

THE PRICES OF COAL

ARE CONSIDERABLY LOWER THIS YEAR THAN LAST.

Prices Advanced in 1892 While Wages Declined—Congressman Adams Quibbles, Squirms and Denies Facts, When Questioned by Mr. Warner.

Wilson Bill Did It.

The Wilson bill reduced the duty on bituminous coal from 75 to 40 cents per ton. Coal has been 50 cents per ton cheaper this year than last. As about 44,000,000 tons of anthracite coal are consumed annually in this country the saving to the people is \$22,000,000. This is half the labor cost of mining the coal. That the present reduced price of coal need not, and does not, affect the wages paid to miners is evident from two facts: (1) more coal is consumed when prices are low, and more labor is needed in the mines. Increased demand for labor means steadier employment and higher wages and not lack of employment and lower wages; (2) wages were higher before the passage of the McKinley bill in 1890 than now, while prices of coal are even lower than at present, as will be seen by the following prices:

	Sept.	Jan.	Sept.	Jan.
Coal.	1890.	1892.	1892.	1894.
Stove	.....	\$3.50	\$3.45	\$4.75
Chestnut	....	3.25	3.10	4.65
Egg	.....	3.50	3.30	4.40
Grate	....	3.40	3.25	4.00
				3.50

In 1892, when the coal trust raised prices of coal \$1.25 per ton—about 40 per cent—not only were thousands of miners thrown out of employment because of restricted production, but wages were actually reduced for those not thrown out. The relations between cause and effect are so apparent in this case as to be almost self-evident, even without the facts. Yet there are men who have lived in Pennsylvania during the last four years who deny the facts and dispute the logic. Strange to say, one of these men is in Congress. The following interesting colloquy ensued, on January 3, between Congressmen Adams of Pennsylvania and Warner of New York. Adams had complained, in a speech in the House, that coal had averaged fifty cents per ton less in price this year than last.

Mr. Warner—If I understood the gentleman, he said that the people of this country have been getting coal fifty cents per ton cheaper than before the passage of the Wilson bill, but he complained (and in that I sympathize with him) that perhaps some of the poor miners had been getting less for their work than they had received before. Now, I wanted to ascertain from the gentleman how much the miners had had to lose per ton in order to enable the people to get their coal fifty cents per ton cheaper. I was simply asking for information.

Mr. Adams of Pennsylvania—I will answer the gentleman from the papers of this morning, which announce that one of the largest collieries in Pennsylvania has been compelled to shut down and throw its men out of employment because there is no market for the coal.

Mr. Warner—Have there been as many collieries shut down this winter as there were the winter after the McKinley bill was passed?

Mr. Adams—Yes, sir.

Mr. Warner—Has the gentleman any facts on that subject?

Mr. Adams—Mr. Chairman, I cannot go on answering the gentleman's questions all day. I try to be courteous, but—

Mr. Warner—I simply wish to ask the gentleman whether his statement is based on a general estimate or opinion, or whether he really knows the facts. Have you the Dun statistics of that period also?

Mr. Adams—The collieries have been shutting down ever since the Democratic party came into power. (Applause on the Republican side.)

Mr. Warner—Were they not shutting down before the Democratic party came into power?

Mr. Adams—And if the Democratic party continues in power, they will not shut down. (Laughter and applause on the Republican side.)

Mr. Warner—Were not more of them shut down under the McKinley bill than there ever have been since?

Mr. Adams—There was not a man who lost a day's work by the passage of the McKinley bill, but the workingmen have been losing wages ever since the passage of the Wilson bill.

And declined to yield further to Mr. Warner.

A little later in the day, however, Mr. Hendrix yielded two minutes of his time to Mr. Warner, who said:

"Mr. Chairman, in return for the courtesy of the gentleman from Pennsylvania who was so kind as to give me a little information, I will read the following note, which I have upon authority for which I am willing to vouch, and which, I think, will accord with his own knowledge of the state of affairs in the coal mines of the State of Pennsylvania at this very time of year, immediately after the passage of the McKinley bill:

"January 8, 1891.—The Frick Coke Company have given notice that they will shut down 1,100 more coke ovens indefinitely next week. No cause is given for the shut down.

"My next entry is this:

"The coke companies of Pennsylvania reduced wages 10 per cent; 16,000 men struck.

"Mr. Chairman, that was the climax of a series of reductions of wages and shut-downs in the coal mining regions of the State of Pennsylvania which commenced immediately after the passage of the McKinley bill." (Applause on the Democratic side.)

Mr. Adams—Will the gentleman give us some statistics as to the condition of things after the McKinley law had

been in operation for six months or a year?

