

TRAVELS IN MEXICO.

THIRD OF A SERIES OF E. B. LIGHT'S LETTERS.

Anyone Who Imagines That Free Silver Is Injuring Our Country Ought to Read This—Not an Idle Workman Anywhere in the Republic.

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THIRD LETTER. Chihuahua, Aug. 16, 1896. I find so many attractions in this quaint enterprising city, that I am tarrying here longer than I expected, that I may fully investigate its industries.

The largest manufacturing plant in Northern Mexico is that of The Industrial Company of Chihuahua. The principal owner is Mr. Enrique Creel, the banker, whose very instructive interview I recorded in my previous letter. Mr. E. C. Creel, his brother, is the superintendent. The works were established by the erection of a small foundry and machine shop, and employed a capital of \$40,000. Later the capital was increased, and the profits have been allowed to accumulate until now the company has a capital of \$250,000. Mr. Creel very courteously showed me through the works in which he takes a pardonable pride. He informed me their employees are chiefly natives, to whom they pay the same wages for the same work as to foreigners, and the scale of wages now employed was molders, \$2.00 to \$3.00; machinists, \$3.00 to \$5.00 per day of 10 hours.

In the rolling mill the employees from foreman to iron handlers average \$4.00 per day of 12 hours per shift. Six months ago they employed twenty foreigners mostly Americans. Now they employ but three, as they find that the Mexicans turn out more work, because they will bear rushing, which the Americans would not. Mr. Creel said he preferred the Mexicans because they did not understand the art of combining and coercing their employers as did the Americans.

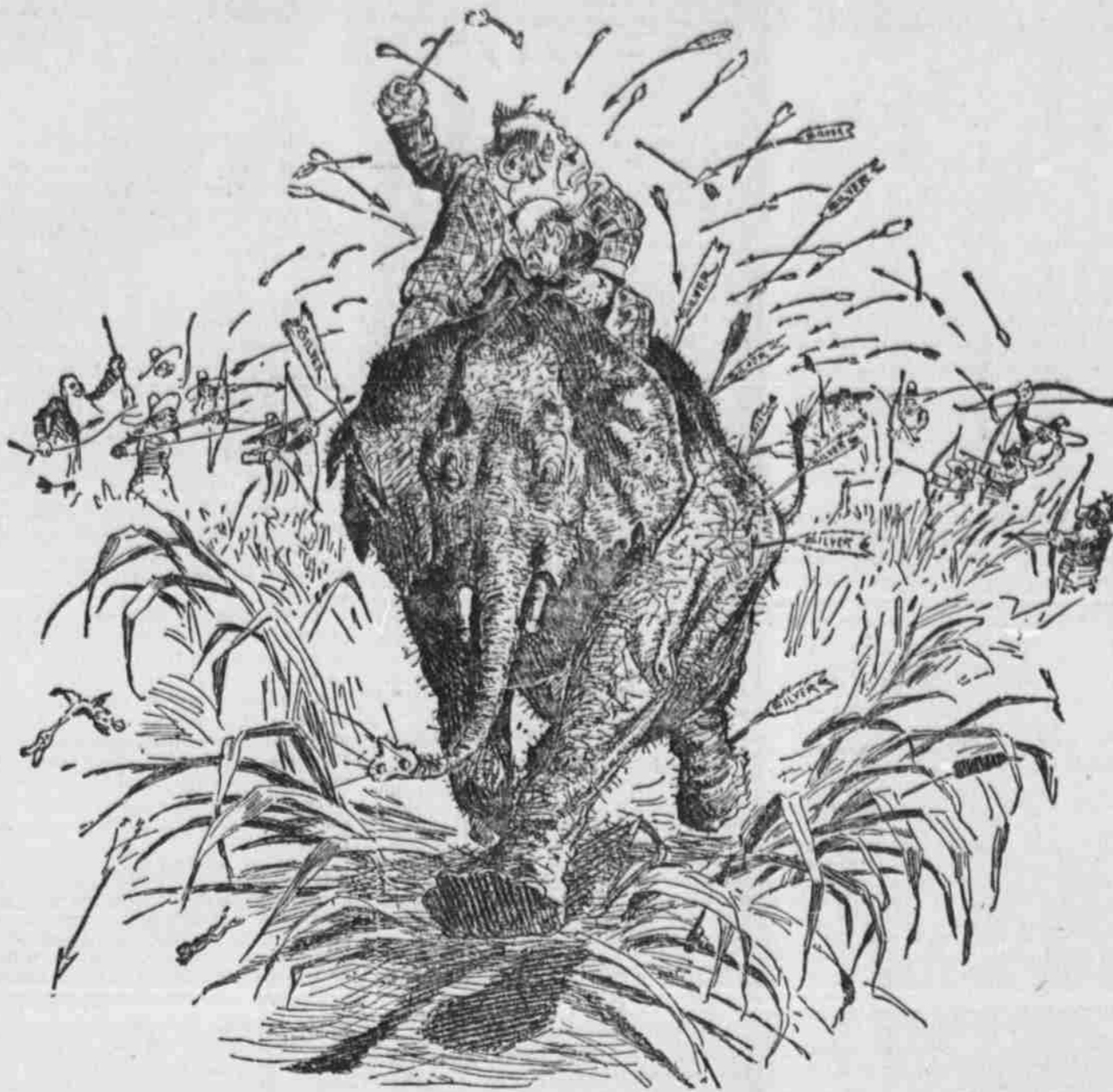
The weekly payroll of the Industrial Co. amounts to \$5,000. The product covers merchant bar iron, castings for stoves, architectural work, castings for smelters and mines, and general machine work. The work is of inferior finish, inartistic in design, and lacking that attractive style our Americans produce; but it may satisfy their trade. The thought presented to my mind was, with the competition of an American plant, under the direction of one who was thoroughly conversant with the business, it would be necessary to turn out better work or lose the trade. I believe there is a grand opening at Mexico City, the commercial metropolis, for a plant of equal magnitude, to be operated by American capital, and directed by American skill.

