The Outlook

A Family Paper

NEW SERIES OF THE CHRISTIAN UNION

Volume 48 For Week ending 2 September, 1893 Number 10

The Week

THE majorities against the silver amendments to the Wilson repeal bill largely exceeded not only the expectations but the predictions of the anti-silver leaders. Never, probably, has the country witnessed such sudden fluctuations in the expressions of opinion. Not only had the free coinage men in the last House found themselves with an absolute majority, but in the present House, within the last two weeks, says Mr. Fitch, of New York, there was one time when there was a majority of five against unconditional repeal. The rapidity with which this was changed to a majority of 130 in favor of unconditional repeal indicates how unsettled is the condition of public opinion upon this question, as well as how strong was the organization of the anti-silver forces, backed by the Administration, the metropolitan press, the Boards of Trade, and, above all, the presence of a panic and the desire to do something immediately to restore confidence. The first amendment proposed was that restoring the free coinage of silver at the old ratio of 16 to 1; 100 Democrats, 13 Republicans, and 11 Populists voted Yes; 114 Democrats and 112 Republicans voted No. All of the Republicans in favor of this amendment, except Post, of Illinois, Aitken, of Michigan, and Murray (negro), of South Carolina, came from west of the Mississippi River. The majorities against free coinage at the compromise ratios of 17 to 1, 18 to 1, and 19 to 1, were still larger, all of the Populists and 15 Democrats and Republicans, under the leadership of Bryan, of Nebraska, repudiating an increase in the size of the silver dollar as a perpetuation of the wrong which its demonetization had inflicted. The amendment which received the largest vote was that declaring that the repeal of the Sherman Act should be followed by the revival of the Bland-Allison Act which preceded it. Here 112 Democrats, 15 Republicans and 9 Populists voted Yes, and 103 Democrats and 110 Republicans voted No. On the final question of unconditional repeal 26 Democrats, who had voted for free coinage at the old ratio, gave their votes for the Administration measure, while 12 Republicans, who had voted against free coinage, voted against the establishment of gold monometallism. The division by parties of the final vote was as follows: For unconditional repeal of the Sherman Act, 140 Democrats and 100 Republicans; against such repeal, 74 Democrats, 25 Republicans, and 11 Populists. For convenience of reference the following table is appended:

	Yeas.	Nays.	Majority.
16 to 1	124	226	102
17 to 1	100	240	140
18 to 1	103	239	136
19 to 1	104	238	134
20 to 1	121	222	101
Bland-Allison Act	136	213	77
Final passage	240	110	130

Such was the vote in the House of Representatives upon the most important question that has been before it since the conclusion of the Rebellion. Throughout the debate this importance was keenly realized. Party lines went for nothing; even Mr. Reed's partisan speech was enthusiastically applauded by the Administration Democrats, because it meant votes for the unconditional repeal of the Sherman Act. On the other hand, any speaker, whether Republican, Democrat, or Populist, who declared that as a loyal party man he could not repudiate his party pledges and vote to establish gold monometallism, was sure to be applauded by every friend of the continuance of silver issues. The lines were not sharply drawn between theoretical monometallism and theoretical bimetallism. A great many members declared that they voted for the stoppage of the silver issues as the best method of securing bimetallism. Such declarations were always received with applause by the monometallists and with chagrin by the great body of free-silver advocates. Nobody seemed much to care what a member thought about the future policy; the only question was how he would vote on the measure before him. At the conclusion of the debate Mr. Bland, apparently recognizing that defeat was certain, declared himself ready to join in a movement which should lead to the breaking up of the present political parties and the formation of a new silver party, "even though Democracy would have to go to the wall."

The important speeches last week were mainly by anti-silver men. Mr. Fellows, of New York, did not make the expected reply to Mr. Bryan, of Nebraska, but the speeches of Mr. Bourke Cockran, of this city, and Mr. Reed, of Maine, were easily the first oratorical efforts of the week. Mr. Cockran took the bold ground that inasmuch as the banks are debtors to their depositors, the free coinage of silver would make a present to the banks of New York of $21,000,000, and at the same time cut down the wages of labor throughout the country by 45 per cent. Mr. Reed's positions were less bold and more tenable. He would vote for the repeal of the Sherman Act, he said, for two reasons. "First, because, whether justly or not, the Sherman law is believed to be the cause of the unreasonable hoarding of currency throughout the country; and second, because only by repeal could a nation hope to attract foreign capital." The strongest argument, however, in favor of unconditional repeal was made by neither of these orators, but by Mr. Walker, of Massachusetts. Mr. Walker defended the gold standard, and declared that no class had been injured by it. His argument was as follows:

