NOT
FREE COINAGE OF SILVER,
BUT
A CHANGE OF THE MEASURE OF VALUE.

Inter-indebtedness is a Measure of Civilization.

SPEECH

OF

HON. JOSEPH H. WALKER,

OF MASSACHUSETTS,

IN THE

HOUSE OF REPRESENTATIVES,

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SPEECH

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HON. JOSEPH H. WALKER.

The House having under consideration the bill (H. R. 4426) for the free coinage of gold and silver, for the issue of coin notes, and for other purposes—

Mr. WALKER said:

Mr. SPEAKER: The things that governmenst have attempted to do that were beyond their power to accomplish since the world began are innumerable. The mind of man—all of our doings as individuals—are as much under the control of natural laws as is the physical universe. Our divergencies from and all of our agreements with it, complement each other and make one universal law.

It seems to me that the solution of this question is for this Government to repeal all legal-tender acts of every kind and description, simply providing that in all obligations now existing between man and man, sole and corporate, and between the Government and individuals, shall be discharged in that metal which is to-day the most valuable, and that in all contracts hereafter made they shall be discharged in that coin which is the most valuable where no coin is specified in the contract and where a coin is specified in the contract that that coin shall be paid, and then open the mint to the coinage of silver and gold. Let the people decide. Legal-tender laws are no longer useful.

Mr. DAVIS. Where does the gentleman find the requirement to pay in coin now?

Mr. WALKER. Every existing obligation was incurred on a gold standard.

Mr. DAVIS. Not with us.

Mr. WALKER. Every price made or loan made everywhere, in every hamlet in the land, is made with reference to gold; for we have been on the gold standard in this country ever since 1834 as against silver, and on the gold standard as against the greenback or any coin.

Mr. Speaker, the question before us is purely and only a question as to what shall be the "measure of value" coin. While it is nominally a bill on coinage, essentially and really the question is as to what shall be the measure of value in this country.

There is not a man present that does not know the meaning of a "price level." There is not a man in this House who will dispute the proposition that when a man comes to him with a tablespoonful of flour in the palm of his hand and says, "I have a thousand barrels to sell, of which this is the sample," potentially, in economics, that thousand barrels of flour lies in his hand and is there for sale, or a million barrels, as the case may be. Price level means what? It means that all the product to which you have given a price, the world over, is potentially present in the sample quart, or pint, or gallon, or pound of the sample shown.

We all know that prices everywhere, the world over, are the same, lacking the cost of handling between points; increasing or decreasing by that only the world over. The steamship, the railroad, the telegraph, the telephone, have made us touch elbows the world over. Why, my esteemed colleague, "the gentleman from Massachusetts" [Mr. WILLIAMS] [laughter] talked to you about silver "coming here." Not a dollar will come here. It is now here. Not only that, but every product in every "silver-standard" country, consisting of four-fifths of the world—every product of commerce is also here, potentially, in its price.

Every product in every silver country is sold in the gold country at a decreased price, as I have said, of 30.23 per cent, or is increased to the silver-standard country by 43⅓ per cent; but throughout all this process of cheapening products since 1860—and gentlemen, let me say to you that if you have studied carefully these economic questions, you know when you strike 1860 you strike the beginning of a new era. It is longer, more events have happened since 1860, economically, than occurred for sixty years before. The world lived longer economically and developed faster since that time than from the beginning of the century until 1860 than it had in a century before. Man as an economic force is the primal measure of value. His economic value is expressed in wages; and "real wages" are the products a day's work will command, which again are priced in gold—wages=gold=products. Since 1860, prices, measured by the day's work of man, measured by the day's work of average workers, have depreciated one-half. That is to say, the average wages of the average worker have gone up, measured in gold, 33⅓ per cent or thereabouts. And products have decreased in price about that much, so that a day's work or an hour's work will buy double the amount of the products of the world that it would in 1860. They will buy just double by the most careful analysis.

When we are enacting this bill what are we attempting to do? You say, "We will keep up the price of silver." Why, volume of silver alone is of the least possible consequence, as compared with what must be accomplished to bring gold and silver at a parity of 16 to 1. I say to this House that I have studied this question for twenty-five years. I have studied it all the time I could get for two years, and I stand appalled at the herculean task that is set for silver to do to bring gold and silver to their old parity. It is not silver that we are to make and keep at a parity with gold. It is to change the price of all products through all gold countries and price through all silver countries to a common level in the present coinage of each country. You are to bring together the price of every article of commerce in gold countries and every article of commerce in silver countries in the existing coinage of each; not the little simple paltry question treated by esteemed colleague, the gentleman from Massachusetts [Mr. WILLIAMS], of bringing more or less silver from other countries to this.