Mr. Creel told me that last spring a large contract was awarded in Mexico City, to which foreign manufacturers were invited and were present, but that the Industrial Works secured the entire order amounting to upwards of \$250,000. This was made possible by the high rate of exchange which has proved of inestimable benefit to Mexican industries, and shut all manufacturers out that operate in gold standard countries.

As I look into this question I can come to no other conclusion that that our manufacturers have not studied this monetary question from the standpoint of self-interest. That they do not realize that through its operation the silver-using nations are establishing new industries, covering every important branch in those countries where we have long monopolized their valuable trade, and that new industries are being planted upon such a solid foundation they can never be dislodged. Look at Japan. Never did a country develop their resources more rapidly, and never were our industries so seriously threatened in our home markets, as by that nation operating upon a silver basis with their abundant cheap labor. Should we remain on a gold basis and double our present tariff (barring transportation) they would yet have an equal chance in our markets. Restore unlimited coinage of silver, and we at once place them on a level with our manufacturers if there was no tariff. Then by continuing the tariff of today, or increase it if you please, we shall effectually shut them out of our markets. If the committee that is now in South America looking for new avenues of trade will take up the monetary question and study it from a non-partisan standpoint, they will reach the conclusion that they can accomplish more by returning and acquainting their brethren of the true cause of the present paralysis of their business, than can possibly be accomplished by advertising their wares in countries operating on a silver basis. If this statement is doubted let them send a committee to Mexico, where our manufacturers a few years ago sold this republic a very large part of the goods it consumed. Then we annually held a balance of trade against this nation of some \$15,000,000, which has been gradually reduced until in 1894 there was a balance against us of over \$11,000,000. Under these conditions is it surprising that upwards of \$350,000,000 of foreign gold has found more profitable investment here, than at home? But let us not soliloquize. I prefer to give statements as I gather them from gentlemen in the various walks of life, and especially manufacturers; for I recall how at home we have over 3,000,000 idle workmen denied the right to earn bread by the sweat of the face, because their employers cannot find sale for their wares.