"A day's labor of the average worker is the true measure of value. . . . All economists agree that 1860 was the dividing line of the century. In 1860 the same average day's work that commanded $100 in gold now commands $168 in gold. The relative decrease in the use of gold in commerce and the increased efficiency of the more modern chemical and mechanical appliances has so cheapened gold that where an average day's labor commanded 23.22 grains of gold in 1860, now in the shop, in the factory, in the gold mine, the silver mine, coal, and every other mine, the same day's work will command 39.15 grains of gold. Not only is this true of the United States, but the same percentage of increase in gold wages holds in every leading country in the world. The wages men get to-day being 68.6 per cent. more in gold measure than they received in 1860 in every leading nation clearly shows that gold has depreciated 40.69 per cent., measured by the labor of man."

This argument has weight with many disinterested minds, and is not to be put aside because the great monometallists have rejected it as unsound. Undoubtedly in the cities among progressive nations the wages of labor have increased, not only since 1860, but since 1873, when silver was demonetized. If the wages of the average worker ought to remain the same, no matter what the increase in the efficiency of labor, then Mr. Walker is right in saying that gold has depreciated. But such is not the dictum of justice. Wages ought to increase as the productiveness of labor increases. The same amount of money ought always to represent the same amount of products, the same amount of property. Those who engaged in past production are entitled to the property their labor produced—no more and no less. If that property happens to be in the form of money, its value ought neither to be increased nor decreased by process of law. Indeed all loans are between property-owners, and the equities of the case demand that the same amount of money should represent the same amount of property, no matter whether wages go up or down. Mr. Walker's mistakes of fact are of less importance; 1850 is economically the dividing line of the century. The extraordinary rise in wages took place between that date and 1875; that is, during the period when the currency supply increased rapidly enough to prevent a fall in prices. Since the early seventies both agricultural and mining wages have positively fallen off.

❀

In the Senate the interesting debate of the week was upon the resolution offered by Mr. Peffer, of Kansas, directing the Comptroller of the Currency to report to the Senate to what extent the national banks in New York, Philadelphia, and Boston were being conducted in violation of the law; whether such banks or any of them were refusing to pay depositors in lawful money; and what rates of interest they were charging upon loans and discounts. Senator Peffer afterwards explained that he meant this resolution simply as a resolution of inquiry, and not as an order that the Comptroller should enforce the law regulating the banks. Yet his resolution was immediately attacked as if it were an order to the Comptroller directing him to close all national banks not maintaining the reserve stipulated in the law. The opponents of the resolution demanded its reference to the Finance Committee, but several Western and Southern Senators objected to such a smothering of the inquiry. To the surprise of nearly every one, Senator Hill joined those who insisted that the inquiry should be made, and the facts laid before the public. It is to be regretted that no action was reached. Inasmuch as the Peffer resolution was opposed in Washington on the ground that so many of the banks were not complying with the letter of the law, and was opposed in New York on the ground that nearly all were complying, it would be interesting to know the facts. It would be especially interesting to know whether any banks, as reported in the New York press, have refused to pay depositors in currency, while selling it at a premium either to the money brokers or over their own counters. Sooner or later the investigation should be made. Two days after this debate Senator Hill addressed the Senate on the subject of bimetallism. He declared himself strongly against universal gold monometallism, urging that this meant the "halving of the old bimetallic money measure of value and the doubling of the purchasing power of a new gold money measure upon all the wages of labor, all the fruits of labor, all the debts of labor, for the benefit of the creditor class of a creditor State." He announced, however, that he would vote for the stoppage of our present silver issues.

