

REFORM OF THE CURRENCY

Report of the Indianapolis Monetary Commission.

PRESENT SYSTEM'S DEFECTS

Government Should Go Out of the Banking Business and Greenbacks Must Be Redeemed and Retired.

The commission appointed by the Indianapolis monetary convention held on January 15, 1937, met in Washington September 22, and reported its conclusions October 17, 1937. The eleven members of the commission were Messrs. George F. Edmunds, George E. Ledwith, F. G. Duak, W. H. Dean, Charles S. Feltz, Stuyvesant Fish, J. W. Fries, L. A. Garnett, J. Laurence Laughlin, C. Stuart Patterson and H. S. Taylor. A plan in the form of propositions to be later presented to congress in a detailed bill, is preceded by a brief study of the problem submitted to them. A final report in book form is to be later given to the public.

The commission reports as grave evils in the situation the presence of a very large amount of gold currency (improperly secured), the absence of an elastic circulation suited to an expanding economy, the circulation of ten different kinds of money having different quality, and the existence of no more silver dollars of full legal-tender quality whose value as bullion is less than one-half their face value, an unequal distribution of banking facilities throughout the country, a system of bank issues secured by bonds which shrinks in the face of an expanding development of trade, and, of chief importance, to which the above contribute more or less, the uncertainty which has been produced at home and abroad as to what our standard of payments shall continue to be.

Some standard of value either good or bad must be in fact adopted by every country. The standard must have market value as a commodity independently of any governmental fiat and of all legal tender laws; it must be durable; it must be homogeneous; it must have a maximum of value proportioned to its bulk; it must have, as a commodity, as stable a market value as possible, and in order to secure the stability of that market value, the relation between its supply and demand must be as constant as possible. Gold alone fulfills these conditions.

Although certainly as to the standard is the very essential of business prosperity, that has been lamentably absent in our industrial history. Since 1862 the gold standard has been supplanted by an inconvertible paper standard fluctuating during seventeen years from 100 to 35 cents on the dollar; in the remaining period the possibility of a change from the restored gold standard to one of silver (as constituted as to be about one-half in value) has been constantly present. The injury to the development of our country by this uncertainty has been incalculable, and the losses have risen to hundreds of millions of dollars. In these years, while the United States has been suffering untold disasters, other countries in which the standard has remained unimpaired have increased their trade and production to the highest point ever realized in their history. This uncertainty as to the standard in which debts and contracts have been expressed has given an undue speculative character to industry, and placed the smaller producer at a disadvantage relatively to the large manufacturer.

No longer as variations continue between the values of gold and silver, only one or the other can be used as a standard. Without entering into the reasons why these relative variations exist, or without discussing any suggestions as to how these variations may be removed, the fact must be recognized that these variations now exist. And if the choice is to be made between gold and silver it is clear that the existing gold standard, upon which present contracts have been in fact based since 1878, should be maintained. A distinct announcement in law would effectively remove all distrust on this point for the future, and the credit of the government at home and abroad would be improved, to the saving of many millions to the taxpayer in lowered rates of interest on our indebtedness. As the first and indispensable element of a sound monetary system the standard should not only be distinctly declared in the law but clearly fixed in the minds of the people. By the concuring habits of modern civilized nations throughout the world, gold has in fact been chosen as the standard. Any country wishing to maintain trade relations with the most enlightened countries of the world must necessarily base their transactions on the same chosen standard.

