

FORD SEES WEALTH IN MUSCLE SHOALS

Says Development Will Bring Great Prosperity to That Section of the South.

EDISON BACKS HIM UP

He Will Urge Congress to Lease It to Ford as the Logical Man to Carry Out Great Project.

SUPPORTS CURRENCY PLAN

Old Way, He Asserts, Compels Us to Add to the Public Debt to Increase the National Wealth.

Special to The New York Times.
FLORENCE, Ala., Dec. 5.—Henry Ford left for Detroit today, convinced that if Congress will complete and lease to him the water-power developments started by the Government at Muscle Shoals, on the Tennessee River, during the war, he can make this whole section of the South more prosperous, industrially and agriculturally, than it has ever been before.

As he shook hands with scores of citizens of Florence and Suffield just before his special train pulled out for Detroit, he told them so.

"I have been deeply impressed by the possibilities here," he told C. W. Ashcraft, President of the Florence Chamber of Commerce, a body of 140 men who have been fighting for years to get the Government to develop the property. "The water power that can be developed here will equal or surpass, I believe, any other development in this country to date. There are coal, iron, useful kinds of rocks, minerals and metals right close at hand on every side. The wonder to me is that they have gone so long undeveloped.

"Whether or not we take hold of Muscle Shoals is now up to Congress. We have made our offer—the only constructive bid made for the property. We do not seek to make money out of it. We will have to take a small profit out of it, of course, say 8 per cent., but we do not ask the 20 or 30 per cent. profit which others would demand. We would like to build here a great and perpetual benefit to the people, always to be owned by them and operated in their service. All I ask of Congress is to give me the opportunity. And I'm going to leave that to you, if you wish me to come down here, to see that Congress does."

His remarks were loudly applauded. Thomas A. Edison indorsed Mr. Ford's views. Not only does he believe that the great power plant should be completed and that Ford should be the man to get the operating lease, but he is very earnest in his support of Ford's suggestion by which the Government can complete the property and make its operation possible without cost, by issuing currency against the property instead of interest-bearing bonds.

Edison Wants Ford to Get Lease.

"I will recommend to Congress that it complete the dam and give the lease to Mr. Ford, for three reasons," said Mr. Edison.

"First—The capacity of power here and the industrial plants built on the Sheffield shore make this the greatest munitions plant in the country. Its possibilities for providing quickly and in tremendous quantities all sorts of war materials is almost incomprehensible. Whether or not any one operates the plant, it should be completed and kept ready to go into operation. With that done, no nation would attack without hesitation. It would be the greatest insurance against war that we have.

"Second—To get the property is on thing, to operate it successfully is another. Ford is known as a great manufacturer, with great conceptions, who moves rapidly to their realization. He is the one logical man to do this thing.

"Third—The whole country has an abiding faith that Ford will not operate it to get every dollar possible out of it for himself. He will make it an American institution, doing the greatest good for the greatest possible number."

The Ford party's last day in the Muscle Shoals district was one of great activity. Mr. Ford and his son, Edsel and Mr. Edison were ready at 8 o'clock and were taken across the river to Sheffield for an inspection of the great nitrates plants there. They were accompanied by a committee from the local Chamber of Commerce and a number of army officials. As the party went through the plant Mr. Edison detailed the process of manufacture. He was immensely pleased with the great plan and said he would like to wander through it all night. At this point the Government tried to develop nitrates from the air by a German method known as the Haber process. It failed. Edison offered several suggestions for making the process a success, but, as the plant is not running they cannot be tried out now.

Coming back to Florence the way led past several schools. Schools had been dismissed and the children were all on the lawns to see Ford and Edison. Two of the schools they swarmed about the car and the manufacturer and inventor had to face the hardest hand-shaking job they have ever had. Both were urged repeatedly for their autograph and several times complied.

Mr. Edison will go with the party to Detroit and from there will be taken home to Orange, N. J., in Mr. Ford's private car. Within the next week Mr. Ford will make his final report to Secretary of War Weeks. There will be a change in the offer made several months ago. It is expected that Secretary Weeks will not submit the matter to Congress until after Christmas. Mr. Ford says that if Congress gives him lease of the property, about two years will be required to complete the dam and power house and that, then, the great industries now idle will be set operation.

Support of Ford's Currency Plan.

On the point of Mr. Ford's suggestion to the Government for financing the completion of the dam, Mr. Edison reiterated his belief, expressed yesterday that it was a good plan and that if on the currency method is tried in raising money for public improvements, the country will never go back to the bond method.

