

MR. WARNERS SCHEME

MR. WARNER'S SCHEME.

MONDAY, JUNE 8, 1885

Page 4/2

MR. WARNER'S SCHEME

The Hon. A. J. WARNER, of Ohio, has received within the last three or four days a considerable amount of free advertising, Mr. WARNER'S business is that of an inventor and jobber—not an inventor of anything so commonplace as machinery to be run by the ordinary means, but the inventor of financial schemes by which the poor may gradually be made rich without the bother of earning money or the pain of saving it, and the rich may be made more or less gradually poor without knowing it. The greenback was the favorite of Mr. WARNER at one time, but various circumstances have interfered with his plans in this direction, and he has for several years devoted himself to getting up improvements on the silver dollar. His shareholders, so to speak, have been the owners of silver mines, and his labors have been directly in their interest.

His latest enterprise is one to make the United States the purchaser of all the silver produced in or imported to this country, by which he claims that all the people of the land will be greatly benefited. We mean no disrespect to the celebrated scientific mechanic of Philadelphia when we say that Mr. WARNER contemplates a sort of financial Keely motor, which will be of great advantage to his stockholders if they can humbug the people with it, but which for actual value relies on nothing more novel or permanent than compressed air. He would have the United States Government take all the silver brought to it at the current market price at the time of deposit and issue certificates for it in convenient denominations, to be a legal tender at the said market price for all purposes except in private transactions, i. e., for all payments to or by the Treasury or between national banks would make redeemable in lawful money, or, at the option of the Government, in bullion at the market price at the time of redemption. When redeemed they must be paid out. The coinage of silver dollars is to be suspended. All bank notes of \$5 are to be withdrawn, and silver certificates based on the coin now coined are to be issued in place of them. Incidentally the half dollars are to be made full weight and full legal tender, and the redemption of fractional silver is to be stopped. We cannot understand how bankers and business men can take this scheme seriously. They see the evils threatened by the continued coinage of silver; they ought to see that this plan only threatens others not of the same kind but of quite as serious character. It would flood the country with an anomalous paper currency of uncertain value, partially legal tender, and governed as to its amount, not by any of the legitimate operations of trade, but by the fluctuations in the price of silver bullion. The Treasury would, on the passage of such a law, if it were possible to imagine Congress wild enough to pass it, be loaded down with all these certificates [he] the silver in the country, or which could be got into the country. For this silver certificates bearing the form of money, and yet not being money, would be issued. If the holder of any considerable amount of them expected a rise in silver he would present them at the Treasury and get in return either full legal tender money or his bullion at the then market price. If silver advanced he would return his silver and get certificates at the higher rates. The only element in determining the volume of the currency in this form would be speculation in silver, and of this the Government would be ingeniously forced to suffer all the losses and contribute to all the profits. Certainly we have no need of any more currency, and least of all of a new kind differing from all other kinds and enjoying peculiar vicious characteristics of its own. 'We already have gold and gold certificates which are faultless, legal tender notes redeemable at present in gold, national bank notes redeemable in legal tender notes, silver dollars, and certificates of deposit of silver dollars, the former worth 83 cents and a full legal tender, the latter a partial legal tender. What in the name of common sense can we profitably do with certificates of deposit of silver bullion at a varying price, redeemable in an uncertain fashion at uncertain rates in uncertain amounts?

If the Government is to receive silver bullion on deposit at all, let it do so and issue certificates of its weight and fineness and its value at the price at the time of deposit, redeemable in silver bullion alone, of the same weight and fineness, and let the value of these certificates from time to time be determined by the laws of trade and by those only, without any legal tender quality for any purpose. Such certificates would answer the purposes of a medium of exchange to the exact extent that silver should remain fairly stable in value. They would cheat no one, and they would furnish the only form in which the silver could fairly and honestly enter into the currency. It

is hardly necessary to say that the stories of Mr. TILDEN, Mr. MANNING, and others with a reputation for sanity in finance having approved of Mr. WARNER'S patent currency have no authority.

Published: June 8, 1885

Copyright © The New York Times

See Also

Keely Chronology