It is clear that the metal selected as a standard is not in civilized hands the only

needs. From this fact grave confusion has arisen. The existence of so large an amount of demand obligations in the hands of the people affords an opportunity to ill-disposed persons to embarrass the treasury in times of danger or war, which should not be allowed to exist. War, a failure of revenue, a commercial revolution, an election, a weak president—any one of these unfavorable conditions, exciting alarm and then panic, might cause the treasury to be depleted of its gold and its notes to be dishonored. It is a dangerous weakness in our system that today the decision whether our standard shall consist of gold or silver rests with the executive. The danger in the existence of so large a demand debt of the United States as \$208,728,957 arises from the fact that the government is not in a position properly to protect its gold reserves. These reserves are exposed to attack, without any means of resistance such as lie in the hands of banks when obliged to protect banking reserves. The serious aspect of the present situation is more clear when it is understood that if the government should raise any doubt as to its ability to redeem its demand obligations, then all other forms of the currency dependent upon the character of our lawful money become of uncertain value. Hence a doubt as to gold redemption by the government throws doubt and doubt upon the means of payment by every financial institution of the country, and sends a nervous tremor through the whole organization of trade and commerce. The slightest question as to the attitude of the treasury so intricately that it is imperative that the government should raise to occupy this critical position in regard to the money of the country. This is all the more true when it is recalled that for seventeen years the government made no pretense to keep its promises, and the remaining forms of currency of the country had correspondingly deteriorated.

As a first and essential step in this reform, the funds of the treasury connected with the currency should be kept distinct from those pertaining to income and outlay by assigning them to a division of issue and redemption. To begin, from the present stock of gold in the treasury a reserve should be placed in this division amounting to 25 per cent of the total demand obligations of the treasury, to be either with a sum of 5 per cent of the outstanding silver coinage. In addition, the secretary of the treasury is authorized to sell bonds for gold to meet any possible demand for redemption. So soon as this authority is granted no further question will ever be raised as to the willingness and ability of the treasury to redeem its demand obligations in gold.

The commission recommends the entire gradual retirement of all government paper money. In order that this may be done conservatively and without reducing any needed portion of our circulation, the government notes when redeemed should be at once cancelled up to the amount of \$50,000,000. After that amount shall have been paid and cancelled, the treasury shall from time to time cancel such further amount of notes redeemed during the first five years as shall equal but not exceed, the increase of national bank notes issued subsequent to the taking effect of the proposed act. If at the end of five years not after the taking effect of the proposed act any United States notes and Treasury notes shall be outstanding, a sum not exceeding one-fifth of such outstanding amount shall be retired and cancelled each year thereafter; and at the end of ten years after the passage of the proposed act the United States notes and Treasury notes then outstanding shall cease to be legal tender for all debts public and private, except for debts to the United States. The commission believes that a better medium of exchange quicker in responding to the needs of business than an inconvertible government paper can be provided by a well-adjusted system of bank issues.

DEMAND OBLIGATIONS.

Another instrumentality by which the standard has been threatened exists in the paper promises of the government to pay on demand. These include not only the United States notes (greenbacks) but the treasury notes of 1890, which also have the legal tender quality. It must be recalled that, from the adoption of the Constitution to the civil war, only gold and silver were made full legal tender. It is now time to return to the safe faith of our fathers. The issue of United States notes in the civil war was undertaken in ignorance of the necessary distinction between the fiscal duties of the treasury relating to the receipt and expenditure of public revenue and its monetary functions relating to the issue, exchange and redemption of the currency. It was the result of unpreparedness and emergency; it lowered the purchasing power of the soldiers' pay and the general wages of labor throughout the country. By depreciating the standard and increasing the range of prices it caused an enormous increase in our national debt; by fixing the standard in a vaulted paper currency it afforded opportunities for speculation on a gigantic scale, and exaggerated our commercial crisis. It has educated the people who used the falsified promise of the government in false notions concerning money; it accustomed the public mind to the idea of settling debts by other means than full value received; it suggested that the paper derived its value solely from the "government stamp," and became the root of evil in recent schemes to scale indebtedness by cheap money. A paper currency, moreover, created by legislation, is fixed in volume by the law of its creation, and can neither contract nor expand in response to those varying conditions which are bound to occur in the affairs of men. Nor is it true that our government paper has been a "loath without interest." Since a reserve in cash must be provided for demand obligations, the cost of these reserves must always be taken into account. Owing to the statute requiring the release of these notes, the bonded debt has been increased by more than the total amount of United States notes; the notes have been repeatedly redeemed, and yet the whole amount of this demand liability is still outstanding. The protection to the demand obligations of the government used as money is at present only in the general funds of the treasury, applicable alike to fiscal and monetary

