STABLIZED DOLLAR PLAN IN THE HOUSE

(Continued from Page 1)

has come to mean that part of our people who from necessity live from hand to mouth and to whom the price of commodities means so much. When we speak of the consumer we have in mind the long, long line of men and women and little children for whom the beautiful things of life, the things which so largely make up the sum of human happiness in this world of ours, are obscured by gaunt necessity. Half of this burden can be lifted if we make it possible for the allied debt to be paid. If the present tariff bill becomes a law it can never be paid. Already the same influences which culminated in this tariff bill have been feeling out the American people on the question of canceling the allied debt. This seemed the thinly veiled theme of several of the addresses made at the meetings of the United States Chamber of Commere held last week in this city, the Capital of the Nation. We will find out in the next Congressional election whether the American people will permit this monstrous thing to be done. If this country had gone into the League of Nations in 1920, world-wide economic conditions would be largely stabilized now. Thousands of little children who have perished on the steppes of Russia from starvation and exposure would have been saved. Four million men and women would not now be walking the streets of this country begging for means with which to earn their daily bread, and the allied debt would now be in process of liquidation and payment.

I am in no sense a pessimist. I have an abiding faith in the good sense and clear vision of the American people; and I prophesy here and now, without the slightest hesitation, that within 10 years we will have a league of nations composed of the nations of the world and based substantially on the treaty which we failed to ratify and I prophesy that as a reaction from that league of nations will come world wide economic stability. Will anyone say that we are not interested in world wide conditions? When a country or a people does not produce normally for itself because of faulty economic conditions, that country or that people will inevitably be fed and clothed to a greater or less degree by other countries and other peoples; and therefore our poorest people, our people who are most needy, together with every other element of the country, will enjoy the greatest degree of prosperity when the people of every nation are able to feed and clothe and house themselves and when the blessed sun of reasonable plenty shines most bright everywhere.

Now, I have digressed a great deal in a way, have gone outside of the limits of the matter I started to discuss, but the things I have been speaking of are correlated matters about which I feel very deeply and which may serve to emphasize the subject matter of this speech. My bill was drafted more particularly with reference to conditions affecting gradual rises or falls in general commodity prices through long periods of years, causing all concerned misery, misunderstanding, and bad feeling, and culminating in makeshift legislation, radicalism, and sometimes even in revolution and war.

In the Bureau of Labor Statistics in Washington there is what is known as an index number, which, as a rough explanation, I will say is computed by averaging the price levels of various commodities. These commodities are in nine groups—farm products; food, and so forth; clothes and clothing; fuel and lighting; metals and metal products; lumber and building materials; drugs and chemicals; house-furnishing goods and miscellaneous.

There are, I think, 243 commodities listed in the nine groups, the wholesale price of each being kept accurately for the purpose of ascertaining the tendency of prices to rise or fall. A chart is kept which, by means of a curved line, graphically indicates the trend of prices.

As your finger traverses this line from 1873 to 1896 you find prices constantly falling ;and from 1896 to 1914 prices constantly rising, with a sharp upward trend through the period of the war. As I looked at this chart the other day, memories of the hard worked and poorly paid farmer of my boyhood days flooded back upon me. It used to seem to me that this man who did so much for every one else, was able to do very little for himself.

"I remembered how almost impossible it as for him to pay his loans and mortgages. I remembered how the money leander flourished, and I began to see clearly that during this period of constantly falling prices, which means ever higher money, the man who had commodities to sell suffered and the man who had money to sell flourished like the green bay tree.

As my finger traveled the curve of high prices from 1896 I remembered how the man with a fixed income began to suffer. I remembered the complaints of the wage earner and that the school teacher, the clerk, the office man, the salaried person of every type began to feel the pinch, and, eventually, actually to suffer from this condition. And I saw that the 'wayfaring man, though he were a fool,' might understand the fixed income of these people, their fixed number of dollars becoming cheap and the commodities they had to buy for their support and their families becoming correspondingly high.