It is just as impossible that the passage of this bill should change the commercial value of silver by a hair's breadth as it is to turn back the wheels of time.

The popular demand for free coinage proceeds from an entire misconception of the source of the difficulty in securing loans to increase business. Loans are always made freely or withheld, and at higher or lower rates of interest in proportion, first, to the security of the loan; second, amount; third, time. A capitalist always gets a rate of interest higher in proportion to the doubt of its return; on small amounts than on large, and on short time than on long time. These truths are illustrated by the price of Government bonds, bonds of States in repudiation, and the pawnbroker. Calculation shows that $1,000 borrowed at 3 per cent semiannual compound interest, principal and interest payable in ten years, will amount to only $1,346. Borrowed on the same time and terms at 6 per cent, $745.35 will also accumulate to $1,346; and at 10 per cent, about half of the 3 per cent sum can be had, or $507.48 will amount to $1,346.

Not more coin or a different measure of value, but the results of patient industry and frugality will bring prosperity.

Mr. Speaker, as I have before said, the bill before us is misnamed. It should be called a bill to make silver at 16 to 1 of gold the measure of value. It will not add a dollar to our coinage. It is purely and only a bill to determine what our "measure of value" shall be. Upon no subject are men's minds as confused as on the function and substance of money, whether of coin or paper. In the debates in this House on the silver question money and capital are used as synonyms. It is also evident that the speakers believe them identical, when in fact they are as different as any two things well can be that appear alike. This will be evident upon the mere statement of the interindebtedness, sole and corporate, in this country, a total of over $31,000,000,000, which exceeds the valuation of the total wealth of the country. It is divided as follows:

Census of 1890: Assets of the country, real and personal property	$25,000,000,000
Secretary of Treasury:	
Gold and silver coin	1,200,000,000
Total	26,200,000,000
National debt less cash in Treasury	852,000,000
Census of 1890:	
State debt less sinking fund	223,000,000
County debt less sinking fund	142,000,000
Town and city debt less sinking fund	470,000,000
Porter: School district debt	38,000,000
Poor's Manual, railroad indebtedness:	
Funded debt	5,106,000,000
Unfunded debt	376,000,000
Current debt	271,000,000
New York Financial Review, 1890: Miscellaneous stocks and bonds	582,000,000
Estimated farm mortgages	1,000,000,000
Estimated town and city homes	1,500,000,000
Estimated town and city property (not homes)	1,000,000,000
Estimated debts of merchants	5,000,000,000
Debts of individuals and families	400,000,000
Comptroller of the Currency:	
Deposits in mutual savings banks	1,402,000,000
Deposits in stock savings banks	252,000,000
Deposits in private savings banks	95,000,000
Deposits in loan and trust companies	353,000,000
National banks	1,588,000,000
State banks	557,000,000
New York Daily Commercial Bulletin:	
Annual fire insurance losses, $125,000,000; life of policy, three years	375,000,000
Marine insurance	50,000,000
Life insurance in force	3,543,000,000
Industrial business insurance	313,000,000
Benevolent associations and fraternal orders	6,000,000,000
Interindebtedness in the country	31,488,000,000

In the above is the indebtedness of individuals and families, one to another, in the country, according to the best information I can get. I think it is more rather than less. I take the average indebtedness of the business men who fail and divide it by 3 in order to estimate the indebtedness of business men who do not fail, making the indebtedness of merchants and traders reach \$5,000,000,000, and the indebtedness of individuals and families, 13,000,000 families, I multiply by \$30, making a total of \$390,000,000. This, instead of being an evidence of poverty, is an evidence of the wealth of the nation, and still more of its high position in Christian civilization. It means that wealth is available to all men to use who prove themselves honest and capable, whoever owns it.

This indebtedness is duplicated scores of times by one man loaning to another his capital—not money—and he to the second, and he to the third, and so on. Every credit given on property sold is a loan, in essence. The farmer sells hides to the country store, the storekeeper to the commission man, he to the hide dealer, he to the tanner, he his leather to the manufacturer, he boots and shoes to the jobber, he to the retailer, he back to the farmer, perhaps in payment for the hide, each trusting the other for the whole or a part, making an aggregate indebtedness sevenfold, and scarcely a dollar used.