❀

The "Investors' Review"—the new English monthly, published by the Longmans under the authoritative editorship of Mr. A. J. Wilson—contains in its August number the first comprehensive account we have seen of the action of the Indian Government in stopping the free coinage of silver. This action was due, says this article, simply to the desire of the Indian Administration to prevent the continued lowering of salaries of the British officials in India, and to enable the Indian Government, whose receipts are in silver rupees, to discharge its foreign obligations, which are in gold pounds. The step was not taken because silver had furnished a redundant or cheap currency for India. "No proof has been afforded that the rupee has depreciated in India. . . . It was not to redress a domestic grievance that the Government demanded the suspension of its mints, but solely to protect its treasuries and to recoup European officials for their losses on remitted money." The Indian Government has to meet payments in England amounting to from $85,000,000 to $100,000,000 in gold annually. It is unable to increase taxes, and unwilling to reduce expenditures, and, therefore, has resorted to "a trick of currency" to give the rupees, in which it is paid, an artificial value. The Government, Sir William Harcourt has assured the House of Commons, has never "dreamed of introducing a gold currency into India." It proposes to buy silver bullion at its market value, just as the American Government did under the Bland Bill, and to sell the rupees at the coin value fixed by itself. The article in the "Investors' Review" not only predicts that the experiment will fall through, but condemns it as betraying "absolute indifference" to what befalls the Indian trade, or the bulk of the Indian population. "If the device were to succeed," it says, "it would have the effect of heavily fining the Indian population at large, and compelling every debtor—and India is a land of debtors—to liquidate his debt at a greater cost to himself. Seeing how slender his resources are (the average earnings of Indian workmen are not so much as two shillings a week), and seeing how firmly he is already in the grip of a native usurer, this trick amounts to shameful cruelty toward the millions on whose back our Empire rests." Such an article, appearing in this magazine, and following so closely upon Mr. Balfour's denunciation of the action of the Indian Government, and followed so closely by the failure of that Government to sustain the silver rupee at the artificial price first fixed, indicates there is a chance that the recent action may be reversed unless the United States, by the adoption of gold monometallism, shall further depress the value of silver, and make it more difficult for the Indian Government either to maintain "a gold standard without a gold currency" or to re-open its mints to a really depreciated metal.

❀

By the time this issue of The Outlook is in the hands of its readers the final stage of the Home Rule Bill in the House of Commons will have been reached, and by the middle of next week the measure will be before the House of Lords. The last stage but one in the House of Commons came to an end on Friday, when the proceedings on the report of the Committee of the Whole House were terminated. The closure was applied in order to expedite this stage of the measure; but it cannot be contended that ample time for discussion was not allowed the Unionists on the report stage. Three weeks were almost exclusively given up to it, and the Unionists had fair opportunities for offering such new clauses and amendments as were in order on report stage. They took full advantage of all these opportunities, and succeeded in raising anew a number of the questions which were discussed in Committee. The net result of all the new clauses and amendments submitted to the House both by the Government and the Opposition has been but little practical change in the measure, and about the most noteworthy feature of the three weeks' discussion has been the great improvement in the tone and temper of the House as compared with the tone and temper in Committee. Scenes like those which marked the progress through Committee have not been altogether wanting; but they have been very much less frequent than in the earlier stage; and Liberal journals have conceded that the new clauses moved from the Tory benches were as a rule legitimate attempts to improve the bill from a Tory point of view. Even the Radicals admitted that there was some ground for the complaint of the Unionists that, of the thirty-seven clauses contained in the bill as it left Committee, only seven or eight had been adequately discussed. The Unionists have been disposed to make much of the free use of the closure and of the Radical admissions as to inadequate discussion in Committee; but the Government has greatly weakened this part of the Unionist case against the bill by the latitude it allowed the Opposition in the discussion on report from Committee. Some great speeches, covering the entire case for and against Home Rule, may be expected on third reading stage; but the bill will now go to the House of Lords without any material alteration, as none but verbal amendments are allowable on third reading. The final vote in the House of Commons will be the most important from a historical point of view of any of the scores of divisions which have taken place on the bill. It will be more important than the vote on second reading; for in the interval between the second reading vote and the end of the report stage two by-elections have gone against Mr. Gladstone, and three or four of his supporters have deserted him on the questions of the retention of the Irish Members at Westminster and the constitution of the Upper Chamber of the Irish Legislature. The second reading was carried by a vote of forty-two; it is not likely that the majority by which the bill will be sent to the House of Lords will exceed thirty-five or thirty-six.