"Make it perfectly clear that I'm not advocating any changes in banks and banking," said Mr. Edison. "Banks are a mighty good thing. They are essential to the commerce of the country. It is the money broker, the money profiteer, the private banker, that I oppose. They gain their power through a fictitious and false value given to gold.

"Gold is a relic of Julius Caesar. Interest is an invention of Satan," Mr. Edison continued. "Gold is intrinsic

and of less utility than most metals. The probable reason why it is retained as the basis of money is that it is easy to control. And it is the control of money that constitutes the money question. It is the control of money that is the root of all evil."

"How can this system be improved or changed?" Mr. Edison was asked.

"It can come about in several ways. One way would be to produce so much gold that its psychological hold would be broken. If we all had mines in our back yards or if synthetic gold could be made and sold for 10 cents a pound you would soon see gold disappear as the basis for money. And we are nearing just that; only a few days ago a scientist developed that lead, one of the basic metals, and heretofore an element by itself, is actually a compound. We do not know how near we are from finding that gold, too, is a compound. All the wealth in the world, according to our present standards, may be rendered worthless by the discovery that gold can be made synthetically.

"In that case people could no longer have confidence in it. Money ought to be plentiful and gold is not plentiful. It would be plentiful if it were mined in as large quantities as it could be, but an artificial scarcity is maintained by those who use gold to monopolize money. "That is one way to do it—make it so plentiful that it drowns its fictitious value and drowns the superstition of the people along with it.

Would Forget About Gold.

"Then there is another way—the method my friend Ford proposed the other day. He proposes just to go along and forget about gold. He says that the Government can finance Muscle Shoals without applying to money brokers for permission, and I think he is absolutely right about it.

"Of course, as long as the world is on the gold basis, we shall have to recognize it as an element in international trade, but it is not necessary for commerce within our own borders. In internal business we can forget it. And we do forget it. If everybody in the United States suddenly demanded gold for their money, there would not be enough gold.

"Gold and money are separate things, you see. Gold is the trick mechanism by which you can control money.

"Gold is not money until the people of the United States and other nations put their stamp on it. It is not the gold that makes the dollar. It is the dollar that makes the gold. Take the dollar out of the gold, and leave it merely yellow metal, and it sinks in value. Gold is established by law, just as silver was, and gold could be disestablished, demonetized by law, just as silver was. When silver was demonetized the former so-called dollar became worth about 50 cents."

"But would not Mr. Ford's suggestion that Muscle Shoals be financed by a currency issue raise some objection?" Mr. Edison was asked.

"Certainly. There is a complete set of misleading slogans kept on hand for just such outbreaks of common sense among the people. The people are so ignorant of what they think are the intricacies of the money system that they are easily impressed by big words. There would be new shrieks of 'fiat money,' and 'paper money' and 'greenbackism,' and all the rest of it—the same old cries with which the people have been shouted down from the beginning.

"But maybe we have passed beyond the time when the thoughtful 2 per cent.—you know, I gather from my questionnaire that only 2 per cent. of the people think," and Mr. Edison smiled broadly.

"Maybe they can't shout down American thinkers any longer. The only dynamite that works in this country is the dynamite of a sound idea. I think we are getting a sound idea on the money question. The people have an instinct which tells them that something is wrong, and that the wrong somehow centres in money. They have an instinct also, which tells them when a proposal is made in their interests or against them.

Based on Soil and Energy.

"Now, as to paper money, so called, every one knows that paper money is the money of civilized people. The higher you go in civilization the less actual money you see. It is all bills and checks. What are bills and checks? Mere promises and orders. What are they based on? Principally on two sources—human energy and the productive earth. Humanity and the soil—they are the on real basis of money.

"Don't allow them to confuse you with the cry of 'paper money.' The danger of paper money is precisely the danger of gold—if you get too much it is no good. They say we have all the gold of the world now. Well, what good does it do us? When America gets all the chips in a game the game stops. We would be better off if we had less gold. Indeed, we are trying to get rid of our gold to start something going. But the trade machine is at present jammed. Too much paper money operates the same way. There is just one rule for money, and that is, to have enough to carry all the legitimate trade that is waiting to move. Too little or too much are both bad. But enough to move trade, enough to prevent stagnation on the one hand and not enough to permit speculation on the other hand, is the proper ratio."

"Then you see no difference between currency and Government bonds?" Mr. Edison was asked.

"Yes, there is a difference, but it is neither the likeness nor the difference that will determine the matter; the attack will be directed against thinking of bonds and currency together and comparing them. If people ever get to thinking of bonds and bills at the same time, the game is up.

