

THE LINCOLN DEMOCRAT.

VOL. I.

LINCOLN, N. C., FRIDAY, NOVEMBER 8, 1895.

NO. 7.

A POWERFUL SOUND MONEY ARGUMENT

JUDGE ALDRIDGE AT BANKERS' CONGRESS.

Sound Sense and Sound Money. The 16 to 1 Theory of "Unlimited Demand" Demolished.

The speech of Judge George N. Aldridge, of Texas, at the Bankers' Convention in Atlanta Wednesday, deserves a far more liberal airing than it got in the press despatches of Thursday. It is well that the convention has ordered it printed and distributed.

After declaring that no country in the world has a silver standard from choice, Judge Aldridge went on to show that while all gold standard countries use silver liberally, no silver standard country uses any gold whatever. It follows, therefore, that the sound money—the gold standard—advocates, are the true bi-metallists, while the free silver 16 to 1 believers are the real mono-metallists. The sound money people are the friends of silver money, who would bring to its aid the power of the government to keep it good, and the free silver people are its enemies who, by unlimited coinage, would take from it the guaranty of parity by the government, and thereby degrade it to its market value. We are now coinage silver at the ratio of 16 to 1, and can do so safely because we can restrict the amount so coined. Confidence is lost when that power is taken away from the government, and it is no longer able to protect its credit. The simplest kind of illustration used by the speaker exactly describes the situation: "A merchant could very well guarantee the expenses of his clerk if he were allowed to control the expenses, but if the clerk demands free and unlimited expenses, then the merchant would have to stand from under and let the expenses take care of themselves."

The speaker referred to the stock argument of the silver people that silver demonetization had reduced the price of wheat, etc. He denied this, showing that since 1873, the sowing of the vast Northwestern prairies in wheat, had increased the amount to such an extent that the price went down. The improved harvesting machinery, and the extension of railroads for transporting it to market gave impetus to wheat raising. The result was over-production, but a gold standard had nothing to do with the consequent fall in prices. Its price, like everything else, is regulated by supply and demand. Last May a little bug settled down on the wheat fields of the Northwest, and in one or two weeks ate up one-half of the 16 to 1 argument on prices and sent them prices back into the neighborhood of those of 1873. The old hayseeds who knew the habits of the chinch bug and the kind of a multiplication table he used in regulating the increase in his family, took the trains for Chicago, commenced buying wheat and broke all the Smart Alecks in the city.

Mr. Aldridge thus humorously but convincingly knocks in the head the argument that unlimited coinage will create unlimited demand:

"The 16 to 1 people tell us that the coinage of silver will create unlimited demand for it. They decline to give us the howness or the whereforeness of this new-born demand, but with child-like faith, they expect it to rise in all its beauty, as the fabled Venus rose from the froth of the sea. They say the demand will come, as the Seventh Day Adventists tell us the end will come, and if their picnic comes off first, they will not need free silver; the demand will be for free and unlimited water. They contend, if this government takes all the silver that comes, at 16 to 1, silver will be worth par all over

the world, and they use an egg argument to prove it. They say, if a merchant advertises that he will pay 25 cents a dozen for eggs, so long as he had the ability to take all that come, eggs will be worth 25 cents in all that country. But suppose the merchant did not take them! Suppose when a farmer drove up to his store the merchant said to him: 'My friend, you misunderstand me. I am not buying eggs; I am simply counting them, certifying that they are good and handing them back to you.' What would eggs be worth? The same of old 10 to 15 cents per dozen. Under untried coinage the government would not buy silver, nor guarantee the value of the coins. It would stamp it without recourse. Silver would come from every country in the world, and the government would be a fool to undertake to guarantee the value of the coins by trying to preserve the parity between the metals. If a herder drove a lot of cow ponies through the mint and they were branded \$100 horses and delivered to the owner at the other end of the building, it would not improve the breed of the ponies nor create a wild demand for them at the brand price. Our government has lost \$100,000,000 trying to create demand for silver, for the sole and separate use, behoof and benefit of the silver mine owner, by buying it when it did not want it and had no need of it; and the silver mining 'villain still pursues' it! Uncle Sam has this silver on hand now. I would load a two-horse wagon train 173 miles long, putting 1,000 pounds on each wagon and letting them occupy thirty feet each in line; and I am mean enough to want to see him get even with the game before we start a new deal for anybody's benefit.

