HENRY CLEWS' VIEWS.

His Ten Reasons for Opposing Free Coinage Reviewed and Answered.

Recently the New York chamber of commerce asked a number of representative men in various professional lines to say why they opposed free silver coinage. Among the answers received was one from Henry Clews, who sends ten reasons why his convictions are wholly against the unrestricted coinage of silver in the United States at the ratio of sixteen parts of silver to one of gold.

I shall attempt, in this article, to review and answer these ten reasons. At the outset it may be well to state that Mr. Clews is writing of free coinage of silver by the United States alone, independent of the action of all other nations. Mr. Clews, I presume, concedes that the unrestricted coinage of silver by the United States, England and Europe, in compliance with international agreement at a common ratio, would firmly establish the monetary values of the two metals, upon such common ratio, so that neither of the metals would be "dearer" or "cheaper" than the other. So, then, the controversy resolves itself into a question of the ability of the United States to alone maintain the "parity" of the metals, at a ratio of 16 to 1, by according to silver the privilege of unrestricted coinage at her mints. This is purely a matter of speculation, the argument therein being, of necessity, based upon a hypothetical premise, such premise being the position of silver under non-existent conditions and not under the conditions prevailing at present. The free coinage of silver at a certain, fixed ratio, would take silver off the market as a commodity. Gold is thus treated to-day and the only question in issue is whether the United States alone can do for silver what several nations, in unison and combined, do for gold. What is done for gold? Let us see. Reliable statistics and estimates prove that the amount or quantity of gold which constitutes a dollar costs to produce an average of not more than 25 cents in money, while silver costs slightly more.

Noticing, very briefly, the "supply and demand" argument, it will be sufficient to state that, for the past ten years we have produced an average "supply" of 6,000,000, ounces annually, while the "demand" for use in the arts has been about one-half, or 3,000,000 ounces annually. With no other "demand" except that of the useful arts, gold would be worth less than the cost of production; but here it is that the "demand" for monetary purposes intervenes, and by affording an unlimited market, at a fixed price, for all surplus "supply" renders it impossible for any gold to be obtained for use in the arts at less than its money value, as fixed by the coinage laws. So much for "supply and demand."

Can the United States, alone, do as much for silver, and maintain its value equal to gold at a ratio of 16 to 1? That's the question.

Mr. Clews' reasons, in their regular order, will now be given and an answer essayed to each:

"First—Because it would be a deliberate, dishonest debasement of a large and ulti- te controlling portion of the circulat medium."

Answer—It would no more be a debasement of our silver money than is our present practice in respect to gold, a debasement of our gold money. The gold dollar is three-fourths "fiat," and as silver costs more to produce than gold, the silver dollar would be less a fiat dollar than the present gold dollar is.

"Second—Because universal experience has proved that a debased currency always drives out of use and out of the country full-valued money, and consequently our $600,000,000 of gold would go to strengthen the currency systems of other countries, while ours would be correspondingly weakened."

A.—Inthe first place, gold money is not only a "full valued" money, but is a four-fold valued money. In the next place, there is not $600,000,000 of gold in the United States. All the gold coin and bullion in the United States treasury and in all banks of all kinds, on July 1, 1895, amounted to slightly over $300,000,000, while there was none in circulation and but little hoarded. If what gold we have was to go abroad, it would lower the exchange value of gold money in England and Europe and assist in maintaining the value of silver.

"Third—Because the loss of that gold would be so much contraction of the volume of our money."

A.—The slightly more than $300,000,000 of gold, of which we have knowledge, constitutes the so-called "gold redemption reserve" in the United States treasury and a portion of the reserve held in the banks. It forms no part of "the volume of our money." But what about that "flood" of silver our gold-bug friends so much dread?" Is it to be such a slight shower after all, as not to be heavy enough to compensate for the loss of this gold? Besides all this, McClews has not proved that we should lose the gold.

"Fourth—Because when gold ceased to circulate silver coin would fall to its bullion value (which is now fifty cents on the dollar,) and its purchasing power being thus reduced there would be a corresponding virtual contraction in the value of our silver money."

A.—So there's going to be no "flood." And those wicked silver miners would not get a dollar for fifty cents' worth of silver, after all. That is, they would get a dollar coin but it would be worth only fifty cents. But why would it be worth only fifty cents? The ratio of coined and uncoined silver to coined and uncoined gold in the world is 18 to 1, while the ratio of coined silver to coined gold is 15 to 1. Why would it be worth only fifty cents? There are not twenty million ounces of uncoined silver bullion in the world. The uncoined silver is in the shape of works of art, ornaments, jewelry, etc., and cost more than the money value at 16 to 1.