needs. From this fact grave confusion has arisen. The existence of so large an amount of demand obligations in the hands of the people affords an opportunity to ill-disposed persons to embarrass the treasury in times of danger or war, which should not be allowed to exist. War, a failure of revenue, a commercial revolution, an election, a weak president—any one of these unfavorable conditions, exciting alarm and then panic, might cause the treasury to be depleted of its gold and its notes to be dishonored. It is a dangerous weakness in our system that today the decision whether our standard shall consist of gold or silver rests with the executive. The danger in the existence of so large a demand debt of the United States as \$208,728,957 arises from the fact that the government is not in a position properly to protect its gold reserves. These reserves are exposed to attack, without any means of resistance such as lie in the hands of banks when obliged to protect banking reserves. The serious aspect of the present situation is more clear when it is understood that if the government should raise any doubt as to its ability to redeem its demand obligations, then all other forms of the currency dependent upon the character of our lawful money become of uncertain value. Hence a doubt as to gold redemption by the government throws doubt and doubt upon the means of payment by every financial institution of the country, and sends a nervous tremor through the whole organization of trade and commerce. The slightest question as to the attitude of the treasury so intricately that it is imperative that the government should raise to occupy this critical position in regard to the money of the country. This is all the more true when it is recalled that for seventeen years the government made no pretense to keep its promises, and the remaining forms of currency of the country had correspondingly deteriorated.

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ONE ENJOYS
Both the method and results when Syrup of Figs is taken; it is pleasant and refreshing to the taste, and acts gently yet promptly on the Kidneys, Liver and Bowels, cleanses the system effectually, dispels colds, headaches and fevers and cures habitual constipation. Syrup of Figs is the only remedy of its kind ever prepared, pleasing to the taste and acceptable to the stomach, prompt in its action and truly beneficial in its effects, prepared only from the most healthy and agreeable substances, its many excellent qualities commend it to all and have made it the most popular remedy known.

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BIG CURE
The Big Cure is a non-poisonous remedy for constipation, indigestion, headache, neuralgia, rheumatism, and all ailments due to impure blood. It is sold by druggists, or sent in plain wrapper, by express, prepaid, for \$1.00, or 3 bottles, \$2.50. Circular sent on request.

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Transcontinental ROUTES.
Via Spokane and St. Paul
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Pullman and Tourist Sleepers
Free Reclining Chair Car

Astoria to San Francisco.
Columbia, Saturday, December 4.
State of California, Thursday, December 8.
Columbia, Tuesday, December 14.
State of California, Sunday, December 19.
Columbia, Friday, December 24.
State of California, Wednesday, December 29.
Columbia, Monday, January 3.
State of California, Saturday, January 8.
Columbia, Thursday, January 13.

THE SULTAN AND OUR MISSIONARIES.
The people have demanded the recall of two American missionaries from the province of Aleppo, on the pretext that their mission for distribution of relief is likely to cause disturbances. The sick man of Europe, as he is derisively termed, is as unreasonable as his political henchmen, and as bigoted as his political henchmen. He is a bright contrast to his obstinacy and stupidity, the people of America are acknowledging far and wide the beneficence of the mission of Hottel's Stomach Bitters, namely, to relieve and prevent malaria, rheumatism and kidney complaint, chronic dyspepsia, constipation and liver trouble. The nervous, the weak and the infirm derive unspeakable benefit from its use, and it greatly mitigates those infirmities especially incident to advancing years. Sleep, appetite and a sensation of comfort throughout the system, ensue from its use, which should be regular and persistent. An early resort to this fine preventive is logically suggested to those who seek its aid.

