

# The Outlook

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## The Week

**D**IRECT quotation alone brings out the full force of the testimony given last week by the officers of the American Sugar-Refining Company before the Senate Investigating Committee:

Senator Allen—And when you did form the Trust you did advance the price of sugar to the American consumer?

President Havemeyer—We did. It was an advance of about a quarter of a cent, net.

Senator Allen—And the American consumer to-day is paying three-eighths of a cent a pound on refined sugar more than he would be compelled to pay under a system of separate refineries?

President Havemeyer—Yes, sir.

Mr. Havemeyer frankly stated that both the first Sugar Trust and the present one had endeavored to control legislation. He said that he had contributed to the Democratic State campaign fund last year, and always contributed to the Republican State campaign fund.

Senator Allen—Why should the American Sugar-Refining Company contribute to either of the political parties in the State of New York?

President Havemeyer—We have large interests in this State; police protection and fire protection. They need everything that the city furnishes and gives, and they have to support these things. Every individual and corporation and firm, trust, or whatever you call them, does these things, and we do them. . . . We have a good deal of protection for our contributions. Contributions were also given to the Republican party in Massachusetts. It is my impression that wherever there is a dominant party, wherever the majority is very large, that is the party that gets the contribution, because that is the party which controls the local matters.

Senator Allen—Then the Sugar Trust is a Democrat in a Democratic State, and a Republican in a Republican State?

Mr. Havemeyer—As far as local matters are concerned, I think that is about it.

This is almost a verbatim repetition of Mr. Gould's definition of the politics of the Erie Railroad: "Republican in Republican districts, Democratic in Democratic districts, but always for Erie." When the Secretary of the Sugar-Refining Company came before the Committee, the following was a portion of the dialogue:

Senator Allen—So you think it was perfectly laudable for the American Sugar-Refining Company to contribute money by the thousands of dollars for the purpose of influencing elections in this country, do you?

Mr. Searles—I have understood for many years that it is the custom of both parties to solicit from corporations and individuals contributions for the carrying on of their political campaigns, and that it is the custom of corporations and individuals to respond to such invitations. And with that understanding, and what I believe to be the general custom, the American Sugar-Refining Company has made such contributions at times.

Senator Allen—Do you believe it is perfectly proper for a corporation, the value of whose stocks may be affected by National legislation, to contribute its funds to the success or defeat of one political party or the other?

Mr. Searles—I think, as parties are now managed, it is proper.

Both Mr. Havemeyer and Mr. Searles are esteemed men of blameless private character. The condemnation which is called for is a condemnation of the political system

which tolerates corruption-fund government. The moral sentiment of the Nation which has in so short a time secured the secret ballot in most States, must now carry forward its work by demanding absolute publicity for all campaign contributions.



The raw-wool schedule of the Senate compromise was ratified by a majority of two. Senator Dubois, of Idaho, made a telling attack upon it when he declared that he would not protest if the Democratic majority made all raw materials free, but did protest when they left protective duties upon the materials produced by mining corporations and denied protection only to the raw material produced by the farmers. Senator Hansbrough, of North Dakota, drove home the same point in a speech maintaining that the present bill placed a high protective duty on all things the Northern farmer bought, while it placed on the free list all that he had to sell. Senator Sherman urged that the distinction between raw materials and manufactured articles was entirely illogical. They were equally the products of American labor, and equally entitled to protection. He further maintained that American farmers could not compete with those of Australia in the production of wool. The best speech in favor of free wool was that of Senator Kyle, of South Dakota. Representing as he does the Farmers' Alliance of a wool-growing State, much weight attached to his declaration that the farmers of the West could compete with those of Australia. It is certain that Australian wages are as high as our own, and Senator Kyle maintained that the cheap lands of the Northwest are as well adapted to wool-growing as the cheap lands of Australia. The real basis of his argument, however, was that the farmers of his State spend far more for woollen goods than they receive for wool. Cheaper woollens, therefore, mean more to them than dear wool. Having said so much for Democratic principle, he proceeded to arraign with vigor Democratic practice as set forth in the pending bill. He showed that the entire cost of labor in the manufacture of woollens, according to the present census, ranges from 27 per cent. of the value of the product down to 20 per cent. Such being the condition, he declared that there was absolutely no justification for the 41 per cent. protective tariff on woollens retained in the Senate bill. All the Republicans voted with the Populists for a reduction of one-half in the tariff on raw wool, to correspond with the proposed reduction in the tariff on manufactured wool. It was upon this proposition that the majority in favor of the compromise was reduced to two. Several Southern Senators are reported to sympathize with Senator Kyle's criticism upon the schedules as unfair to the farming interests.



