

**LEGISLATION
ON FINANCE.**

The New York
Evening Post in
an able and timely

editorial of November 21st, concisely sets forth the duty of the coming session of congress on the money question. THE CONSERVATIVE commends the following to all of its readers as the truth, the whole truth and nothing but the truth:

"The points which it is desirable to embrace in any bill which may be passed are substantially the following:

(1.) "The standard of value to be 25 8-10 grains of gold nine-tenths fine, and all obligations of the government to be payable therein.

(2.) "United States legal tender notes when paid into the treasury not to be reissued except in exchange for gold.

(3.) "National banks authorized to issue notes to the par value of the government bonds deposited by them.

(4.) "The secretary of the treasury authorized to sell bonds of the United States whenever necessary to redeem legal-tender notes.

(5.) "Silver certificates and silver dollars to be exchangeable at the treasury for gold, and vice versa, at the option of the holder.

"It may be said that the first of these proposed measures includes all the rest. It may be said that even the first is unnecessary and superfluous, because the gold dollar is already by law the 'unit of value.' Since large numbers of people are of the contrary opinion, holding that 412½ grains of silver is or ought to be a standard of value, it is important to put something on the statute-book which shall leave no room for doubt as to the real intentment of United States law.

"It may be said also that the secretary of the treasury is now authorized to sell bonds whenever necessary to redeem legal-tender notes. It is certain that Secretary Carlisle did exercise that power on four different occasions, and that some \$262,000,000 of outstanding bonds rest on that basis of legality. It is quite certain that the present secretary would, in a case of need, follow the example of his predecessor. Yet it is desirable on many accounts that the present law, which was enacted during the civil war, should be made conformable to present circumstances, and should have the moral support of revision and reenactment.

"It may be said also that the law now requires that silver certificates and silver dollars should be kept at par with gold, and hence that no further legislation is needed on that score. The law does now declare that it is 'the established policy of the United States to maintain the two metals on a parity with each other.' It also authorizes the secretary to redeem the treasury notes issued under the act of 1890 (the Sherman act) in gold or silver coin at his discretion. It does not, however, pre-

scribe any method by which silver certificates or silver dollars shall be kept at par with gold. At present they are kept at par by being received as the equivalent of gold for all payments to the government. This may possibly suffice for the future, but it is best not to leave anything to doubt or chance. A clause in the proposed measure making this form of our currency exchangeable for gold would set all doubts at rest, and very probably the secretary would never be put to any trouble by it.

"The proposed change in the national banking law, to enable the banks to issue circulating notes to the par value of the bonds deposited by them, is so obviously proper that argument is unnecessary. It is merely a question of security to the government (not to the noteholders), since the government has bound itself to redeem the notes on demand under all circumstances. If the bank fails, the government will have 100 cents of its own obligations in hand to offset each 100 cents of outstanding banknotes. Under present law it has at least 110 cents of such securities and generally more."

**PAUL MORTON ON RAILROAD
POOLING.**

Legalized pooling, under control of a federal commission vested with full power to enforce compliance with law, is urged by Paul Morton, second vice-president of the Atchison, Topeka and Santa Fe system, as the most effective means for creating stability in railway rates and for preventing discriminations in favor of big shippers.

The arguments presented by Mr. Morton in support of a federal pooling law go to the root of the whole transportation problem and are based upon certain well-established principles and laws of commerce that sustain a vital relation to the general prosperity of the country. Mr. Morton's contention is that rate wars are injurious to the shipping community, to railway employees and to the carriers themselves. Violent changes in rates of transportation are always accompanied by commercial distress on the part of merchants who have been unfortunate enough to have laid in stocks of goods before the changes occur. When rates are demoralized merchants are either forced to strain their credit by buying more than they want or "must suffer the humiliation of seeing others who have availed themselves of the low rates selling goods for less than they can sell them with a profit."

In considering the transportation problem few people recognize the fact that freight rates are important factors in determining the selling price of goods, and that the big shipper who secures a cut rate can easily undersell all competitors. Discrimination in favor of big shippers also tends to retard the

growth and development of the smaller cities, driving all commercial activity and wealth to the great centers of trade, bringing about a condition that is clearly injurious to the general welfare of the country.

Under a pooling law which enabled railroads to form traffic agreements and which compelled strict compliance with its provisions, thereby preventing discrimination, the small shipper and the small town would have a fair opportunity to grow and stability in merchandising would be assured.

Mr. Morton is willing that the interstate commerce commission or some similar body should be empowered to pass upon the reasonableness of rates, but he does not favor the governmental establishment of maximum and minimum rates unless at the same time "maximum costs of wages, rails, ties, fuel and other supplies are also arranged for." This will strike the average business man as a perfectly fair proposition. Since the government has undertaken to regulate carrier corporations through a federal commission it is perfectly plain that the regulation, to be a success, cannot violate economic law or ignore the elementary principles of a safe business policy.—Chicago Times-Herald, Sunday, November 26, 1899.

"Every day currency reform is put off adds to the risk and danger," says the Indianapolis News (ind.). "If every board of trade will follow the example of the New York Board of Trade and so endeavor to start a campaign for pressure on congress to register in the law a legal definition of money and place its soundness and value beyond quibble, we shall be preparing ourselves against a time of possible disaster in the future, and shall be doing what we must certainly some day do."

"A party should be bigger than any one man," reasons the Nashville Banner (dem.). "It should represent the consensus of the best untrammelled thought of its constituent members, and not tie itself to any single politician's vagaries, however popular he may be personally or however brilliant and ambitious. The men who speak and work for democracy should not assume, as too many of them have done, that they must, as a condition precedent to their service, wear Bryan shoes or collars or cockades. The party is in an extremity of confusion at this time, and needs the best wisdom of its membership to guide it rather than the following of a line marked out by the Nebraskan candidate for its highest honors. The party has a higher and broader mission, if it have a true mission, than that of catering to any man's ambition or maintaining any leader's prestige."