Some may say, What of it? Where one person is injured another is benefited, but this is not the case. From about 1879 until 1896 populism rose from small beginnings, chifly in the great agricutlural areas of the Middle West; the money lender and the bondholder were held up to every reproach and contumely; the names of Russel Sage and Hetty Green were thought of as the name of "Shylock." Discontent, bad feeling, and difficult financing reduced very much economic output and culminated in the free-silver campaign of 1896.

Shortly after the beginning of the rise of 1896—that is, at about the beginning of this century—the rise in prices began to spread the seeds of socialism among the worker and the man with the fixed income; industrial unrest began, labor unions were formed and became powerful, strikes common, and many of the seeds of the great war were sown.

Nowhere throughout the part of the world using our monetary standard was the rise in prices felt with any more cruelty than among the middle classes and the toilers of Germany, and this discontent among the great bulk of the people went a long way toward creating the opportunity and, in the minds of some possibly, the national necessity for war.

A great teacher once said to his students: "Divide the study of any social situation into four questions: What is it? Why is it? What of it? What are you going to do about it?" I have talked about the first three questions. I fully realize that the study of the problem of stabilizing the purchasing power of money is in its period of early conception and that the agony of birth and the gamut of the diseases of infancy and childhood must be run before we can hope to see the thing in the wondrous beauty of its maturity.

But some basis of discussion should be established, some concrete plan should be made the target of constructive criticism, and to that end I have introduced a bill, referred to the Committee on Banking and Currency, which attempts to stabilize average commodity wholesale prices by controlling the quantity of money and credits in relation to the volume of trade by increasing or diminishing the quantity as the average price level goes down or up.

It is probably as well not to under-take a detailed discussion of the bill here and now, but to let the matter finally develop from the committee if it should deem my views worthy of consideration as a framework of legislation.

Years of reflection convince me that equality of economic opportunity is probably the most serious concern of statesmanship. Class legislation lessens the creative enthusiasm of the group favored by it and the restrains the economic development of the group outside of the favored class.

All of us here today must in a few short years and in the fullness of time be gathered to our fathers; the eyes of none of us will shine with the light of those who see the blessed brotherhood that one day will come, when the lion and the lamb shall lie down together; but I firmly believe it lies within the power of Congress during the next few years to solve this problem of stabilizing the purchasing power of money, which will add so much to human happiness and help so largely in solving the gravest political questions.

Right here , as a matter demanding immediate consideration, I feel that it should be suggested to the Federal Reserve Board and to the bankers of the country and to the great thinking public,whose sentiments will so largely control the financial policy at this period of reaction from war inflation; that billions of dollars of war bonds of the government were paid for in inflated—that is cheap—money, that to double the price of the money with which these bonds will have to be paid, as is being serously discussed as a part of a policy of deflation, will change the burden on the taxpayers of this country from twenty-five billions to the equivalent of fifty billions of bollars—that is, will double the burden—that numberless private contracts were entered into at or near the peak, and that practically the actual contract price would be thus doubled; that millions of dollars' worth of farm lands were bought and farm mortgages given-during the area of high prices, and that such a policy would probably cut the price of these farms in two and double the burden of the mortgage.

I firmly believe that the purchasing power of money can be stabilized. I believe that the solution, when we have it, will be found to be simple; and I trust that that solution will soon be embodied in legislation. I never want to see agriculture and industrial enterprise struggling in the agony of a long period of falling prices or to see the young, active, bright business man, naturally uninformed as to financial science and portents, feel that he is rising to prosperity on the tide of rising prices only to find his business bankrupt and his hope blasted in the inevitable crisis just beyond the peak.

I spoke a while ago of class legislation. It is mighty hard to control the class spirit which fosters such legislation. We all have the class tendency. With some it is social, with some cenomic, with some religious, with some section,with some a combnation of two or more; but in whatever guise it appears, the result is anti-social and detrimental to the people as a whole.