"If the unlimited coinage of silver by our government can bring it to par, the immediate effect would be to start every mine and mill in the world running at its utmost capacity; a large portion of the unemployed capital of the world would seek this field, and the bowels of the mountains of the earth would be torn asunder to get the benefit of the double price. In 1894 \$214,000,000 of silver was mined and sold at about 63 cents per ounce. If the price was raised to 129 cents per ounce, the 16 to 1 price, what would the harvest be? The old rule of three will solve the problem. If a railway engine will run ninety miles an hour on sixty-three pounds of steam pressure, how fast would it run on 126 pounds of pressure? The blasted thing would have to stop once in a while and wait for its shadow to catch up."

This nits it off about right. The speaker contended that the underlying element of the 16 to 1 movement is socialism, and continued: "The movement means repudiation. All else is theory, pretense and dreams. It is an effort to pass a left-handed bankrupt bill, not for the benefit of the unfortunate debtor who cannot pay, but for the rich as well, who can pay, but want to beat their creditors. The poor man is not in debt. The corporations, speculators and plungers generally constitute the debtor class. Every wage-earner belongs to the creditor class. No one would be benefitted by 16 to 1 coinage except the debtor class. Even the mine-owner would not for the temporary stimulus given to silver would increase its production until the price would fall below what it is now. On the other hand, all would suffer. If a bill for free coinage of silver at 16 to 1 were to pass one house of Congress, and it was ascertained that it would pass the other house, and that the President would sign it, the panic that would ensue would be that of 1893 what a tornado is to a zephyr.

"A republic rests entirely upon the morals of its people. The story of Washington and his hatch-

et old by loving lips to innocent childhood, has made millions of faithful men and women. What would be the effect in this country upon unborn generations, of a story like this: At the close of the nineteenth century the people of the United States became so corrupt they repudiated one-half their debts by paying them in money worth only half of its face value.

"An American in a foreign land looks with a swelling heart upon 'Old Glory,' as it proudly flaunts the breeze, the symbol of liberty and honor. Pass this act of repudiation and he will look upon it with shame. For enthrusing purposes we might as well pull it down and run up a dish-rag."

The eloquent speaker is evidently an Optimist and does not believe the blight of an inferior currency will ever be tolerated by the American people, the majority of whom we believe and hope, will echo a hearty "amen" to these concluding words: "Our country is in no danger of repudiation. This 16 to 1 coinage clamor is but one of the manifestations of hard times, brought on by the late panic. On low lands in the night time a deadly miasma accumulates, but when the bright sun climbs over the hill tops and shoots his purifying rays into the bottom, the miasma is dispelled, the atmosphere is sweetened and made wholesome, and men go forth into their daily avocations with assurance of health. In spite of all the isms that have afflicted us, in spite of the demagogism on the stump and in the legislative halls, this country is rapidly advancing. Our factories are taxed to their utmost with orders and the taxes of their employees have been everywhere voluntarily raised. Prices that have been depressed by the panic are improving. Sinister Discontent, with all her imps, is fleeing before the benign presence of prosperity, and in after years the heroes of to-day will only be remembered as a troubled dream. The American people are honest and patriotic. Upon this rock we build our faith, and all the ages and agencies of truth are ours for the superstructure."—Charlotte Observer, Oct. 19th.

A Safe Prediction.

Harper's Weekly says: "No return to protective legislation is possible in the next two years, and there is no reason to apprehend a return to it at any time. McKinley is dead."