Director of the Mint Preston has issued a most remarkable report respecting the production of gold. The extracts telegraphed all over the country give the impression that

the gold available for monetary purposes fully equals, if it does not exceed, the quantity of both metals available yearly before silver ceased to be a universal money metal. In reply to this it is not necessary for bimetallists even to refer to the silver formerly available for the currency. The following are Soetbeer's figures for the production of gold alone:

ANNUAL PRODUCTION OF GOLD	
1851-70.....	136,000,000
1871-90.....	113,000,000

The production of gold since 1890 has, indeed, increased, and the Director of the Mint's estimate of \$155,520,000 for the production of last year may be reliable, but even this figure is no greater than that for the year 1853, despite the enormous expansion of commerce during the intervening forty years. It is not, however, to the comparative falling off in the production of gold that bimetallists have directed especial attention. It is to the falling off in the supply available for money uses. Here, again, we give the figures of the monometallist Soetbeer:

Period.	Annual production of gold.	Non-monetary consumption.	Used for money and reserves.
1851-70.....	\$136,000,000	\$44,000,000	\$92,000,000
1881-85.....	104,000,000	80,000,000	24,000,000

The annual supply available for currency is less than a third what it was a generation ago, because the non-monetary consumption of gold (its use for jewelry, gilding, dentistry, Oriental hoarding, etc.) has increased by leaps and bounds, while its production has not held its own. Mr. Giffen, writing in 1889, said: "The demand for gold for non-monetary purposes appears almost equal to the entire annual production." Such being the admissions of the greatest monometallist statisticians, it is a little trying to have the Director of the United States Mint report that gold enough is produced now to do the work formerly done by both metals.

The German Currency Commission has adjourned without so much as making any recommendation. The appointment of this Commission awakened some hope in this country that Germany would join the United States in demanding the restoration of silver to the currency. While it was yet sitting, however, a convention of German bankers passed unanimous resolutions against bimetallism, and the outcome of the Commission's deliberations shows that the opinion of the bankers is still omnipotent in Germany in determining the attitude of the nation toward financial questions. The appointment of the Commission was merely a concession to the debtor farmers, who, in Germany, as in England, have been aroused by the continued fall in the price of their lands since the demonetization of silver began. As a matter of justice, however, neither the debtor farmers nor the bankers ought to be allowed to determine the nation's policy upon the currency question. The money-lenders are directly enriched by all legislation contracting the currency, and the money-borrowers are directly enriched by all legislation inflating it. The duty of enforcing justice between the two parties belongs to the disinterested public. Unfortunately, in Germany the disinterested public, outside of a few political economists, has not been awakened to the consideration of the question. Dr. Bamberger, one of the monometallist leaders, declared that the failure of the Commission to agree upon any recommendation proved that no future commission, whether national or international, could agree upon anything. This was too positive a prediction, but Dr. Bamberger's assertion that "if Germany ever adopts a compromise in the direction of bimetallism, the motive will, in all probability, be political and diplomatic rather than technical

and economic," seems to be warranted by the attitude of the press.

For several days after the signing of the agreement at Columbus, Ohio, the miners' strike remained unsettled, owing to the disposition of the rank and file of the miners to reject the terms ratified by their officials. President McBride, of the National Miners' Union, was hanged in effigy near Pittsburg, Pa., while local conventions in various parts of Ohio, and one large convention at Spring Valley, Ill., bitterly denounced him for consenting to terminate the strike by the acceptance of a compromise. He stated, however, that when the miners had received his letter explaining his action, they would indorse it and return to work. This is what has generally happened. It is interesting, therefore, to know that, apart from the exhaustion of the funds, the principal reason for not prolonging the strike was the recourse to violence in many sections. These disorders, exaggerated in some cases by the press, were turning public sentiment against the miners, occasioning the calling out of the military, and making it every day more difficult to hold the forces together. President McBride expresses the opinion that but for this violence the strike could have been continued until the old rate of wages was restored.

The most important political convention held last week was that of the Populists in Kansas, and its most important action was the indorsement of the woman's suffrage amendment to the Constitution. The party leaders generally opposed this action. They urged that most of the Democrats of the State were opposed to woman's suffrage, and that Democratic votes were essential to success in the coming election. The Convention, however, refused to be governed by this consideration. By a vote of 337 to 269 it adopted the minority report of the Committee on Resolutions in favor of an equal suffrage plank. This decision was reached amid great enthusiasm, the enthusiasm being the greater because most of those who opposed the adoption of the plank expect to vote for woman's suffrage at the coming election.—In Nebraska a large convention was held by the State League of Republican Clubs. Its important feature was its non-action on the silver question. The sentiment in the Convention in favor of free coinage was surprisingly strong, and in order to secure harmony it was voted simply to indorse the bimetallist plank in the last National platform and await a more explicit declaration from the approaching Republican State Conventions. The Hon. John M. Thurston, General Solicitor of the Union Pacific Railroad, and candidate for the United States Senate, made the principal address, and took advanced grounds in favor of the coinage of silver. In the Democratic party, also, in Nebraska, there is a widespread movement in favor of free coinage. The younger element in the party seems ready to join with the Populists in a legislative campaign having for its object the election of Representative Bryan to the United States Senate.

The stream of evidence as to the corruption in the New York Police Department continues to flow steadily before the Lexow Committee, and the Chairman is reported as saying that, after an interval for rest, the sessions will continue late into the fall. Mr. Goff has shown wonderful astuteness and pertinacity in marshaling and presenting his evidence, and has emphatically earned the commendation and thanks of all honest citizens. Among the new disclosures of the week perhaps the most significant were those of George Appo, a half-breed Chinese long known