The director of the mint, Mr. R. E. Preston, estimates the world's production of gold for the calendar year 1894 to have approximated 8,780,518 fine ounces of the value of $181,510,100, against $158,855,000 for 1893, showing an increase of $22,678,000 in 1894.

Mr. Preston estimates the world's production of silver for 1894 at 165,918,338 fine ounces of the coining value of $214,481,000. The increase in the production of 1894 over 1893 was $5,115,000.

Both the production of gold and silver in 1894 exceeded that of any prior year in the world's history. It will be noticed that while gold increased more than 14 per cent. over the production of 1893, silver increased only slightly more than 2.53 per cent. (slightly over two and one-half per cent.)

So scarce is silver that speculators are cornering Mexican dollars. Says the American Banker:

"The recent scarcity of Mexican dollars in the market is explained by the news that a syndicate of French bankers has succeeded in picking up a lot of this silver, valued at about $800,000, which is being held awaiting some movement in the market, as the demand may be affected by the Chinese loan negotiations."

Assuming that the population of the United States increased at the rate of 3 per cent. per annum and the world's production of silver remained stationary at $215,000,000 each year, it would take seven years to coin $20 per capita. In 1851 this country coined at its mints nearly $3 per capita of gold. In ten years, 1849 to 1858, it coined about $20 per capita of gold. If we could stand that much coinage then, we can certainly stand that much now.

Of course, English and European silver coins would not come here for coinage, because they are already at par with gold in their home countries at a ratio of 15½ to 1. And if the United States absorbed the total world's production, the 800,000,000 people now on a silver basis would soon be reduced to a condition of hopeless bankruptcy. And what would the world do for silverware? It is extremely doubtful if the United States would receive a single ounce of foreign silver for coinage at her mints. Again I ask: "Why should the silver dollar be worth only fifty cents?"

"Fifth—Because all our paper money, becoming under the above conditions redeemable in silver, would fall to the same value as the silver dollar. Thus free coinage would involve the loss of all our gold money and the reduction by one-half of the value of all our other forms of currency, which would be equivalent to a contraction of about 60 per cent. in the present volume of circulation medium, the most sweeping monetary revolution in history."

A.—Mr. Clews and his ilk know that this statement is pure bosh, and they have tested it to the tune of about $12,000,000 profits. The last batch of United States bonds were made payable in "coin," and are, therefore, payable in silver, at the government's option. And yet they commanded a big premium in England! There is no good or valid reason, or argument advanced to prove that the silver dollar would not be worth as much as the gold dollar, if the United States were to accord to silver the privilege of unrestricted coinage at the ratio of 16 to 1.

"Sixth—Because, if it be true, as the silver advocates claim, that the volume of purchasing power of the currency controls prices, then the enormous contraction of the volume and the value of the currency would force a corresponding decline in the price of all products and also in the rate of wages."

A.—Consistency, thou art a jewel. Note Mr. Clews' wonderful and thrill-somersault. How can it be possible that if the number of units be reduced and the exchange value of each unit be reduced 50 per cent., that, nevertheless, the aggregate purchasing power of the total volume of money can be so largely increased as to "force a corresponding decline in the price of all products?" Mr. Clews is either a fool, or else he is a knave and thinks the people are fools.

What then becomes of the "sound money" argument, that free coinage of silver would be repudiation of one-half of all indebtedness? Debts are ultimately paid in products, not with money. But Mr. Carlisle, in his celebrated speech, squarely contradicts Mr. Clews by asserting that prices, measured in silver dollars, would double. Said he:

"An actual increase in prices resulting from an increase in the volume of sound money in circulation is quite a different thing from a nominal increase of prices resulting from the use of a depreciated currency, and no argument upon the subject of price can be sound that does not recognize the distinction between them. The proposition of our free coinage friends is to double prices nominally, but at the same time to have them paid in money intrinsically worth only one-half as much as it was before the prices were doubled, and I confess my inability to see how this would help anybody."

We presume that neither of the gentlemen would care to deny the assertion that if commodities have a double price they would pay double the amount of indebtedness they pay with present prices.

"Seventh—Because a reduction of one-half, more or less, in the market value of properties would correspondingly diminish the means from which debtors would have to pay their debts, and the outcome would therefore be universal bankruptcy and panic, the ruin of the banks, the destruction of the assets of the savings banks, and a convulsive interruption of industry arising from the inability of the people to supply their wants."