The spectacle we have not in the Senate and had in the House last summer, of the representatives of powerful interests parceling out among themselves the resources of the country through the tariff bill with a reckless abandon, the same in principle with that of the buccaneers of the West Indies as they divided the loot from the captured trader, is simply a manifestation of the class spirit of powerful economic units, in utter disregard of the interests of the average man, woman or child, of the person with a comparatively small or fixed income, of the farmer, the small business man, and the laboring man.

Stabilizing the purchasing power of money, if it can be done, strikes at the very root of class advantage and tends to prevent the inception of movements of special privilege. It is mighty easy to get in the habit of losing sight of the under dog, mighty easy to garb with the cloak of conservatism the golden calf of indifference to the common weal.

We all want to be conservatives in protecting the people from the doctrinaire, the political adventurer, or the dealer in the same quack remedies, and short cut treatments which thru the ages have gone along with the disintegration and downfall of peoples, but "Where there is no vision, the people perish," and the lessons of the war and postwar period have prepared the minds of the people for two great strides in government of the people, by the people, and for the people—a league of the nations of the world, providing for mutual reciprocal disarmament and legislation stabilizing the purchasing power of money.

In the consideration of this legislation the question of necessary co-operation with other nations need not be controlling, as we are dealing now with a much more uncertain exchange situation than any which independent stablization by this country could possibly create.

On May 12, at Philadelphia, before the American Academy of Political and Social Science, Mr. Edmund Platt, vice governor of the Federal Reserve Board, speaking on "America and the Debts of Europe," had this to say in connection with foreign exchange:

"It seems probable that the major depressions of exchange mark periods when our people were seeking to convert foreign balances into dollars, and that exchange recovered when most of the conversions had been made and losses wiped out. Some very large American exporters are known to have taken considerable losses in this way. They sold in terms of foreign currencies and found them when payments became due considerably depressed, but when recoverey was delayed beyond their expectations they finally bought dollars and took their losses. Very large losses are also known to have been charged off by some of our bankers."

Again:

"No longer ago than April 1 the editor of the Economic World, whose articles are always worth reading and usually sound, predicted that 'no person now living will ever see the value of the present French franc of actual currency normally and regularly equal to one-half of that of the gold franc established by law as the monetary unit of France.' At the time that was published the French franc was quoted at about 9 cents in our currency. It had been as low as 5.79 in 1921 but had recovered to 8.13 at the end of December. Within a little more than two weeks after Mr. March made this prediction French francs sold at 9.37½ and had little more than a quarter of a cent to go to reach half par. They have since fallen back somewhat, but I see no reason why they should not continue to advance if France makes progress toward balancing her budget. They are not lower now than our Civil War greenbacks were at one time, and complete restoration does not appear impossible, thought it may take a considerable number of years."

We involuntarily shrink from the serious study of economic questions with which we are comparatively unfamiliar. It is irksome and subjects us to criticism of various kinds. Personally, in my own periods of complaisance with things as they are, I have gotten inspiration from the lines of the American poet, James Russell Lowell, which starts:

"Said Christ our Lord, 'I will go and see
How the men, my brethren, believe in me.'
He passed not again through the gate of birth
But made himself known to the children of earth., etc.

The Anglo-Saxon peoples have gone a long way since those words were written, but, my friends, the next time you watch the glory of the winter storm, in warmth and comfort, consider to what percentage of the people that storm means only misery and hardship. That thought has often made me feel with terrible distinctness the long, long hill humanity has got to climb to relieve the agony of the world.

I am confident the subject of these remarks is entitled to our most painstaking consideration. I am not so confident that the suggestions embodied in my bill even approximate a solution. I have an abiding conviction that this great body will at the proper time approach the matter with the caution which it demands, but wih coukage, with resolution, with vision, and with hope. (Applause.)

The Johns Hopkin University

Baltimore, Md.