Mr. Warner—At the coke ovens wages never afterwards rose so high as they were before the passage of that bill. After its passage the actual fact was that a large proportion of the miners were driven into riot and beggary. And there has been no period since when wages have been equal to the old rates which prevailed at the time when the McKinley bill was passed in order that the operatives might have the full benefit of a protective tariff.

Mr. Adams—Does the gentleman know what the duty on coke is?

Mr. Warner—Coke, as is perfectly well known, is made from bituminous coal; and it is the coal production of Pennsylvania that the gentleman has been talking about; and it is the price of coal at the mines that determines the price of, and the market for, both coke and coal, as the gentleman knows even better than I do.

Mr. Adams—I challenge the gentleman's statement. I have asked him to state what was the condition of things after the McKinley bill had been in operation six months or one year, and he does not do it.

Mr. Warner—I have told you that the wages of the men engaged in the coke ovens were never brought back to the point at which they were before the McKinley bill was passed. There were more reductions made shortly after the passage of the McKinley bill than were made during the remaining period down to the present time.

Facts vs. Theories.

The American Economist of Jan. 11 says: "Under the new woolen duties which went into effect on Jan. 1 manufacturers must reduce prices, otherwise foreign goods will take the place of the American product. Of course, the prices of American goods will be reduced to meet the exigencies of the situation, but along with reduced prices of cloth there must come reduced prices of labor."

That settles it. The foreigner doesn't pay our tariff taxes. The Economist having been converted on this point, the demonstration is probably clear enough to be understood by the greatest muddle-headed Republican clump in the remotest backwoods district in Pennsylvania. Lower duties mean cheaper woolen goods. Other things being equal, cheaper woolens are certainly desirable. The most important other thing is wages.

"Along with reduced prices of cloth there must come reduced prices of labor," says the Economist. Is it right this time, any more than it was in 1890, when it said that increased duties meant increased wages? It will be recalled that the Reform Club, in 1892, published a list of about 600 wage reductions in protected industries from October, 1890, to October, 1892. This list has since been doubled for the same period. It will also be recalled that the Economist, in 1892, was unable to find any case of wage advances in protected industries due to increased duties. The three or four actual cases where wages had been advanced slightly were due to labor organizations.

Along with reduced prices of a dozen wage advances in large woolen and textile mills, which have occurred during the first four months under the Wilson bill, it will be in order for the Economist, if it places any value on veracity, to explain how it is that the facts are directly opposed to its theories. The following is a partial list of textile mills in which wage advances were reported in leading trade papers in September, October, November and December, 1894: Rawitzer Bros., Stafford Springs; Riverside Knitting Mills, Cohoes, N. Y.; Alexander Crow's Woolen and Worsted Mills, Philadelphia, Pa.; Woodstock Mills, Norristown, Pa.; Blackinton Woolen Mills, North Adams, Mass.; Cocheo Mills, Dover, N. H.; North Adams Manufacturing Company, Braytonville, Mass.; Pontosue Woolen Company, Pittsfield, Mass.; Briggsville Woolen Mill, near North Adams, Mass.; Broad Brook Woolen Mill, Connecticut; Berkshire Knitting Mill, Pittsfield, Mass.; Greenwoods Company, Pine Meadow, Conn.; Lowell Manufacturing Company, Boston, Mass.; Linwood Mills, Briggsville, Mass.; Hathaway Mill, New Bedford, Mass.

Tens of thousands of textile workers now have higher wages or steadier employment, or both, than they have had for years.

We challenge the Economist to produce a similar list for the whole McKinley period. If it cannot produce such a list we ask it in all fairness to tell its readers plainly that, contrary to its theories, there have been more wage advances in four months of low wages than there were in four years of high tariffs. Will it tell the truth to its readers?—Byron W. Holt.

The Golden Rule in Commerce.

Under the impression that the removal of the duty on wool by this Government would be a special or exclusive concession to the Argentine Republic, the Government of that country prepared a revision of the tariff on goods imported from the United States for purpose of making reciprocal concessions to us. When it learned that the duty on wool was repealed, whether the wool came from the Argentine Republic or any other country, this special concession to the United States was dropped. But our Minister in Buenos Ayres has informed our Government that the Argentine Congress has passed a tariff bill which is greatly in our favor. It does not appear to give us any exclusive advantages, but it cuts the duties on articles that we export and we alone are likely to export to any considerable quantity. The Argentine Republic cuts off \$250,000 of its revenue by removing duties from yellow and pitch pine lumber, and this ought to add materially to our exports.

APPEAL TO CONGRESS

MESSAGE OF THE PRESIDENT ON THE FINANCIAL EMERGENCY.

