin senator by voting against the Weathers amendment to except five basic foods.

As the need for such a tax is less now, when the old ad valorem cow is coming back to her milk, it should be gratifying to all John Rob's friends to see the Chatham senator joining the chorus of the former Harnett senator's bull frogs, which, according to John Rob in that famous fight of 1931, persistently bellowed "sales tax." Certainly, it is gratifying to know that Mr. Horton has at last agreed with, or even gone beyond, this writer's contention of 1931—for then, and certainly now, the writer did and does not desire to see the people's bread and meat taxed. I should have preferred a five percent sales tax on articles other than basic foods in order to avoid placing a five percent tax upon meat, bread, and lard bought in quantities priced at less than a dollar—for that is about what the average tax is on small quantities. Yet we accept Mr. Horton's support of the sales tax under conditions less compelling a resort to it than those of 1931 as ample acknowledgement on his part that our judgment was good in those dire days when scarcely a home or a farm could meet its tax bill and when tens of thousands were getting good salaries or wages who have barely eked out a living during the period of the sales tax levy.

There is no criticism of Senator Horton's change of front—on the other hand it is always gratifying to see a conversion. Yet some new converts can be very extreme. Nevertheless, here is our hand of fellowship, Senator W. P.