❀

It is useless to inquire which Government began the tariff war now going on between Germany and Russia. Each holds the theory that its own industries can be benefited by injuring the industries of the other, and each gladly avails itself of any act of hostility on the part of the other to excuse a retaliatory act still more injurious. In this way a higher tariff on one side of the Vistula has led to a still higher tariff on the other, and the protectionists of the two countries, instead of being real opponents of each other, have played into each other's hands. Each nation has increased by about fifty per cent. its tariff upon the products of the other, and the protective tax thus imposed gets a certain popular support from the fact that it has been enacted for the sake of retaliation. Of course Russian manufacturers are being protected as never before by the higher taxes on German manufactures, and German landlords are being protected as never before by the higher taxes on Russian cereals. But meanwhile the lawful trade between the two countries has been seriously injured, while the smuggling across the border is reported to have also increased seriously. The Government organs in Germany are making light of these injuries, but the opposition papers are exaggerating them into great catastrophies. The fact that the new German tax upon Russian grain has not been followed by higher prices for grain in Germany is pointed at by critics of the new measures as proof that they have not been effective. This, however, is a bad argument, even though it is used in a good cause. The price of grain is lower in Germany for the same reason that it is lower everywhere. The new tariff has simply been unable to neutralize the universal fall in prices. A curious and perhaps important side issue in the struggle is that Austria and Russia have been negotiating for a new commercial treaty, and it is reported that such a treaty has been completed, putting Austrian subjects who trade with Russia on the same favored footing with the French, while German subjects are being subjected to the higher duties just recounted. If Austria has made any such arrangement as this with the arch-enemy of the triple alliance it greatly lessens the apparent firmness of the ties between Germany, Austria, and Italy.

❀

Ernest II., Duke of Saxe-Coburg and Gotha, died on Wednesday morning of last week, at the age of seventy-five. As he had no children, the succession passes to his nephew, the Duke of Edinburgh, the second son of Queen Victoria, who has already been formally recognized as ruler of the country by the Diet. Saxe-Coburg and Gotha is one of the group of small sovereign states lying almost in the center of Germany, and known as Saxon Duchies. It has a population of something over two hundred thousand and covers about seven hundred and fifty square miles; it has been an independent duchy for more than two hundred years, and has existed as a separate political division for over five hundred years. The question of the succession is one that has in the past excited considerable debate; it is remembered that Prince Bismarck, in 1885, when the question of the Brunswick succession was under discussion, declared that it was impossible that a foreigner should occupy a German throne. It had been thought by many that the Duke of Edinburgh had privately abdicated his claim in favor of his son, Prince Alfred, who was educated at Coburg, the capital of Saxe-Coburg and Gotha, and is supposed to hold distinctly German views of politics and life. There is even an impression still existing among many students of German politics that the Duke of Edinburgh, after formally assuming the throne, may abdicate in favor of his son. Outside of the question of succession, there is little of importance likely to result, politically speaking, from the death of Duke Ernest. The late Duke was a man of strong and excellent personal character, and was considered one of the ablest rulers of the petty German States.

❀

When the Oklahoma Territory was thrown open to settlement it was generally believed that at the outset those men got the best land who had the best horses, while in the end those men got the best land who had the best lawyers. In the opening to settlement and homestead rights of the land known as the Cherokee Strip the Government has taken some measures to prevent the riotous scenes and the legal squabbles that accompanied the Oklahoma incident. The railways are not to be allowed to run trains through the Territory on September 16, which is the day set by the President's proclamation for the opening of the Strip. This is intended to give every one a fair and equal start from the strip of "neutral ground" which has been staked off at the border of the coveted territory. Moreover, every intending claimant is required to declare his intention on September 16 at one of the land offices which have been established on the border, to take out a certificate, and to return with the certificate and claim title immediately after his selection has been made. It is stated that there are still in the General Land Office no fewer than thirteen thousand disputed claims relating to Oklahoma territory—a fact which more than justifies all the precautions now taken. This Cherokee Land Strip, on the edge of which nearly fifty thousand eager seekers for land will soon be gathered, contains about six millions of acres. The eastern portion is far the most valuable, as it is well watered by the Shakaska River and other streams, and is traversed by a railway—the Atchison, Topeka and Santa Fé. The middle section is mostly arid, and only a small part of the western portion can be cultivated.

If organized labor in other cities would only follow the example set by organized labor in Chicago a strong influence would be brought to bear to stop the practice of hoarding money, to which in large part the present panic is due. About a fortnight ago organized labor in Chicago passed a resolution that it was the duty of every union to withdraw its money from safety deposit vaults, and to invest it in good securities. In accordance with that resolution the Cigarmakers' Union withdrew $34,000 from a safety deposit vault, as stated in the "Inter-Ocean," and deposited it in four banks. This disposition was made of the money, in preference to investing it, because, after discussion, it was agreed that "it would do more good and get into circulation quicker." Other unions are expected to follow the example of the Cigarmakers', at least so far as the discontinuing hoarding in safety deposit vaults is concerned. In all, if the estimate of the "Inter-Ocean" is accurate, about $500,000, money belonging to Chicago labor unions, will be put into active circulation. The result ought to be the "emptying of many stockings." The incident, so far as it goes, is an object-lesson in the possibilities of public benefit to be found in labor unions.