Says Another Bond Issue Is the Only Way to Prevent a Constant Drain of Gold—See Very Good Cause for Alarm.

NATIONAL INTEGRITY AT STAKE.

The President on Monday sent to both houses of Congress a message on the financial situation, substantially withdrawing his support from the plan outlined in the Carlisle bill and outlining the only policy which seems to him now possible to maintain the gold reserve. The message is as follows:

"To the Senate and House of Representatives: In my last annual message I commanded to the serious consideration of the Congress the condition of our national finances, and, in connection with the subject, endorsed the plan of currency legislation which at that time seemed to furnish protection against impending danger. This plan has not been approved by the Congress. In the meantime the situation has so changed and the emergency now appears so threatening that I deem it my duty to ask at the hands of the legislative branch of the government such prompt and effective action as will restore confidence in our financial soundness and avert business disaster and universal distress among our people.

"Whatever may be the merits of the plan outlined in my annual message as a remedy for ills then existing, and as a safeguard against the depletion of the gold reserve then in the treasury, I am now convinced that its reception by the Congress and our present advanced stage of financial perplexity necessitates additional or different legislation.

PARTY TO BE LAID ASIDE.

"With natural resources unlimited in variety and productive strength and with a people whose activity and enterprise seek only a fair opportunity to achieve national success and greatness, our progress should not be checked by a false financial policy and heedless disregard of sound monetary laws, nor should the timidity and fear which they engender stand in the way of our prosperity.

"It is hardly disputed that this predicament confronts us to-day. Therefore no one in any degree responsible for the making and execution of our laws should fail to see patriotic duty in honesty and sincerely attempting to relieve the situation. Manifestly, this effort will not succeed unless it is made untrammelled by the prejudice of partisanship and with a steadfast determination to resist the temptation to accomplish party advantages. We may well remember that if we are threatened with financial difficulties all our people in every station of life are concerned, and surely those who suffer will not receive the promotion of party interests as an excuse for permitting our present troubles to advance to a disastrous conclusion. It is also of the utmost importance that we approach the study of the problems presented as free as possible from the tyranny of preconceived opinions, to the end that in a common danger we may be able to seek with unclosed vision a safe and reasonable protection.

DISTRUST A GREAT TROUBLE.

"The real trouble which confronts us consists in a lack of confidence, widespread and constantly increasing, in the continuing ability or disposition of the Government to pay its obligations in gold. This lack of confidence grows to some extent out of the palpable and apparent embarrassment attending the efforts of the Government under existing laws to procure gold, and to a greater extent out of the impossibility of either keeping it in the treasury or canceling obligations by its expenditure after it is obtained.

"The only way left open to the Government for procuring gold is by the issue and sale of its bonds. The only bonds that can be so issued were authorized nearly twenty-five years ago and are not well calculated to meet our present needs. Among other disadvantages they are made payable in coin instead of specifically in gold, which, in existing conditions, detracts largely and in an increasing ratio from their desirability as investments. It is by no means certain that bonds of this description can much longer be disposed of at a price creditable to the financial character of our Government.

"The most dangerous and irritating feature of the situation, however, remains to be mentioned. It is found in the means by which the treasury is deprived of the gold thus obtained without canceling a single Government obligation, and solely for the benefit of those who find profit in shipping it abroad, or whose fears induce them to hoard it at home.

THE STUBBORN FACTS.

"We have outstanding about \$500,000,000 of currency notes of the Government, for which gold may be demanded; and curiously enough the law requires that when presented and in fact redeemed the notes should be paid in gold from the treasury; nor can the process be arrested as long as the notes may do duty many times in drawing gold from the treasury; nor can private parties be arrested for otherwise see an advantage in repeating the operation. More than \$200,000,000 of these notes have already been redeemed in gold, and notwithstanding such redemption they are all still outstanding.

"Since the 17th day of January, 1894, our bonded interest-bearing debt has been increased \$100,000,000 for the purpose of obtaining gold to replenish our coin reserve. Two issues were made, amounting to \$50,000,000 each—one in January and the other in November. As a result of the first issue there was realized something more than \$58,000,000 in gold. Between that issue and the succeeding one in November, comprising a period of about ten months, nearly \$103,000,000 in gold were drawn from the treasury. This made the second issue necessary, and upon that more than \$58,000,000 in gold was again realized. Between the date of this second issue and the present time, covering a period of only about two months, more than \$63,000,000 in gold has been withdrawn from the treasury. These large sums of gold were expended without any cancellation of Government obligations or in any permanent way, leaving our people or improving our pecuniary situation.