Entrance Examinations

Engineering Scholarships

Entrance examinations under the auspices of the College Entrance Examination Board, will be held June 19-24, 1922, in the Civil Engineering Building, Homewood, beginning at 9 a. m. each day.

Applications for Scholarships in the Schools of Engineering, established under provisions of the Laws of Maryland, Chapter 90, 1912, will now be received. If there is more than one applicant for a particular scholarship competitive examinations will be held September 22, 1922, beginning at 9 a. m.

Each Legislative District of Baltimore City and each County of the State, with the exception of Caroline, Cecil, Queen Anne, Talbot and Worcester, will be entitled to one or more engineering scholarships for the year 1922-1923, in addition to those already assigned. In the five counties mentioned, all available scholarships have been awarded. Under the provisions of the Act of Assembly, the County and City Scholarships in the School of Engineering are awarded only to deserving students whose financial circumstances are such that they are unable to obtain an education in Engineering unless free tuition be granted them.

The Scholarships entitle the holders to free tuition, free use of text books, and exemption from all regular fees. One of the scholarships in each County and in each Legislative District of the City carries also the sum of $200. The expense of attendance for those who do not receive scholarships is not greater than at other Maryland institutions.

Scholarships may be awarded to graduates of Loyola College, St. John's College, Washington College, Western Maryland College, University of Maryland (Maryland Agricultural College), Mt. St. Mary's College and Rock Hill College.

Applicants should address The Registrar, The Johns Hopkins University, for blank application forms and for catalogues of information regarding examinations, award of scholarships, and courses of instruction. The next session begins Tuesday, October 3, 1922.

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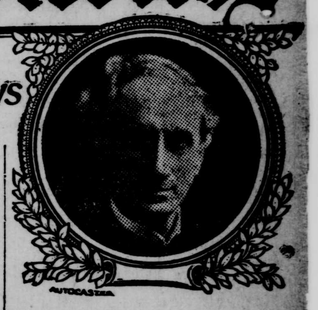

HIGH TAXES

The universal cry is against high taxes. The cry should not be against high taxes, but against the corrupt use of taxes. The question of high or low taxes is to some extent governed by the valuation put upon property from the public treasury. Crush the socialistic, paternal spirit growing up in this country, whether in the form of the pork barrel or government ownership of public utilities. All such unconstitutional doctrines and practices are increasing the taxes to the breaking point.

The continued excessive tax burdens can be traced to certain abuses—

First. Extravagant, complicated governments. The office seekers, office holders, and tax eaters have multiplied government machinery to perpetuate themselves in office. If you would reduce the machinery and throw out of office the inefficient, rat-hole hunting office parasites you would reduce the cost of municipal, county, state and national governments 30 per cent. Today, you have about sixty cents of every dollar of tax money invested in government, and the other forty cents is represented by waste fraud inefficiency and graft.

The bureaucracy of this country is a curse to good government and a criminal expense upon the tax-ridden public. Simplify governmental machinery and put competent trained, patriotic men in office and taxes will be reduced 30 per cent. within a short time.

Second. Destroy the spoils system. Elect or appoint men to office solely on the ground of merit. Then you will get an honest day's work for true love of country and a just consideration of the trust imposed.

Third. Teach the people they must support the government and not expect support.

M. A. Matthews

New-Laid Egg

The bachelor had bought two new-laid eggs for the next morning's breakfast, and when he got home with them he noticed some writing on the shell of one of them. Of course he read what the thing had to say. It ran like this:

"I am a farmer's daughter, 17 years of age, blond hair and brown eyes, height and weight just about right, and complexion the same. If this should meet the eye of some young man who desires to wed a merry but industrious country girl, let him communicate with—" and then followed the merry country girl's name and address.

Well, the young man was so pleased that he rushed of fand telegraphed the girl. He got her answer next morning. She wired:

"You are too late. Was married 6 years ago, and am now the mother of five."—London Opinion

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