"This is about as safe a prediction as could be made. The country has at last had an opportunity to try a Democratic tariff and the result is a vindication of that measure. The industries of the country are in far better condition than when the present tariff went into effect. None of the prophecies of the evils which it would bring have been verified. Our foreign trade has increased largely, more men and women are employed and the average of their wages is better. Business had adjusted itself to present conditions and will resent any effort to disturb them."

Some of the ablest Republican leaders realize this fact and are fighting shy of the tariff issue. Others, however, insist on putting that issue to the front next year and this is the main idea back of the effort to nominate McKinley. We do not believe that the Republicans will dare go further than a straddle on the tariff question and there is no doubt that the Democrats will stand the ground they have already taken.—Atlanta Journal.

Wash and Iron Whalebone.

Genuine whalebone can be used the second time by soaking the bent pieces in boiling water for a few moments and ironing them straight while warm and pliable. —November Ladies' Home Journal.

HISTORY OF THE 1873 COINAGE ACT.

NO CONSPIRACY AND NO AVOIDANCE OF PUBLICITY.

Every Step in Its Slow Progress Plainly Set Forth. The Act, Instead of Being Condemned, Should Be Re-Enacted.

THE HISTORY OF THE BILL. It was a bill framed in the Treasury department by a distinguished body of experts, and did not come into Congress in the ordinary way. Mr. Boutwell, then Secretary of the Treasury, was the author of the bill (see his statement in the Boston Herald Sunday, July 9, 1898), and was assisted by Mr. Pollock, long a director of the mint; Mr. John J. Knox, who then held the office of Deputy Controller of the Currency; Mr. Linderman, who was director of the mint; Mr. Patterson, who was Superintendent of the mint at Philadelphia, and many other experts.

The bill was framed after a most elaborate correspondence, which is contained in the official documents communicated to Congress at that time. Thousands of copies of this bill were circulated to everyone who desired to read it, or could be prevailed upon to read it, in order to obtain the sense and judgment of the experts of our country in respect to the coinage, and those answers are printed in a public document communicated to Congress upon the call of the House of Representatives before a single step was taken by Congress in regard to the bill.

The bill contains seventy-one sections, but sections 15 and 18 of the bill are the only ones against which the charge has been made that they were surreptitiously incorporated into it and passed, and on account of which this storm of invective against the bill has so long raged.

SECTION 15. "And be it further enacted, that of the silver coin, the weight of the half dollar, or piece of fifty cents, shall be respectively, one-half and one-fifth of the weight of said half dollar. That the silver coin issued in conformity with the above section shall be legal tender in any payment of debts for all sums less than one dollar."

SECTION 18. "And be it further enacted, that no coin, either gold, silver, or minor coinage, shall hereafter be issued from the mint other than those of the denominations, standards and weights herein set forth."

The above two sections were contained in the Treasury bill when said bill was forwarded to the Chairman of the Senatorial Finance Committee, and section 18 remained as above quoted throughout the whole history of the bill, and was enacted into law as it is above quoted, so no further reference need be made to section 18.

PASSAGE THROUGH CONGRESS. Section 14 of the above bill provides that the gold coins of the United States shall be a one dollar piece, which at the standard weight of twenty-five and eight-tenths grains, shall be the unit of value, etc.

In the report accompanying the introduction of the bill, under date of April 25, 1870, Mr. John J. Knox, Controller of the Currency, gives the history of the silver dollar and the reasons for its discontinuance, and states:

"The dollar unit, as money of account, was established by act of Congress April 2, 1792, and the same act provides for the coinage of a silver dollar of the value of a Spanish milled, or pillar dollar, as the same is now current. The silver dollar was first coined in 1794, weighing 416 grains, of

which 371½ grains were pure silver, the fineness being .8924. The act of January 18, 1837, reduced the standard weight to 412½ grains but increases the fineness to .900, the quantity of pure silver remaining 371½, as before, and at these rates it is still coined in limited amount."

