## THE MESSAGE

### Mr. Cleveland Talks About

THE GREAT FINANCIAL QUESTION

As we turn from a review of our foreign relations to the contemplation of our national financial situation, we are immediately aware that we approach a subject of domestic concern more important than any other that can engage our attention, and one at present in such a perplexing and delicate predicament as to require prompt and wise treatment. We may well be encouraged to earnest effort in this direction when we recall the steps already taken toward improving our economic and financial situation, and when we appreciate how well the way has been prepared for further progress by an aroused and intelligent popular interest in these subjects.

By command of the people a customs revenue system, designed for the protection and benefit of favored classes at the expense of the great mass of our countrymen, and which, while inefficient for the purpose of revenue, curtailed our trade relations and impeded our entrance to the markets of the world, has been superseded by a tariff policy which in principle is based upon a denial of the right of the government to obstruct the avenues of our people's cheap living or lessen their comfort and contentment, for the sake of according especial advantages to favorites, and which, while encouraging our interests and trade with other nations, recognizes the fact that American self-reliance, thrift, and ingenuity can build up our country's industries and develop its resources more surely than enervating paternalism.

The compulsory purchase and coinage of silver by the government, unchecked and unregulated by business conditions and heedless of our currency needs, which for more than fifteen years diluted our circulating medium, undermined confidence abroad in our financial ability and last culminated in distress and panic at home, has been recently stopped by the repeal of the laws which forced this reckless scheme upon the country. The things thus accomplished, notwithstanding their extreme importance and beneficient effect, fall far short of curing the monetary evils from which we suffer as a result of long indulgence in ill-advised financial expedients.

REDEEMING WITHOUT REDEMPTION.

The currency denominated United States notes and commonly known as greenbacks was issued in large volume during the late civil war, and was intended principally to meet the exigencies of that period. It will be seen by a reference to the debates in Congress at the time the laws were passed authorizing the issue of these notes that their advocates declared they were intended for only temporary use and to meet the emergency of war. In almost if not all the laws relating to them some provision was made contemplating their voluntary or compulsory retirement. A large quantity of them however, were kept on foot and mingled with the currency of the country, so that at the close of the year 1874, they amounted to $381,999,073. Immediately after that date, and in January, 1875, a law was passed providing for the resumption of specie payments, by which the Secretary of the Treasury was required, whenever additional circulation was issued to national banks to retire United States notes equal in amount to 80 per cent, of such additional national bank circulation until such notes were reduced to $300,000,000. This law further provided that on and after the 1st day of January, 1879, the United States notes then outstanding should be redeemed in coin, and in order to provide and prepare for such redemption the Secretary of the Treasury was authorized not only to use any surplus revenues of the government, but to issue bonds of the United States and dispose of them for coin, and to use the proceeds for the purpose contemplated by the statute. In May, 1878, and before the date thus appointed for the redemption and retirement of these notes, another statute was passed forbidding their further cancellation and return. Some of them had, however, been previously redeemed and cancelled upon the issue of additional national bank circulation as permitted by the law of 1875, so that the amount outstanding at the time of the passage of the act forbidding their further retirement was $346,681,016. The law of 1878 did not stop at distinct prohibition, but contained, in addition, the following express provision: "And when any of said notes may be redeemed or be received into the Treasury, under any law, from any source whatever, and shall belong to the United States, they shall not be retired, cancelled or destroyed, but they shall be re-issued and paid out again and kept in circulation." This was the condition of affairs on the 1st day of January, 1879, which had been fixed upon four years before as the date for entering upon the redemption and retirement of all these notes, and for which such abundant means had been provided. The government was put in the anomalous situation of owing to the holders of its notes, debts payable in gold on demand, which could neither be retired by receiving such notes in discharge of obligations due the government, nor cancelled by actual payments in gold. It was forced to redeem without redemption and to pay without redemption.

THE GOLD RESERVE ATTACKED BY THE INCREASING SILVER PURCHASES.