The wage worker in Massachusetts deposits his money in the savings bank; the savings bank buys the stock in the discount bank; that bank loans the capital to the manufacturer, the manufacturer to the jobber (sells), and so on, as before stated, increasing the loans of capital—not money—several fold to a large aggregate. Not more money, but capital, is what the South and West need.

MEN DO NOT BORROW MONEY, BUT CAPITAL.

Again, men do not borrow money in fact, but a farm, a house, goods, etc. The borrower is rid of the money, check, draft, or what not, in an hour, for some one else to take as an order, for the delivery of capital to a new borrower, but the borrower still has what he really borrowed, the house, the land, the goods, etc.

We now have coin and paper money to a surfeit. Our coin alone amounts to 3.81 per cent on the interindebtedness of the country. It is proven that the daily transactions in the commerce of the country are about \$400,000,000. It is furthermore proven that the coin used daily is about $1\frac{1}{2}$ per cent, making a total daily movement of coin of about \$6,000,000, and we have visible gold alone to the enormous amount of about \$350,000,000.

The practical working of the monetary system of every Christian state now depends upon moral conditions, rather than upon the amount of coin or money of any kind. The railroad, the steamboat, the telegraph, the telephone now make coin a thousandfold more effective than formerly, and less and less is needed proportionately each day of progress.

SILVER FELL—WAS NOT DEPOSED.

In fact, so small a factor is it, and it is so fast receding, that silver has naturally passed from a monetary metal to that of a commodity, against the wish and in spite of the efforts of the Christian world, in obedience to natural law, never to return to its former place. All great changes in civil conditions recorded in history are, in their progress, attributed to effects, rather than to the real cause. Being bulky, and therefore very expensive to utilize as money, costing three to six times as much to use in commerce as gold, silver has been discarded by natural selection.

As the commercial demand for coin diminished, silver was first shunned, and, when gold could be had, by the strongest nations, first by England, then by the United States, then by Germany, it naturally dropped from its place as a money metal. Superficially it appears as though England ceased to be a "friend of silver," in common parlance, in 1816; the United States, by her exceptional ratio between the two metals, in 1834. With the consolidation of Central Europe into the German Empire in 1872, four-fifths of the European coinages were obliterated and also the use for coin, and Germany discarded silver. In quick succession every nation in Europe was compelled to shut its mints to silver, not from choice, but from compulsion of the "law of supply and demand." There is not a nation in Europe that is not begging and praying for some other nation to "grant free coinage to silver," but each feels that it can not itself carry another dollar of silver coin. In fact, the economists of every nation are trying to get all other nations to "take care of silver," and strenuously protesting against their own government touching it with its little finger.

ENGLAND'S INTEREST IN SILVER.

Furthermore, all economists are agreed that of all the nations England has the greatest interest in keeping silver up to 15½ to gold, and the United States the least. England to-day would remonetize silver did she dare to do so, but her statesmen think they know it would hurl her from the position of being the banking and clearing house and head of the world, and consign her to the lowest place in Europe financially, and to the position of a second-rate power in the world. She is now "playing at the game of diplomacy" with this country to inveigle us, with specious promises, into a world's silver Congress, hoping we will grant free coinage and thus stay the clamor of her Indian office from demanding a gold "measure of value," as she is now doing. India now has a gold coinage at a premium. British India is frantic for some stable "measure of value," as the fluctuation in her "silver rupees measure of value" is making trade extremely hazardous. In the face of this fact, with absolutely nothing to gain and everything to lose, this Congress is proposing to help England out of her difficulty with infinite hurt to this country.

INTERNATIONAL MONETARY CONFERENCE.

Protesting to one of the most determined advocates of an international monetary conference to rehabilitate silver, that the world's commercial conditions forbid Germany using another dollar of silver coin more than she now has, France the same, and every other European nation similarly situated; and that England must count the silver coin of India in her monetary system, he protested still that silver could be put back to a "world's measure of value metal." I then said: "Tell me if you can, what nation is in a position to carry or can possibly carry the added silver coin?" He finally admitted that the United States was the only nation rich enough, and free enough from debt to take it, and that it will ultimately drag down our monetary system.

Mr. Speaker, we must abandon even the attempt to save silver by the world's action. The "laws of trade" are the laws of nature and they condemn it. This nation can not successfully defy them.

PROPOSE TO INJURE OURSELVES.