Mr. Knox then stated that the coinage of the silver dollar piece, the history of which is here given, is discontinued in the proposed bill. He says: "It is by law the dollar unit, and assuming the value of gold to be 15½ times that of silver, being about the mean ratio for the past six years, is worth in gold, a premium of about three per cent. (its value being 108.12), and intrinsically more than 7 per cent. premium in other silver coin, the value thus being 107.42. The present law consequently authorize both a gold dollar unit and a silver dollar unit, differing from each other in intrinsic value. The present gold dollar piece is made the dollar unit in the proposed bill, and the silver dollar piece is discontinued."

With the above explanation of the bill, the Finance Committee of the Senate received the bill, had it printed, liberally distributed it, and considered it from April 1870, to December, and upon December 19, 1870 unanimously reported it to the Senate.

Mr. Sherman in his speech in the Senate August 30, 1898, states "that the dollar dropped from the coinage by the above bill was an unknown coin, and that he, up to December, 1870, although quite active in business which brought under his eye different forms of money, did not remember ever to have seen a silver dollar, and probably if it had been mentioned to the Senatorial Finance Committee and discussed, it would have been thought as a matter of course, scarcely worthy of inquiry."

Every Senator from the Pacific Coast spoke upon the measure, and the Senator from Nevada, Mr. Stewart, the gentleman who came into Kentucky to help Joe, took a leading part in that debate, and the cry you and may vote over taken upon the measure in the Senate shows that Mr. Stewart, of Nevada, voted for the bill, and that John Sherman voted against it. The bill passed the Senate Jan. 10, 1871, by a vote of 36 to 14, and was sent to the House, which failed to pass it for want of time, although the bill had been printed, reported back by Mr. Kelley, the Chairman of the Committee on Coinage, etc., when an amendment in the nature of substitute, was again printed.

On March 9, 1871, Mr. Kelley introduced the bill in the Forty-second Congress, when it was ordered printed and referred to the Committee on Coinage, etc., when appointed.

On January 9, 1872, the bill was reported by Mr. Kelley, Chairman of the Coinage Committee, with the recommendation that it pass, and in his opening speech said: "The Senate took up the bill and acted upon it during the last Congress and sent it to the House; it was referred to the Committee on Coinage, Weights and Measures and received as careful attention as I ever know a committee to bestow on any measure. We proceed with great deliberation to go over the bill, not only section by section, but line by line, and word by word; the bill has not received the same elaborate consideration from the Committee on Coinage of this House, but the attention of each member procured a copy of the bill, and there has been a thorough examination of the bill again." (See Congressional Globe, volume 100, page 322.)

On January 10, 1872, the bill was again recommended, and on February 9, 1872, it was again reported from the Coinage Committee by Samuel Hooper, printed and recommitted, and on Febru-

ary 14, 1872, reported back by Mr. Hooper, with amendments, printed and made the special order for March 12, 1872, until disposed of.

On April 9, 1872, the bill came up in the House for consideration. Mr. Hooper, in a carefully prepared speech of ten columns, explained the provisions of each section of the bill. In this speech (see page 2306, volume 102, Congressional Globe) he says:

"Section 15 re-enacts the provisions of the existing laws defining the silver coins and their weights respectively, except in relation to the silver dollar, which is reduced in weight from 412½ grains to 384 grains, thus making it a subsidiary coin, in harmony with the silver coins of less denomination, to secure its concurrent circulation with them. The silver dollar of 412½ grains by reason of its bullion or intrinsic value, being greater than its nominal value, long ceased to be a coin of circulation, and is melted by manufacturers of silverware. It does not now circulate in commercial transactions with any country, and the convenience of these manufacturers in this respect can better be met by supplying small stamped bars of the same standard, avoiding the useless expense of coining the dollar for that purpose."

The House amended the Senate bill, so far as silver was concerned, only by providing for a silver legal tender for debts of \$5, in any one payment, and in this form, on May 27, 1872, passed it, yeas 110, nays 43.