From the rolling mills we drove to La National Soap Works, owned and ably managed by the Brittingham Brothers. I am told this business was established in 1885 in a small way, since when it has been enlarged three

THE SLINGS AND ARROWS OF OUTRAGED FARMERS.



LABOR'S WAGES AND MONOMETALLISM.

The advocates of the present gold standard are fond of asserting that wages are higher in gold standard countries than they are in bimetallic countries. They quote the daily wages paid in Brazil, Belgium, Denmark, France, Germany, Italy, Holland, Great Britain, Argentina, Norway and Sweden, Spain, Turkey, Portugal, Canada, Switzerland, Venezuela, United States, Chili and Australasia, all gold standard countries, as against Austria, China, Russia, Central America, Persia, Peru, Uruguay, Mexico, Colombia, Japan, India and Ecuador—all silver standard countries. It will be noticed that not one of the countries named are on a bimetallic system, except it be the United States (the figures are for the year 1890, when this country was on a partial bimetallic basis) which they nevertheless put in the gold standard column. Today all the countries named have either a single silver standard or a single gold standard. Not one of them has a financial system like the United States had up to 1873, and, in a measure, from that time to 1893, when the Sherman law was repealed by a forced panic and under which wages advanced so much. A single

times until now, it has a weekly capacity of two car loads of laundry soap. These gentlemen have since built a much larger factory at Lerado which has a capacity of three car loads per week. In connection with the Chihuahua factory, Messrs. Brittingham and Tarranzas operate a candle factory with a capacity of seventy-five boxes per day. In all of these works they consume quite largely cotton seed oil, which they formerly bought in the United States, but the high rate of exchange caused the building of a factory here, consuming Mexican cotton seed and thus we lost another source of income and another struggling industry was crippled. They are now buying soap boxes in Michigan. It is hoped we can retain that trade. The Brittinghams are loyal Americans and expressed regret at seeing our country losing so rapidly the valuable trade of the Southern Republic. I asked these gentlemen how present wages compared with those paid when they began manufacturing. To which the reply came, when we began in 1885 we paid our men from 25 to 50 cents per \$1.00 per day, and to some of our older and better men we pay \$1.25 per day. We pay our engineer and carpenter each \$2.25 per day by the year, we employ only native help. All work 10 hours per day. Labor is organizing and wages are going up.

At present the demand for labor is in excess of the supply, especially for the farm. During the past two weeks two car loads of laborers have been shipped in. The last one, two days ago, and today there is not an idle man in the city that wants work. For several years past we have not had our usual amount of rain fall. Many men have left the farms and found work in the factories, until now the farmers cannot procure sufficient labor to raise and harvest their crops. The demand has been so great for farm help that the state has leased their prisoners to the farmers in the immediate locality. Before leaving El Paso, Mr. Donahue, general agent of the Mexican Central, told me if I desired information at Chihuahua, I would find their agent at that point very well informed, and he would gladly give me information if I applied for it. Therefore my next call was upon W. S. Clayton at the depot. I found him a regular encyclopedia. It was quite satisfactory to have him corroborate the statements made by those interviewed, as it in-