"Now, here is Ford proposing to finance Muscle Shoals by an issue of currency. Very well, let us suppose for a moment that Congress follows his proposal. Personally, I don't think Congress has imagination enough to do it, but let us suppose that it does. The required sum is authorized—say \$30,000,000. The bills are issued directly by the Government, as all money ought to be. When the workmen are paid off they receive these United States bills. When the material is bought it is paid in these United States bills. Except that perhaps the bills may have the engraving of a water dam, instead of a railroad train and a ship, as some of the Federal Reserve notes have. They will be the same as any other currency put out by the Government; that is, they will be money. They will be based on the public wealth already in Muscle Shoals, and their circulation will increase that public wealth, not only the public wealth but the public wealth—real wealth.

"When these bills have answered the purpose of building and completing Muscle Shoals, they will be retired by the earnings of the power dam. That is, the people of the United States will have all that they put into Muscle Shoals and all that they can take out for centuries—the endless wealth-making water power of that great Tennessee River—with no tax and no increase of the national debt."

"But suppose Congress does not see this, what then?" Mr. Edison was asked.

"Well, Congress must fall back on the old way of doing business. It must authorize an issue of bonds. That is, it must go out to the money brokers

and borrow enough of our own national currency to complete great national resources, and we then must pay interest to the money brokers for the use of our own money."

Old Way Adds to Public Debt.

"That is to say, under the old way any time we wish to add to the national wealth we are compelled to add to the national debt.

"Now, that is what Henry Ford wants to prevent. He thinks it is stupid, and so do I, that for the loan of \$30,000,000 of their own money the people of the United States should be compelled to pay \$66,000,000—that is what it amounts to, with interest. People who will not turn a shovelful of dirt nor contribute a pound of material will collect more money from the United States than will the people who supply the material and do the work. That is the terrible thing about interest. In all our great bond issues the interest is always greater than the principal. All of the great public works cost more than twice the actual cost, on that account. Under the present system of doing business we simply add 120 to 150 per cent. to the stated cost.

"But here is the point: If our nation can issue a dollar bond, it can issue a dollar bill. The element that makes the bond good makes the bill good, also. The difference between the bond and the bill is that the bond lets the money brokers collect twice the amount of the bond and an additional 20 per cent., whereas the currency pays nobody but those who directly contribute to Muscle Shoals in some useful way.

"If the Government issues bonds, it simply induces the money brokers to draw \$30,000,000 out of the other channels of trade and turn it into Muscle Shoals; if the Government issues currency, it provides itself with enough money to increase the national wealth at Muscle Shoals without disturbing the business of the rest of the country. And in doing this it increases its income without adding a penny to its debt.

"It is absurd to say that our country can issue \$30,000,000 in bonds and not \$30,000,000 in currency. Both are promises to pay; but one promise fattens the usurer, and the other helps the people. If the currency issued by the Government were no good, then the bonds issued would be no good either. It is a terrible situation when the Government, to increase the national wealth, must go into debt and submit to ruinous interest charges at the hands of men who control the fictitious values of gold.

"Look at it another way. If the Government issues bonds, the brokers will sell them. The bonds will be negotiable; they will be considered as gilt-edged paper. Why? Because the Government is behind them, but who is behind the Government? The people. Therefore it is the people who constitute the basis of Government credit. Why then cannot the people have the benefit of their own gilt-edged credit by receiving non-interest bearing currency on Muscle Shoals, instead of the bankers receiving the benefit of the people's credit in interest-bearing bonds?"

Says People Must Pay Anyway.

"The people must pay any way; why should they be compelled to pay twice, as the bond system compels them to pay? The people of the United States always accept their Government's currency. If the United States Government will adopt this policy of increasing its national wealth without contributing to the interest collector—for the whole national debt is made up of interest charges—then you will see an era of progress and prosperity in this country such as could never have come otherwise."

"Are you going to have anything to do with outlining this proposed policy?" Mr. Edison was asked.

"I am just expressing my opinion as a citizen," he replied. "Ford's idea is flawless. They won't like it. They will fight it, but the people of this country ought to take it up and think about it. I believe it points the way to many reforms and achievements which cannot come under the old system."

NASHVILLE, Tenn., Dec. 5.—Henry Ford and Thomas A. Edison inspected briefly late today the Old Hickory powder plant and visited The Hermitage, former home of Andrew Jackson. Both paid particular attention to the water-power possibilities of the Cumberland River. At The Hermitage Mr. Ford said:

"I would not have missed this for anything. I have promised myself for ten years that I would visit the home of Old Hickory. It is a visit I shall never forget. I have everything that I could get hold of on the life of Andrew Jackson, and now that I am here, I want to say that this alone compensates for the trip."