A.—The answer to reason six answers this. Mr. Clews is unique and solitary in his position. The stereotyped wail of the gold-bugs has been that free coinage of silver would double prices of commodities and scale down all indebtedness one-half. But Mr. Clews is running a bluff and tries to make the people believe that free coinage would cut prices in half and double all forms of indebtedness. Get together, gentlemen, get together. In his debate with "Coin" Harvey, at Chicago, Prof. Laughlin said:

"The justice of to-day permitting mortgage obligations to be paid off in a money 50 per cent. less than that in which they were contracted shows its own dishonesty on its face, without further remark, when you think that since 1873 there has been only this standard; that contracts have adapted themselves to it; that the life of the ordinary mortgage does not extend beyond five or six years; that all these contracts and obligations have been running under the present standard; therefore, to offer to pay them in a money worth half the present value is simply repudiation."

And now comes Mr. Clews and says that free silver coinage would cause the debtors to pay double.

"Eighth—Because no effective restraints could be enforced to confine free coinage to the home product, and the mint would therefore stand exposed to having to coin an amount of this metal equal to double our home product of it, thereby increasing our payments to other countries, for which our money would be unavailable and our securities equally so."

Answer.—This gives us an opportunity to show what idiots these gold-bugs are. Read this reason carefully and then read the two preceding ones. Let's see. Mr. Carlisle thus explains free coinage. Says he:

"Free and unlimited coinage of full legal tender silver dollars at the ratio of 16 to 1 means that our law shall be so changed that any owner of silver bullion may send it to the mints and have it coined at the public expense into dollars, each containing 412½ grains of standard silver, the dollars, when coined, to be delivered to the owner of the bullion, and all the people of the United States to be compelled by law to receive them as dollars in the payment of debts, although not intrinsically worth more than 50 cents each."

Now then, according to Mr Clews, a foreigner brings over here a quantity of silver, worth the world over only 50 cents, and gets it coined into a United States dollar, which has double the purchasing power of the present gold dollar and is given back to him to do as he pleases with. If he takes it back to his own country it is worth, according to Mr. Clews, only fifty cents, as bullion, so that in order to make it of any benefit to him, he must spend it here. And yet these ignorant foreigners are foolishly opposing the free coinage of silver by the United states, not understanding that they would get double value for all existing indebtedness and that they would make 300 per cent. on all silver bullion they brought here to be coined. At this point we are lost in bewilderment. Mr. Clews says that the dollar that is so debased abroad, as to be worth only fifty cents, is so valuable in the United States that it will buy twice as much as the gold dollar. Mr. Carlisle says that it will buy only one-half as much as a gold dollar. If Mr. Carlisle is right, the foreigner would simply have his time and his trouble for his pains. Mr. Clews cannot be right in any event, because, if Mr. Carlisle is right and the free silver dollar would buy only half as many commodities as the gold dollar bought, we would get a gold dollar's worth of foreign silver for every dollar's worth of goods we sold the foreigner, while on the other hand, if we coined of Mr. Clews' valuable silver dollars "an amount equal to double our home product" of silver, we should have a largely increased volume of money units of double the value of the units we now have. What kind of liquor does Mr. Clews drink, anyhow?

The silver forces are to be congratulated upon their acquisition of so powerful an ally as Mr. Clews is likely to prove. The advocates of free coinage are a unit in declaring that the silver dollars would be maintained upon a parity with the gold dlloar, but they were hardly prepared to have it proved by so eminent an authority as Mr. Clews that by opening her mints to silver the United States would make the silver dollar worth twice as much as the gold one.

"Ninth.—Because, under the conditions cited above, our foreign commerce would be utterly broken up; we would be incapacitated by our in ternal disorganization for importing foreign supplies, and as foreigners could buy our products only as far as we bought theirs, our trade with other countries would be thrown into the direst confusion."

A.—Nonsense. "Answer a fool according to his folly." Mr. Clews' foreigner would come over here with silver worth fifty cents in gold in his country and buy, a la Clews, commodities worth two dollars in the world's markets. The foreigner has a picnic, under Mr. Clews' patent. But according to Mr. Carlisle, et al, the foreigner would get his fifty cents' worth of silver coined into a dollar having a purchasing power equal to only fifty ce nts in gold. So the foreigner—a la Carlisle—would just "play even." He would get goods worth fifty cents in gold for silver worth fifty cents in gold. In the classic language of the slums, "there's no kick comin' to no one."

"Tenth.—Because the folly and ignorance involved in a policy of this revolutionary character would ruin the credit and reputation of the United States before the world and subject free government to the ridicule and contempt of all mankind."