creased my confidence in their correctness. It is proper to say here, that I have aimed and shall continue to give the name and address of the party interviewed in full, that any person desiring to test the correctness of my statements may do so by addressing the party personally. I asked Mr. Clayton to give me the rates governing traffic on the Central, to which he replied: "On passenger business we have first, second and third class. The first class is three cents, the second is two cents, and the third is one and one-half cents per kilometer, or about 3/4 of a mile. The first class cars are furnished with chair seats, the second with seats of the usual pattern, but are not upholstered, having slatted seats, the third class cars have slatted seats running lengthwise along each side, and a double row of seats back to back, through the center. These cars will accommodate more than twice as many passengers as the first class cars. As the low rates encourage travel I believe the suggestion of lower rates for cheap accommodations, worthy the consideration by our American railroads." To the question do you find the liberal use of silver inconvenient or burdensome? He replied: "No we are accustomed to it, and the large amount of silver in circulation enables all to pay cash for purchases as made. Our merchants would rather handle the silver than keep books. Then plenty of money improves business. The high rate of exchange encourages the establishing of new industries, which creates a demand for labor which is fully employed at good wages considering the cost of living. The average pay for peons is from sixty to seventy-five cents a day. Masons \$1.50 to \$2.00, carpenters \$3.00 to \$5.00, machinists \$3.00 to \$5.00, boiler-makers \$5.00 to \$8.00. All work 10 hours per day and no strikes. In the southern part of the republic lower wages are paid as labor is more plentiful, except to foreign mechanics who command about the same rate in all the states. There is a fair demand for labor at these prices. It is proper to say that not all the men coming from the states can secure employment at these wages until they have been here some time, as they must first learn the language before they can make themselves useful. They must also be prepared to live differently and work more hours."

I must emphasize Mr. Clayton's suggestions as to our workmen coming here for employment. All persons before coming here for a prolonged stay, should take up the study of the language. You will learn the language more rapidly when among the natives, but the rudiments should be mastered at home, as well as the names of things in common use.

This suggestion applies to all who would visit the republic for pleasure. There are so many Americans here that one can get along very comfortably in the cities, by exercising their ingenuity and patiently persevering with those who speak broken English. Do not come here with the idea that our ways are superior, and therefore should be adopted. These people change very slowly, and you will be more successful if you fall in with their ways as rapidly as possible, and leave changes to be made when you better understand the situation. Then you will probably decide it is better for things to go on their way.

EDW. B. LIGHT.

Demonetizing Silver. I will take it on myself to answer Mr. Edward Hellwell, who inquires about what is meant when it is asserted that silver has been "demonetized." His letter, published in the Record Aug. 6, refers to two objections often stated, as he says, which he gives as follows: 1. "We were not using any silver in 1873, and therefore silver could not have been demonetized." 2. "We are using more silver money than ever before in our history." It is a technical word. One might say the silver coin now has no independent purchasing power, whereas once with us all the silver coin of the United States did have such independent purchasing power, and from 1853 to 1873 the silver dollar possessed it, while the fractional silver coin did not. The independent purchasing power of the fractional silver coin was taken away in 1853 and that of the silver dollar in changes that occurred from 1873 to 1875. That is "demonetizing." The taking away of the independent purchasing power of any of the precious metal coinage by law is the "demonetizing" of such coin. While we did not actually use the silver or gold coin as a part of the volume of the circulating medium in 1873 the law permitted the gold coin and the silver dollar to be carried on independent purchasing power, and after that this privilege was taken from the silver dollar. While the silver coin now has the same purchasing power as gold coin it is so because they are in the volume of the circulating medium as the solvent representation of the gold coin. The silver coin changes purchasing power with the change of the gold coin, and not with the change of silver bullion. It may then be true that in 1873 we were not using the silver coin in our volume of the circulating medium, and yet the silver dollar was privileged to be coined and used on its own purchasing power, but after 1873 it could only be used as the solvent or insolvent representation of gold coin. The silver dollar was restored in everything but its independent purchasing power in 1873. The silver dollar therefore remained "demonetized."

Nor does it make any difference about the volume of silver coin, for be the issue few or many, the question involving the "demonetizing" of precious metal coinage is whether or not it is issued on independent or dependent purchasing power. Purchasing power alone is "standard of prices," and any money to perform the office of a "standard of prices" must have sufficient independence of purchasing power to fill this office. Solvent representative money never has any purchasing power of its own, and therefore can only be subordinate money and is "demonetized."—Ebenzer Wakeley in Chicago Record.

A SHORT CATECHISM.

AN EASY METHOD OF CONVERTING MISLED VOTERS.

Once They Understand That This Is a Battle for Universal Supremacy Between Uncle Sam and John Bull They'll Vote for Free Silver.

Question—What issue outweighs all others in this year's campaign?

Answer—The question of the restoration of the principle of bimetallicism in our monetary system.