There had been issued and sold $95,500,000 of the bonds authorized by the resumption act of 1875, the proceeds of which, together with other gold in the Treasury, created a gold fund deemed sufficient to meet the demands which might be made upon it for the redemption of the outstanding United States notes. This fund, together with such other gold as might be from time to time in the Treasury available for the same purpose, has since been called our gold reserve, and $100,000,000 has been regarded as an inadequate amount to accomplish its object, this fund amounting on the 1st day of January, 1879, to $114,193,360, and though thereafter constantly fluctuating, it did not fall below that sum until July, 1892. In April, 1893, for the first time since its establishment, this reserve amounted to less than $100,000,000 containing at that date only $97,011,330. In the meantime, and in July, 1890, an act had been passed directing larger governmental monthly purchases of silver than had been required under previous laws and providing that in payment for such silver, Treasury notes of the United States should be issued payable on demand in gold or silver coin at the discretion of the Secretary of the Treasury. It was, however, declared in the act to be "the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio or such ratio as may be provided by law." In view of this declaration it was not deemed permissible for the Secretary of the Treasury to exercise the discretion in terms conferred on him by refusing to pay gold on these notes when demanded, because by such discrimination in favor of gold dollar the so-called parity of the two metals would be destroyed, and grave and dangerous consequences would be precipitated by affirming or accentuating the constantly widening disparity between their actual values under the existing ratio. It thus resulted that the Treasury notes issued in payment of silver purchases under the law of 1890 were necessarily treated as gold obligations, at the option of the holder. These notes on the 1st day of November, 1893, when the law compelling the monthly purchase of silver was repealed, amounted to more than $155,000,000. The notes of this discription now outstanding added to the United States notes still undiminished by redemption or cancellation constitute a volume of gold obligations amounting to nearly $500,000,000. These obligations are the instruments which, ever since we have had a gold reserve, have been used to deplete it.

This reserve, as has been stated, had fallen in April, 1893, to $97,011,330. It has from that time to the present, with very few and unimportant upward movements, steadily decreased, except as it has been temporarily replenished by the sale of bonds.

CAUSES OF THE SHRINKAGE OF THE RESERVE.

Among the causes of this constant and uniform shrinkage in this fund may be mentioned the great falling off of exports under the operation of the tariff law until recently in force, which crippled our exchange of commodities with foreign nations and necessitated, to some extent, the payment of our balance in gold; the unnatural infusion of silver into our currency and the increasing agitation for its free and unlimited coinage which have created apprehension as to our disposition or ability to continue gold payments; the consequent hoarding of gold at home and the stoppage of investment of foreign capital as well as the return of our securities already sold abroad; and the high rate of foreign exchange which induced the shipment of our gold to be drawn against, as a matter of speculation. In consequence of these conditions the gold reserve on the 1st day of February, 1894, was reduced to $65,438,377, having lost more than $31,000,000 during the preceeding nine months, ever since April, 1893. Its replenishment being necessary and no other manner of accomplishing it being possible, resort was had to the issue and sale of bonds provided for by the resumption act of 1875. 50,000,000 of these bonds were sold yielding $58,330,295.71, which was added to the reserve fund of gold then on hand. As a result of this accession this reserve, which had suffered constant and large withdrawals in the meantime, stood on the 6th day of March, 1894, at the sum of $107,446,802. Its depletion was, however, immediately thereafter so accelerated that on the 30th day of June, 1894, it had fallen to $64,873,025, thus losing by withdrawals more than $42,000,000 in five months. This was the situation when the sale of $50,000,000 in bonds was effected for its replenishment. This depressed condition grew worse, and on the 24th day of November, 1894, our gold reserve being reduced to $55,669,701, it became necessary to again strengthen it.

This was done by another sale of bonds amounting to $50,000,000, from which there was realized $58,538,500, with which the fund was increased to $111,142,021 on the 4th of December, 1894.

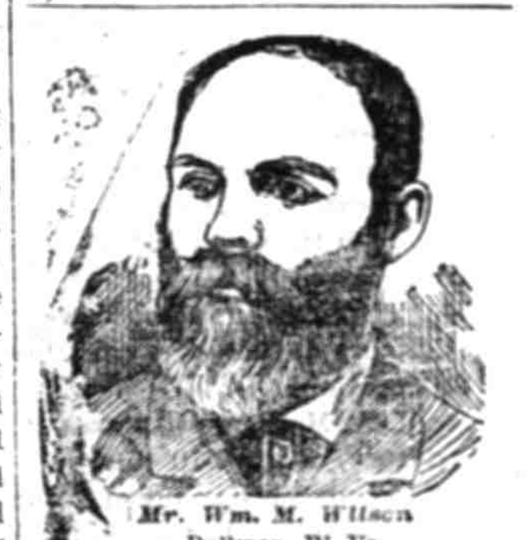
Again disappointment awaited the anxious hope for relief. There was not even a lull in the exasperating withdrawals of gold. On the contrary, they grew larger and more persistent than ever. Between the 28th day of December, 1894, and early in February, 1895, a period of scarcely more than two months after the reinforcement of our gold reserve by the sale of bonds, it had lost by such withdrawals more than $69,000,000 and had fallen to $41,340,181. Nearly $43,009,000 had been withdrawn within the month immediately preceding this situation.