"The financial events of the last year suggests facts and conditions which should certainly arrest attention. More than one hundred and seventy-two millions of dollars in gold have been drawn out of the treasury during the year for

the purpose of shipping abroad or hoarding at home. While nearly one hundred and three millions of the same were drawn out during the first ten months of the year, a sum aggregating more than two-thirds of that amount, being about \$69,000,000, was drawn out during the following two months, thus indicating a marked acceleration of the depleting process with the lapse of time.

OBLIGATIONS STILL OUTSTANDING.

"The obligations upon which this gold has been drawn from the treasury are still outstanding and are available for use in repeating the exhausting operation with shorter intervals as our perplexities accumulate.

"Conditions are certainly supervening tending to make the bonds which may be issued to replenish our gold less useful for that purpose. An adequate gold reserve is in all circumstances absolutely essential to the upholding of our public credit and to the maintenance of our high national character.

"Our gold reserve has again reached such a state of diminution as to require its speedy re-enforcement. The aggravations that must inevitably follow present conditions and methods will certainly lead to misfortune and loss, not only to our national credit and prosperity, and to financial enterprise, but to those of our people who seek employment as a means of livelihood and to those whose only capital is their daily labor.

"It will hardly do to say that a simple increase of revenue will cure our troubles. The apprehension now existing and constantly increasing as to our financial ability does not rest upon a calculation of our revenue. The time has passed when the eyes of investors abroad and our people at home were fixed upon the revenues of the government. Changed conditions have attracted their attention to the gold of the government. There need be no fear that we cannot pay our current expenses with such money as we have. There is now in the treasury a comfortable surplus of more than \$63,000,000, but it is not in gold and therefore does not meet our difficulty.

SILVER QUESTION NOT THE ISSUE.

"I cannot see that differences of opinion concerning the extent to which silver ought to be coined or used in our currency should interfere with the counsels of those whose duty it is to rectify evils now apparent in our financial situation. They have to consider the question of national credit and the consequences that will follow from its collapse. Whatever

is done to rectify the situation will not be done to the detriment of silver or bimetallism, a proper solution of the question now pressing upon us only requires recognition of gold as well as silver and a concession of its importance, rightfully or wrongfully acquired, as a basis of national credit, a necessity in the honorable discharge of our obligations payable in gold and a badge of solvency. I do not understand that the real friends of silver desire a condition that might follow inaction or neglect to appreciate the meaning of the present exigency if it should result in the entire banishment of gold from our financial and currency arrangements.

"Besides the treasury notes which certainly should be paid in gold, amounting to nearly \$500,000,000, there will fall due in 1904 \$100,000,000 of bonds issued during the last year for which we have received gold, and in 1907 nearly \$600,000,000 of 4 per cent bonds issued in 1877. Shall the payment of these obligations in gold be repudiated? If they are to be paid in such a manner as is consistent with the preservation of our national honor and national solvency demands, we should not destroy or even imperil our ability to supply ourselves with gold for that purpose.

"While I am not unfriendly to silver, and while I desire to see it recognized to some extent as is consistent with financial safety and the preservation of national honor and credit, I am not willing to see gold entirely banished from our currency and finances. To avert such a consequence, I believe thorough and radical remedial legislation should be promptly passed. I therefore beg the Congress to give the subject immediate attention.

SECRETARY SHOULD HAVE AUTHORITY.

"In my opinion, the Secretary of the Treasury should be authorized to issue bonds of the Government for the purpose of procuring and maintaining a sufficient gold reserve and the redemption and cancellation of the United States legal-tender notes and the treasury notes issued for the purchase of silver under the law of July 14, 1890. We should be relieved from the humiliating process of issuing bonds to procure gold to be immediately and repeatedly drawn out on these obligations for purposes not related to the benefit of our Government or our people.

"The principal and interest of these bonds should be payable on their face in gold, because they should be sold only for gold or its representative, and because there would now probably be difficulty in favorably disposing of bonds not containing this stipulation.

"I suggest that the bonds be issued in denominations of \$20 and \$50 and their multiples, and that they bear interest at a rate not exceeding 3 per cent per annum. I do not see why they should not be payable five years from their dates. We of the present generation have large amounts to pay if we meet our obligations and long bonds are most suitable. The Secretary of the Treasury might well be permitted at his discretion to receive on the sale of bonds the legal tender and treasury notes to be retired and, of course, when they are thus retired or redeemed in gold they should be canceled.

"I believe all the provisions I have suggested should be embodied in our laws if we are to enjoy a complete reinstatement of a sound financial condition. They need not interfere with any currency scheme providing for the increase of the circulating medium through the agency of national or State banks, since they can easily be adjusted to such a scheme.