Q.—Why is so much earnestness felt on the subject?

A.—Because the vote next November will probably determine the question finally one way or the other.

Q.—Is not the tariff equally an issue in the campaign?

A.—No, there is no appreciable opposition to a protective tariff, and all other issues are lost in the great one of gold or bimetallicism.

Q.—Explain the position of the gold advocates?

A.—They insist that 2322 grains of gold shall constitute the measure of the dollar, no matter to what point gold may advance.

Q.—Why are they so wedded to the gold standard?

A.—Because it is the English standard, and England is looked upon as the most enlightened nation of the world.

Q.—Is there any reason why we should have the same standard as European countries?

A.—None whatever. The monetary system of a country is purely a matter of its own internal concern.

Q.—What influence has precipitated the issue at this time?

A.—The speculative money influence.

Q.—What do you mean by speculative money influence?

A.—Capital legitimately employed has little to make or lose by the question of the standard. A piece of property is worth just as much whether expressed in English pounds or in French francs or in American dollars. So invested capital represents the same intrinsic value whether it be measured by gold dollars or silver dollars. Only large investors in money have any very real interest in maintaining forever the gold standard.

Q.—But would not a change of standard be an injustice to them?

A.—The issue had better not have been raised at this time, but as it has been raised some injustice must be experienced on one side or the other.

Q.—Who raised the issue?

A.—The advocates of the gold standard.

Q.—What are their chief arguments?

A.—Denouncing the advocates of bimetallicism as populists, anarchists, fanatics and cranks.

Q.—Are these denunciations justified?

A.—No; many able political economists and statesmen advocate bimetallicism.

Q.—Does free silver carry with it the destruction of the national banking system, the restriction of the powers of the government to preserve the peace in times of riot and insurrection, and other so-called populist measures?

A.—By no means. The remonetization of silver is a legitimate question of statesmanship with a solid basis of scientific truth underlying it.

Q.—Just what do the bimetallicists contend for?

A.—For the free coinage both of gold and silver.

Q.—What do you mean by free coinage?

A.—The privilege on the part of any holder of the precious metals of taking them to the mint and having them coined into money without limitation.

Q.—Then the term "free" simply means unrestricted as to amount?

A.—Exactly. If every coin contains the full weight of pure metal and passes at what it is worth, there can be no object in limiting the coinage. The more money we have the better.

Q.—But how about the expense of running the mints?

A.—At present gold is coined at the expense of the government. In some countries the cost of coining is charged to the person getting his metal converted into coin. That would be a matter for congress to settle. There can be no objection to a charge for coinage. There may be advantages in it.

Q.—Then free silver simply means putting silver on an equality with gold in throwing open the mints to its coinage?

A.—It does.

Q.—What do you mean by 16 to 1?

A.—The present silver dollar has 16 times the weight of the gold dollar. The expression 16 to 1 means the continuance of the coinage of the silver dollar at the present weight, or at 16 times the weight of the gold dollar.

Q.—But the present silver dollar has but half the bullion value of the gold dollar, has it not?

A.—True, but its depreciation results very largely from its demonetization. Restore its functions as real money and it will certainly advance.

Q.—Will it return to a parity with gold at the 16 to 1 ratio?

A.—Many good thinkers believe it will. In any case the disparity would be but very small compared with what it is to-day.

Q.—What advantages are claimed for free coinage?

A.—It would break the existing corner in gold and cause the dollar to return to its old value.

Q.—What would be the effect of that?

A.—Prices for all products of labor would advance, business would revive, debts would be more easily paid, labor would be in greater demand, and strikes and riots would cease. Prosperity would be restored to the country.

Q.—Then the support of free silver does not mean anarchy and repudiation?

A.—Far from it; the intelligent and conscientious free-silver advocates have solely in view the prosperity of the nation.

TO OPPRESS LABOR.

Aldrich's Committee Misrepresents the Facts.