In anticipation of impending trouble, I had on the 28th day of January, 1895, addressed a communication to the Congress fully setting forth our difficulties and dangerous position and earnestly recommending that authority be given the Secretary of the Treasury to issue bonds bearing a low rate of interest, payable by their terms in gold, for the purpose of maintaining a sufficient gold reserve, and also for the redemption and cancellation of outstanding United States notes and the Treasury notes issued for the purchase of silver under the law of 1890. This recommendation did not, however, meet with a favorable response In February, 1895, therefore, the situation was exceedingly critical. With a reserve perilously low and a refusal of congressional aid, everything indicated that the end of gold payments by the government was imminent. The results of prior bond issues had been exceedingly unsatisfactory, and the large withdrawals of gold immediately succeeding their public sale in open market gave rise to a reasonable suspicion that a large part of the gold paid into the Treasury upon such sales was promptly drawn out again by the presentation of United States notes or Treasury notes and found its way to the hands of those who had only temporarily parted with it in the purchase of bonds. In this emergency, and in view of its surrounding perplexities, it became entirely apparent to those upon whom the struggle for safety was devolved not only that our gold reserve must, for the third time in less than thirteen months, be restored by another issue and sale of bonds bearing a high rate of interest and badly suited to the purpose, but that a plan must be adopted for their disposition promising better results than those realized on previous sales. An agreement was therefore made with a number of financiers and bankers whereby it was stipulated that bonds described in the resumption act of 1875, payable in coin thirty years after date, bearing interest at the rate of 4 per cent. per annum, and amounting to about $62,000,000, should be exchanged for gold, receivable by weight, amounting to a little more than $65,000,000. This gold was to be delivered in such installments as would complete its delivery within about six months from the date of the contract, and at least one-half of the amount was to be furnished from abroad. It was also agreed by those supplying this gold that during the continuance of the contract they would, by every means in their power, protect the government against gold withdrawals; the contract also provided that if Congress would authorize their issue, bonds, payable by their terms in gold and bearing interest at the rate of 3 per cent. per annum might, within ten days, be submitted at par for the 4 per cent bonds, described in the agreement. On the day that the contract was made its terms were communicated to Congress by a special executive message, in which it was stated that more than $16,000,000 would be saved to the government, if gold bonds, bearing 3 per cent. interest, were authorized to be substituted for those mentioned in the contract. The Congress having declined to grant the necessary authority to secure this saving, the contract, unmodified, was carried out, resulting in a gold reserve amounting to $107,571,230 on the 8th day of July, 1895. The performance of this contract not only restored the reserve, but checked for the time the withdrawal of gold and brought on a period of restored confidence and such peace and quiet in business circles as were of the greatest possible value to every interest that affects our people. I have never had the slightest misgiving concerning the wisdom or propriety of this arrangement and am quite willing to answer for my full share of responsibility for its promotion. I believe it averted a disaster the imminence of which was fortunately not at the time generally understood by our people. Though the contract mentioned stayed for a time the tide of gold withdrawal, its good results could not be permanent. Recent withdrawals have reduced the reserve from $107,571,230 on the 8th day of July, 1895, to $79,333,966. How long it will remain large enough to render its increase unnecessary is only a matter of conjecture, though quite large withdrawals for shipment in the immediate future are predicted in well informed quarters. About $16,000,000 has been withdrawn during the month of November. The foregoing statement of counts and conditions develops the fact that after increasing our interest-bearing bonded indebtedness more than $162,000,000 to save our gold reserve, we are nearly where we started, having now in such reserve $79,333,966, as against $65,438,377 in February, 1894, when the first bonds were issued.