General News.—In Europe many cases of cholera continue to be reported from several countries; there have been new outbreaks in Antwerp and in Hungary; a single case of cholera has occurred at Hull, England; there have been no new cases at the quarantine in this city, and nearly all of those who are supposed to have been attacked with cholera have recovered.——The feeling between France and Italy arising out of the Aigues-Mortes incident, which we described last week, has, in the main, subsided, although there have been riots in Naples, in the course of which many French residents have been attacked; the French Government has dismissed the Mayor of the town of Aigues-Mortes.——The loss of life through the very heavy storm of last week is reported to be greater than has been known for many years; on Monday night of this week a second severe storm did great damage in the South, and as we go to press it is reported that over forty lives have been lost from the storm in Savannah, Ga.——One or two new cases of yellow fever have occurred at Brunswick, Ga., and the town has been largely deserted by its inhabitants; those who remain are in great want, and an appeal has been made to the people of the country to assist them.——A great part of South Chicago, which is about three miles south of the World's Fair grounds, was destroyed by fire on Thursday of last week.——Sixteen lives were lost and many persons injured by a collision at Berlin, on the Long Island Railroad, last Saturday evening; the direct cause was either the negligence of a signal operator or of an engineer.

A Monometallist's Criticism

To the Editors of The Outlook:

In your paper of 19 August, in speaking of the alleged "inadequacy of the gold product to supply the need of more currency," you say: "In 1870 the gold available for currency purposes was $92,000,000 a year. It has now fallen to less than $24,000,000. The estimates are Soetbeer's, and are those most favorable to the gold monometallists." Will you kindly give a reference to the page on which Soetbeer gives those figures? I think there must be some error in this citation. Have you referred to the Report of E. O. Leech on the Production of Gold and Silver in the United States? He is regarded as a statistician of high authority, and I am informed that he gives the coinage of gold in the world for the three years 1889, 1890, and 1891 at an average of $145,800,000 per year. After allowing for recoinage, it has been estimated that this means an addltion to the world's gold money of $120,000,000 per annum. Our own gold coinage in the United States was in 1892 over $34,000,000, or more than $10,000,000 more than you say that Soetbeer says was coined in the world. Have you not unintentionally done an injustice to Soetbeer? Or, if such an error exists in Soetbeer, you are certainly not entitled to say, in the face of Leech's statement, that Soetbeer's estimates are "those most favorable to the gold monometallists."

Permit me to call attention to another point. You allude to Jevons as the "last of the great monometallists." Such an allusion implies that the species is extinct. This is so far from the truth that I cannot think that you mean your readers to draw that conclusion. The fact is that the principal nations of Europe have the gold standard—France as well as England—and they manifest no intention of giving it up. The gold standard prevails in the United States and Canada, and India is adopting it. Under these circumstances there is no room for an implication that the race of monometallists is extinct.

If you intended to refer only to books, the implication that no author has appeared to support the single gold standard since Jevons seems unnecessarily severe on the host of recent writers. To mention no others, the work of Professor Taussig, of Harvard, "The Silver Situation in the United States," published this year, deserves kinder treatment. It is a calm and masterly examination of this subject. He states with fairness the arguments of the bimetallists, and discusses the effect of the general fall in gold prices. His conclusion on this point is as follows: "On the whole, then, the fall in prices, when considered in connection with the other great changes which have accompanied it, does not afford so much countenance to the bimetallist proposal as at first sight it seems to. The rise in money incomes and the improvements in production disprove any intolerable burden on debtors, and make it highly improbable that the change has had any general depressing effect on industry."

Professor Taussig also shows in a conclusive manner that gold is the least variable and best standard of value we possess, and the fear that there is not enough of it to furnish a standard with which to transact the business of the world is without any real basis. I commend the book to your careful examination.

Rowland Hazard.

Peace Dale, R. I., August 19, 1893.

The questions put in this letter are of such immediate importance that we gladly answer them at some length. Mr. Hazard's deduction from the Director of the Mint's report is a quite natural one, though it might not have been made had he himself referred to the Director of the Mint's report. For many years that officer has reported the production and coinage of the precious metals, both in the United States and throughout the world. With rare exceptions the amount of gold coined has exceeded the amount produced. The Director's figures have not implied, however, that more gold has been added to the world's coinage than has been mined. On the contrary, the mint reports for 1883 and 1885 show that nearly all the gold used in the arts has first been to the mints, and is received by manufacturers either in the form of coin or stamped refinery bars. Soetbeer made use of our mint reports in reaching his authoritative estimates, which were translated by Professor Taussig and published in the United States