NOTICE FOR PUBLICATION.
Land Office at Oregon City, Oregon, December 15th, 1937.
Notice is hereby given that the following named settler has filed notice of his intention to make final proof in support of his claim, and that said proof will be made before the county clerk of Clatsop County, at Astoria, Oregon, on January 29th, 1938, viz:

JOHN J. WALTZ.
H. R. 12415 for the E. 1/2 of S. W. 1/4 and Lots 6 and 7 of Sec. 6, T. 4 N. R. 6 W. He names the following witnesses to prove his continuous residence upon and cultivation of said land, viz: Joseph J. Lynch, of Myshawaka, Oregon; Timothy Corcoran, of Myshawaka, Oregon; and Albert L. Grove, of Myshawaka, Oregon.
CHAS. B. MOORES, Register.

Astoria Iron Works
Front Street, foot of Fourth, Astoria.
GENERAL MACHINISTS
AND BOILER MAKERS
Land and Marine Engines, Boiler Work, Steamboat and Clacker Work, a specialty. Castings of all descriptions made to order on short notice.
John Fox, President and Superintendent
A. L. Fox, Vice President
O. B. Prad, Secretary
Astoria Savin's Bank, Treasurer

BOND STREET ASSESSMENT NOTICE.
Notice is hereby given that the assessment made by ordinance No. 3311 of the City of Astoria, confirming the assessment on roll No. 23, for the improvement of Bond street from the west line of Ninth street to the west line of blocks 15 and 17, McClure's Astoria, will be due and payable in United States gold coin at the office of the city treasurer, January 5, 1938, and if not so paid at said time the common council will order warrants issued for the collection of the same. The assessment is as follows:

Bracker, Theodore, lot 1, block 23
McClure's Astoria 00 02
Bowley, J. O. A. (trustee), lot 1, block 17, McClure's Astoria 00 02
Bowley, J. O. A. (trustee), lot 4, block 17, McClure's Astoria 00 02
Boelling, Mrs. P., lot 5, block 9, McClure's Astoria 00 02
Boelling, Mrs. P., lot 9, block 9, McClure's Astoria 00 02
Boelling, Mrs. P., lot 7, block 9, McClure's Astoria 00 02
Dunbar, Lillian, lot 4, block 21, McClure's Astoria 00 02
Dunbar, Lillian, lot 1, block 22, McClure's Astoria 00 02
Elliott, George H., lot 5, block 10, McClure's Astoria 00 02
Flavel, Mary C., und. half of lot 3, block 21, McClure's Astoria 00 02
Flavel, Mary C., und. half of lot 4, block 24, McClure's Astoria 00 02
Flavel, George C., und. sixth of lot 3, block 24, McClure's Astoria 00 02
Flavel, George C., und. sixth of lot 4, block 24, McClure's Astoria 00 02
Flavel, Nellie, und. sixth of lot 3, block 24, McClure's Astoria 00 02
Flavel, Nellie, und. sixth of lot 4, block 24, McClure's Astoria 00 02
Flavel, Katie, und. sixth of lot 3, block 24, McClure's Astoria 00 02
Flavel, Katie, und. sixth of lot 4, block 24, McClure's Astoria 00 02
Ferguson, J. E. (as guardian of Ernest E. Ferguson), lot 2, block 21, McClure's Astoria 00 02
First National Bank, lot 5, block 10, McClure's Astoria 00 02
Hobson, Anna K., lot 2, block 20, McClure's Astoria 00 02
Hobson, Anna K., lot 4, block 20, McClure's Astoria 00 02
Hyland, Martha E., lot 6, block 11, McClure's Astoria 00 02
Kamm, Jacob, lot 7, block 13, McClure's Astoria 00 02
Kamm, Jacob, lot 8, block 13, McClure's Astoria 00 02
Munson, J. W., lot 1, block 21, McClure's Astoria 00 02
Munson, J. W., lot 2, block 21, McClure's Astoria 00 02
Page, C. H., lot 2, block 22, McClure's Astoria 00 02
Pattin, F. (trustee), lot 5, block 10, McClure's Astoria 00 02
Parker, C. L., lot 1, block 24, McClure's Astoria 00 02
Parker, C. L., lot 6, block 13, McClure's Astoria 00 02
Parker, C. L., lot 5, block 13, McClure's Astoria 00 02
Parker, Catherine H., lot 5, block 13, McClure's Astoria 00 02
Parker, Catherine H., lot 4, block 13, McClure's Astoria 00 02
Rohr, Charles H., lot 7, block 11, McClure's Astoria 00 02
United States, lot 1, block 23, McClure's Astoria 00 02
United States, lot 2, block 23, McClure's Astoria 00 02
United States, lot 3, block 23, McClure's Astoria 00 02
United States, lot 4, block 23, McClure's Astoria 00 02
The above are payable in full January 5, 1938.