(Continued next week)







Mr. Wm. M. Wilson
Pullman, W. Va.









| —FROM— | A | B | C | D | E |
|---|---|---|---|---|---|
| Alexandria, Va | 26 30 | 19 25 | | 14 00 | |
| Asheville, N. C | 12 80 | | 9 40 | | 8 75 |
| Burlington, N. C | 18 70 | 13 70 | | 9 65 | |
| Burkeville, Va | 21 25 | 17 45 | | 11 95 | |
| Culpepper, Va | 26 30 | 19 85 | | 16 50 | |
| Chatham, Va | 20 85 | 15 80 | | 10 85 | |
| Charlottesville, Va | 23 25 | 17 65 | | 12 40 | |
| Chapel Hill, N. C | 20 60 | 15 00 | | 10 35 | |
| Concord, N. C | 14 70 | | 10 40 | | 6 55 |
| Charlotte, N. C | 13 15 | | 9 60 | | 5 85 |
| Danville, Va | 20 05 | 14 70 | | 10 30 | |
| Durham, N. C | 20 40 | 15 00 | | 10 45 | |
| Front Royal, Va | 26 25 | 19 25 | | 14 00 | |
| Greensboro, N. C | 17 65 | 12 95 | | 9 20 | |
| Goldsboro, N. C | 22 75 | 15 40 | | 11 80 | |
| Hendersonville, N. C | 11 70 | | 8 60 | | 5 35 |
| Hickory, N. C | 15 90 | | 11 25 | | 7 15 |
| High Point, N. C | 16 95 | | 12 45 | | 8 40 |
| Hot Springs, N. C | 14 00 | | 10 50 | | 6 75 |
| Henderson, N. C | 20 40 | 15 00 | | 10 45 | |
| Lynchburg, Va | 22 50 | 16 50 | | 11 40 | |
| Lexington, N. C | 16 05 | | 11 80 | | 8 65 |
| Morganton, N. C | 15 30 | | 11 25 | | 7 35 |
| Marion, N. C | 14 85 | | 10 90 | | 7 10 |
| Newton, N. C | 15 30 | | 11 25 | | 7 35 |
| Orange, Va | 24 55 | 18 00 | | 13 10 | |
| Oxford, N. C | 20 40 | 15 00 | | 10 45 | |
| Richmond, Va | 23 25 | 17 05 | | 12 40 | |
| Reidsville, N. C | 18 05 | 13 80 | | 9 70 | |
| Raleigh, N. C | 20 40 | 15 00 | | 10 45 | |
| South Boston, Va | 21 55 | 15 80 | | 10 90 | |
| Strasburg, Va | 26 25 | 19 25 | | 14 00 | |
| Salisbury, N. C | 15 30 | | 11 25 | | 7 35 |
| Statesville, N. C | 15 30 | | 11 25 | | 7 35 |
| Taylorsville, N. C | 16 35 | | 12 00 | | 8 15 |
| Tryon, N. C | 10 75 | | 7 85 | | 4 90 |
| Washington, D. C | 26 25 | 19 25 | | 14 00 | |
| West Point, Va | 23 65 | 17 35 | | 12 60 | |
| Warrenton, Va | 26 25 | 19 25 | | 14 00 | |
| Wilkesboro, N. C | 23 05 | 16 95 | | 11 30 | |
| Winston-Salem, N. C | 19 00 | 13 95 | | 9 80 | |





## CHESTER AND LENOIR RAILROAD.

Schedules in effect from and after October 13, 1895.

G. W. F. HARPER, President.
Lenoir, N. C.

Central Time Standard.

| GOING NORTH. | No. 10 | No. 60 |
|---|---|---|
| Leave Chester | 7 20 am | 7 50 am |
| Leave Lowrysville | 7 49 am | 8 25 am |
| Lve McConnellsville | 8 06 am | 8 50 am |
| Leave Guthriesville | 8 13 am | 9 05 am |
| Leave Yorkville | 8 34 am | 10 05 am |
| Leave Clover | 9 11 am | 10 50 am |
| Leave Gastonia | 9 50 am | 12 10 pm |
| Leave Lincolnton | 11 05 am | 1 30 pm |
| Leave Newton | 11 54 am | 3 00 pm |
| Leave Hickory | 12 30 pm | 5 00 pm |
| Arrive Lenoir. | 1 35 pm | 6 40 pm |

| GOING SOUTH. | No. 61 | No. 9 |
|---|---|---|
| Leave Lenoir | 5 00 am | 2 35 pm |
| Leave Hickory | 6 47 am | 4 30 pm |
| Leave Newton | 8 10 am | 5 05 pm |
| Leave Lincolnton. | 9 20 am | 5 45 pm |
| Leave Gastonia | 12 00 pm | 6 34 pm |
| Leave Clover | 1 00 pm | 7 17 pm |
| Leave Yorkville | 2 25 pm | 8 11 pm |
| Lve Guthriesville | 2 48 pm | 8 30 pm |
| Lve McConnellsville | 3 06 pm | 8 41 pm |
| Leave Lowrysville | 3 30 pm | 8 58 pm |
| Arrive Chester | 4 10 pm | 9 28 pm |