New York Journal: What are these statistics in which such constant appeals are made, and for which men are asked to distrust their common sense and common observation? Fortunately, this question may be briefly answered, because all these labor sympathizers refer to the same set of statistics—the only set in the world that would answer their purpose. It is the report made by Senator Aldrich of Rhode Island to the senate finance committee in 1893.

Those who know nothing about the wages accepted the committee's summary, but others looked to see in what industries this astonishing rise in wages had taken place. They found that upon "books and newspapers" wages had fallen since 1873; in the "building trades" they had fallen; in "city public works" they had fallen; in "cotton goods" they had fallen, but that in "dry goods" where the greatest fall was expected, wages were reported to have risen over 40 per cent!

Turning to the employers' reports in another volume to learn where the wages of clerks had been rising at such a phenomenal rate, it was found that but a single dry goods store, up in New Hampshire, had made a return. Less than twenty clerks were employed by it, and yet the Aldrich committee assumed that all clerks throughout the country had had a similar advance in wages. As clerks are more numerous than cotton operatives, for example, a rise of 40-per cent in the wages of a score of clerks was made to offset a fall of about one-sixth in the wages of over a thousand cotton operatives and leave a handsome balance to be applied to other industries as needed. Other methods likewise extraordinary were used by the committee, such as the separation of the foremen from the hands, and the making a rise in a foreman's wages offset a fall in the wages of a score of men under him. By these means the desired results were secured.

What the employers' returns really showed was something very different, according to an independent investigator, who went over the returns a few months ago. The summary for all the persons employed in all the industries covered was as follows:

Date	Persons Employed	Aggregate wages	Average daily wages	Average daily wages (gold)
January, 1890	6,601	\$6,500	\$1.18	\$1.18
January, 1873	8,153	12,500	2.04	1.81
January, 1891	7,760	12,325	1.98	1.89

In other words, between 1860 and 1873, under bimetallicism, gold wages rose 53 per cent in thirteen years; between 1873 and 1891, under the incomplete monometallism, gold wages in the most favored establishments fell 7 per cent.

Since 1893, under complete monometallism, the decline in wages has been at a much more rapid rate. In Massachusetts the labor report for 1894 showed that in two years the nominal rate of wages in the factories of the state had fallen 7 per cent and that even this lower rate was received by fewer hands, working fewer days. Wage-earners who do not know the statistics know the facts from hard experience, and those who depend upon statistics to persuade the wage-earners to take the side of money lenders and tighten their grip upon the industry of the country have a difficult task before them.

"Pool Logn."

St. Louis Republic: In the same column a republican organ tells the workman that if he votes for Bryan he will vote 47 per cent of his wages into the pockets of mine owners, and that he will vote to depreciate not only the silver dollar, but all the currency to 53 cents on the dollar. How in the name of Hanna can free silver coinage put 47 per cent of each dollar coined into the pocket of the silver miner and at the same time reduce the value of the silver dollar and all the currency dependent upon it to the value of 53 cents? Any schoolboy can figure out that if the value of the silver dollar depreciates to 53 cents, or anything less than its face value the miner can not make 47 cents by its free coinage at the mints. Or, to put it the other way, if the miner makes 47 cents, the value of the silver dollar will have to be raised to the value of the present gold dollar, in which case there will be no depreciation of the currency. The gold-standard advocate can take his choice of alternatives, but not both. This is a fair sample of the kind of logic with which Hanna's agents are flooding the country. It proceeds on the assumption that the workmen are fools.

Puts Its Foot In It Every Day.

Chicago Tribune, today: This silver agitation is all in the interests of the silver miners. They want to make fifty cents' worth of silver worth a dollar.

Chicago Tribune, yesterday: The value of silver cannot be increased by unlimited coinage.

Query—If the value of silver cannot be increased by free coinage, how is free silver going to benefit the silver miners?

More Money Wanted.

It is more money that the people want and making all the silver bullion into money gives them a larger supply, but even when this is done there is yet a short supply. Nothing less than \$50 per head for every man, woman and child is sufficient to make the people prosperous and happy, and put them out of the reach of the goldbugs.—Times, Longmont, Colo.