Bottom, Harriet A., lot 1, block 27
McClure's Astoria 00 02
Bottom, Harriet A., lot 8, block 16, McClure's Astoria 00 02
Bergman, Isaac, lot 7, block 10, McClure's Astoria 00 02
Bergman, Isaac, und. half of lot 7, block 12, McClure's Astoria 00 02
Bergman, Isaac, und. half of lot 8, block 12, McClure's Astoria 00 02
Christianson, H., und. half of lot 7, block 12, McClure's Astoria 00 02
Christianson, H., und. half of lot 8, block 12, McClure's Astoria 00 02
Croady, F. A., lot 4, block 22, McClure's Astoria 00 02
Carnahan, R. N., lot 3, block 19, McClure's Astoria 00 02
Carnahan, R. N., lot 4, block 19, McClure's Astoria 00 02
Davidson, George, lot 1, block 20, McClure's Astoria 00 02
Davidson, George, lot 2, block 20, McClure's Astoria 00 02
Gearhart, J. W., heirs of John Neal Gearhart, Edgar G. Gearhart, Phillip E. Gearhart, Esther Gearhart, and Celestia Gearhart, widow, lot 8, block 9, McClure's Astoria 00 02
Hahn, John, lot 1, block 18, McClure's Astoria 00 02
Hahn, John, lot 2, block 18, McClure's Astoria 00 02
Loeb, William L., lot 2, block 21, McClure's Astoria 00 02
Marion, R. E., lot 5, block 16, McClure's Astoria 00 02
McPharland, Mary A., lot 2, block 17, McClure's Astoria 00 02
Nolan, Michael, lot 1, block 19, McClure's Astoria 00 02
Nolan, Michael, lot 2, block 19, McClure's Astoria 00 02
Progressive Loan and Building Association, lot 5, block 11, McClure's Astoria 00 02
Parker, H. B., lot 5, block 19, McClure's Astoria 00 02
Parker, Alice C., und. fifth of lot 7, block 16, McClure's Astoria 00 02
Parker, W. W., lot 5, block 14, McClure's Astoria 00 02
Parker, W. W., lot 6, block 14, McClure's Astoria 00 02
Parker, W. W., lot 7, block 14, McClure's Astoria 00 02
Parker, W. W., lot 8, block 14, McClure's Astoria 00 02
Reed, Granville, lot 2, block 18, McClure's Astoria 00 02
Reed, Granville, lot 4, block 18, McClure's Astoria 00 02
Rasmussen, Thomas, lot 6, block 14, McClure's Astoria 00 02
Ryrie, Mary J., und. fifth of lot 7, block 16, McClure's Astoria 00 02
Shaystun, Lucy E., und. fifth of lot 7, block 16, McClure's Astoria 00 02
Trullinger, Agnus, und. two-fifths of lot 7, block 18, McClure's Astoria 00 02
Trenchard, C. J., lot 6, block 15, McClure's Astoria 00 02
Trenchard, C. J., lot 7, block 15, McClure's Astoria 00 02
Trenchard, C. J., lot 8, block 15, McClure's Astoria 00 02
Trenchard, George, lot 5, block 15, McClure's Astoria 00 02
By order of the common council.
H. E. NELSON,
Auditor and Police Judge,
Astoria, Oregon, December 24, 1937.