Trains Nos. 9 and 10 are first-class and run daily except Sunday. Trains Nos. 60 and 61 carry passengers and also run daily except Sunday. There is good connection at Chester with the G. C. & N., and the C. C. & A. also at Gastonia with the A. & C. A. L.; at Lincolnton with the C. C. and at Hickory and Newton with the W. N. C.

L. T. NICHOLS, Superintendent.
Chester, S. C.



## Sea Board Air Line.

South bound trains — Time Table No. 5. — North bound trains

| No. 7. Local ft. and Passenger daily except Sunday | No. 25. Ft. and Passenger daily except Sunday. | No. 41. Passenger mail and express daily. | No. 403 Passenger and mail daily. | Sept. 29th 1895. STATIONS. | No. 402 Passenger and mail daily. | No. 38. Passenger, mail and express daily. | No. 26 Ft and passenger daily except Sunday | No. 8 Local ft. and Passenger daily except |
|---|---|---|---|---|---|---|---|---|
| Leaves | | | | | | | | |
| | | 9 00 | 2 10 p | New York, N. Y. | 4 53 p | 6 53 a | | |
| | | 12 08 | 4 41 p | Philadelphia, Pa. | 2 20 p | 3 45 a | | |
| | | 2 53 | 7 10 p | Baltimore, Md. | 12 05 a | 12 48 a | | |
| | | 4 30 | 8 40 p | Washington D C | 10 45 a | 11 10 p | | |
| | | 9 05 | 12 55 a | Richmond Va | 6 40 a | 6 35 p | | |
| | | 9 53 | 1 10 a | Petersburg Va | 6 00 a | 5 38 p | | |
| | | 9 15 a | 11 01 a | Portsmouth Va | 7 30 a | 5 50 p | | |
| | | 12 01 p | 3 00 a | Weldon N C | 4 05 a | 3 00 p | | |
| | | 3 40 | 7 35 a | Raleigh " | 1 21 a | 11 25 a | | |
| | 7 [illegible] p m | | | Wilmington " | | | 7 05 a | |
| | 2 [illegible] a m | 7 30 | 8 08 a | Hamlet " | 10 34 p | 7 55 a | | 1 00 |
| | 4 15 a m | 8 10 | 8 46 a | Wadesboro " | 9 54 p | 7 05 a | | 1 [illegible] |
| 1 45 p m | 6 20 a m | 9 20 | 9 55 a | Monroe " | 9 00 p | 6 00 a | 10 45 a | 11 [illegible] |
| Arrives | | 6 20 a | 5 09 p | Atlanta Ga | 1 00 p | 8 45 p | | |
| 3 05 p m | 7 45 a m | 10 10 p | 10 43 a | Charlotte " | 8 20 p | 5 20 a | 8 20 p | 10 00 |
| [illegible] | | | 11 06 a | Mt Holly " | 7 45 p | | | [illegible] |
| [illegible] | | | 11 26 a | Stanley Creek " | 7 29 p | | | [illegible] |
| [illegible] | | | 12 06 p | Lincolnton " | 6 55 p | | | [illegible] |
| [illegible] | | | 12 33 p | Cherryville " | 6 26 p | | | [illegible] |
| [illegible] | | | 1 00 p | Shelby " | 5 58 p | | | [illegible] |
| | | | 2 30 p | Rutherfordton " | 4 35 p | | | |

Trains Nos. 402 and 403, "The Atlanta Specials" solid Vestibuled trains with sleepers and coaches. Trains No. 38 and 41, "S. A. L. Express" Solid trains of Pullman sleepers and day coaches.

E. St. John, Vice President. — Jno. H. Winder, General Manager. — P. J. Pate, Ticket Agt., Lincolnton, N. C.