The bill was again printed in the Senate May 29, 1872, and referred to the Finance Committee, and reported back by it on December 16, 1872, proposing a modification of only one section (section 15) by substituting the trade dollar of 420 grains, in place of the dollar of 384 grains, in accordance with the wishes of the dealers in bullion upon the Pacific coast, that being considered by them as the most advantageous weight for a coin to be used for shipment to China and Japan, and increasing the weight of the subsidiary silver coin about one-half per cent in value, thus making the section read as follows:

"The silver coins of the United States shall be a trade dollar, a half-dollar, or fifty-cent piece, a quarter-dollar, or twenty-five-cent piece, a dime, or ten-cent piece, and the weight of the trade dollar shall be 420 grains, the weight of the half-dollar shall be 210 grains, the quarter-dollar shall be 105 grains, the dime shall be 21 grains, and the weight of the fifty-cent piece shall be 105 grains, and the weight of any amount not exceeding \$5, in any one payment."

In the above form this section 15 became law on February 12, 1873, having passed the Senate unanimously January 17, 1873, and having been sent to the House on January 21, 1873, where a Committee of Conference was appointed, and they promptly agreed upon their reports.

This bill was printed thirteen times by order of Congress, was considered at length by the Finance Committee of the Senate and the Coinage Committee of the House during five different sessions, and the debates upon the bill in the Senate occupy sixty-six columns of the Globe, and in the House seventy-eight columns of the Globe.

The Secretary of the Treasury called the special attention of Congress to the bill in his annual report for 1871, 1872 and 1873.

I submit the above record as an answer to the charges that without the knowledge or consent of the people the unit of value in 1873 was changed from silver to (Continued on second page)

THE NORTH AND THE SOUTH.

THE COMMERCIAL POSITION OF THE SOUTH.

Our Prosperity Commented on by a Northern Journal—Sectional Feeling on the Wane.

One of the best features of the Atlanta Cotton Exposition is the revelation which it is the means of giving to the Southern people of the cordial feeling entertained toward them by their Northern fellow-countrymen. Some even of the closest observers of the Southern States do not seem hitherto to have realized this so adequately as they should have done. Says a writer in the Commercial-Appeal, of Memphis:

"Those who have been reading the Northern papers must certainly have been impressed with the frequency and kindly encouragement with which they have mentioned the Atlanta Exposition. They have given it a publicity that should please the management and the Southern people generally. Not only this, but the citizens of the North are taking special pains, it seems to me, to patronize it with their money and presence. All this speaks mightily loud and places our friends in an enviable light."

"The truth is, I, who have a considerable amount of prejudice, feel a growing kindness toward our neighbors north of the line. I have been noticing the substantial and extended here to authors, to enterprises of various kinds, to the afflicted, no more occasions than one. The thoughtful will ask why this, and demand a satisfactory reply. Every Southern author almost has been recognized by the North before accorded recognition in the South. And so of others—magazines and other journals have been open, and despite the fool reference now and then by some careless editor to 'Southern barbarity,' etc., our treatment for years has been considerate indeed. This is a tribute I feel that I should render."

Now, the sincere friendliness of the Northern people toward the South ought not to be a matter of surprise. It ought not even to be a matter of particular comment. It ought to be taken for granted, but it seems that it has not been so, and, of course, these frank and hearty acknowledgments of it are very pleasant and very welcome. There is not only a friendly interest in the South in the Northern section of the country, but there is a very strong and growing interest in the South among the people of the North.

There is now no more room for jealousy or hostility between Massachusetts and Tennessee than there is between Massachusetts and New York or Pennsylvania. New England and the North have just as loyal and profound a friendship for the South as they have for any other section of our common country. And that friendship is not at all incompatible with occasional neighborly protests against certain Southern methods in matters of politics or education. For our part, we are prepared to take these comrades-like admonitions in the same honest spirit in which we ourselves make them. If our Southern brethren sincerely believe that Northern methods in certain regards are capable of improvement, they should not hesitate to say so. They assuredly are able to give much needed lessons in broad and fervid patriotism to certain elements of our Northern population.—Boston Journal.