A.—That is simply the opinion of Mr. Clews. But England is eagerly snapping up Mexico's bonds promising to pay silver dollars said to be worth, in gold, fifty-three cents each. These bonds draw 5 per cent. interest, only, yet England is paying sixty-nine cents, in gold, on the dollar for these bonds. Give us a rest, Mr. Clews.—George C. Ward, in Marshall (Mo) People's Record.

—The finest banking system in the world is producing a monster list of failures; and remember that old John Sherman said twenty-three years ago that it would ruin all the business of the country and the people would not stand it. Old John seems to be hanging on to this vale of tears to see which wins, and it looks as though he was still betting on the side that pays him best.—Pueblo (Col.) Reform-Press.

—Which do you suppose has a greater earning capacity, the man at work or the dollar at interest? In 400 years the man, if he earns $5 a day and saves it all, will have $626,000 to his credit. The dollar, if it draws 10 per cent. interest, and it is compounded every three months, will have become $143,-603,198,813,228,032. No individual and no nation can continue to pay interest without impoverishment. The rate of increase of money at interest is so much greater than that of any other kind of property that the money lenders practically own the world, and the people become slaves to the money that should be their servant.—Star and Kansan.

—The New Zealand government has gone into road building as a solution for the problem of the unemployed. New Zealand isn't on a gold basis. The men employed will be paid in greenbacks, which will represent their labor, and that is all that the people will be called upon to redeem, and when redeemed they will have something of general use—true wealth—in exchange. Under the gold basis system "money" would be hired with which to pay the men, and the people would be taxed not only for the money but for interest to support the class which had the influence to force the government to "hire" money instead of creating it.—Brockton (Mass.) Diamond.

POPULIST VAGARIES.

A Justice of the Supreme Court Declares Them to Be the Only Way Out.

Ex-Secretary of the Treasury Boutwell, writing to a friend in Washington recently concerning the income tax decision, said:

"I count the decision the greatest misfortune to the country since the days of secession, and with less prospect of a satisfactory outcome. The attempt to amend the constitution will prove a very serious undertaking. I have had a part in three such attempts, and I have the means of estimating the magnitude of the task. It is no easy matter to secure for an amendment a two-thirds vote of each house and then a ratification of the amendment by three-fourths of the states.

"The power to tax through the states is a barren power, and it must ever remain so. Our credit in the civil war rested upon our ability to command the property of the country as well as its manhood. In case of a foreign war, with our custom houses closed, by what means could adequate revenues be secured? Never were more dangerous theories offered in argument in a court. It is possible that the minority of the court may yet become a majority."

In forecasting the probable solution of these serious problems, Justice Brown casts a still darker shadow over the somber picture he has drawn of the situation. He declares that the corrupting influence of wealth is more powerful here than in any other country. And he sees but one avenue of escape from the dangers that threaten—government ownership of all natural monopolies, of all railways and telegraphs and other franchises properly belonging to the public.—N. Y. World.

The Baltimore Plan,

now practically endorsed by President Cleveland, is attracting universal attention because it is based on the evident fact that the currency and banking systems of the country must be reformed.

But is the Baltimore plan a reform? It gives the associated banks the power to expand the currency and relieve the country. It also gives them the power to contract it at will and create universal distress for their own private gain.

It puts the credit of the government behind every bank note. It donates all but half of one per cent of the profit on the note issue to the banks, and it leaves plenty of opportunities for a Napoleon of Finance to wreck a bank and leave the government to pay the notes.

It leaves the banks free to demand the highest interest that the several states will allow, and affords no relief to farmers and business men of moderate capital.

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In "Money Found," an exceedingly valuable and instructive book published by Charles H. Kerr & Company of Chicago, and for sale at the office of this paper at 25 cents, Hon. Thos. E. Hill proposes that the government open its own bank in every large town or county seat in the United States, pay 3 per cent on long time deposits, receive deposits subject to check without interest, and loan money at the uniform rate of 4 per cent to every one offering security worth double the amount of the loan.

This plan is not an expense to the government, but a source of large revenue.

It secures the government amply, which the Baltimore plan does not.

It relieves the distress of the common people, which the Baltimore plan does not.

It protects not only note-holders but depositors, who are unsecured now and under the Baltimore plan would be still worse off.

In a word, the Baltimore plan is in the interest of the bankers, the Hill Banking System is in the interest of the people.

Consider them both, and ask your congressman to vote for the one you believe in.

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the Sun will only look a little to the front he will find that the democratic party would never again capture the free silver people.—Weatherford (Tex.) Leader.

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