Probably never before in the history of the world has a first-class power proposed to do such an injury to itself, wholly in the interest of another nation, as this House proposes to do to this country wholly in the interest of England, by enacting into law the bill now before us for the "free and unlimited coinage of silver." A day's work on the farm, in the shop, and in the mill will now exchange for double the same product it would buy thirty years ago. In the midst of a prosperity never before paralleled, with coin and currency never so abundant per capita, we are inviting the evils of a depreciated money.

GOLD VERSUS SILVER.

We now have a coin in gold alone so abundant that it is impossible for the country to economically use it, if there was not a silver dollar in the land. We also have as much silver coin already struck as it is possible to economically use, were we on a "silver measure of value" and there was not a dollar of gold coin in the country. We have in addition to all this an "uneconomic" law on our statute books only passed to block free-silver coinage, requiring the addition each month to an already redundant currency of more currency than the requirements of trade can possibly absorb for any considerable time. We are also taking silver bullion out of the market of the world to a greater amount than India, the "sink-hole" for silver, ever took it, and holding it in the Treasury as grain or metals are held against warehouse receipts. Like the drunkard and the opium eater we are still calling for more. We are not yet satisfied.

GOLD STANDARD.

While it is incontestibly true that we now have the identical "gold measure of value" of every other leading nation in the world; while it is incontestibly true that we have had the present gold standard of value for sixty years, we are deliberately proceeding to degrade our country from its high economical, financial, and commercial position to that of Mexico and the heathen nations of Asia. Every other leading nation is now determined to use the gold measure of value, if not already doing so, and to keep the gold standard, if it now has it.

SILVER WILL NOT COME HERE.

The talk of the world's silver coming here is worse than nonsense. It is here now, but we will not coin it. The total world's product of silver and gold, as well as every other thing of commerce, is potentially present at each place in each town and city in the world that is connected with and a part of the world's commercial system.

PRICE LEVEL.

If this were not true, then it could not be true that each and every thing of commerce is at the same price at each place in the commercial world, plus or minus the cost of handling between places. When a man opens his hand and offers to sell a thousand barrels of flour, of which the tablespoonful in his palm is a sample, the whole 1,000 barrels of flour is potentially present in his hand. So with all bullion and every piece of silver or gold coin in the world, that is a "measure of value" coin. Every piece of silver and gold is now potentially here and at every other place in the world as well. It has not to come; it is now here.

Again, the volume of each and of all products pressing for sale at every place in the world is that which is in actual existence, plus the capacity and purpose of production of them, for the then "current season."

By a "process of reasoning," and in contempt of facts, we are deceiving ourselves into a fatal belief that great good can come to us by free coinage of silver. If this was true we could not know it by any process of reasoning. Neither can we know it by examining into our coinage alone, or our currency alone. Coinage is not local.

COINAGE NOT NATIONAL.

Coinage is as cosmopolitan as the waters of the ocean, and currency is as closely related to and dependent upon the coinage of the world as the water system of any country is upon the world's water system. Appearing to a limited vision as though local and subject to national control, it is subject in essence and substance to the statutes of no single nation.

DISASTER CERTAIN.

Individual fortunes by myriads have been wrecked, and the financial system of nearly every civilized nation has at some time in its history been thrown into chaos by such action as is now proposed to us, only to be reconstructed and always through untold sorrow. Disordered finances have always resulted in idleness, poverty, and suffering, and sometimes in famine and pestilence to thousands. I beg of this House to remember the agony of resumption in this country from 1873 to 1879. No statistics show it or scarcely hint at it. Half the wealth of this country not in solid securities changed hands during that period, always in favor of the strong as against the weak, and thousands of workingmen idly walked our streets. In all the Northeastern States our highways and villages were filled with tramps. So in the times of Continental currency. So with the assignats of France. So in England before the reformation of its curreney. Each of these currencies was tested by the "world's measure of value" and found wanting. Let us take no hasty step. Pause and know where we are and where we are proposing to go.

NO NATIONAL DIVISIONS.

The commercial world knows no national divisions. It is one and indivisible. Every person who buys and sells, even in the smallest hamlet, in the very act of buying or selling inevitably comes under the world's inexorable law of value and the world's agreed unit of measure. Its control or modification is not within the power of any one nation, in the great aggregate of nations making up the commercial world. This universal submission and agreement by each person in the world to the aggregated will of mankind, in commercial transactions, is fundamental to any clear idea or "expression of value" or "price" or the very existence of international trade.

The confusion in men's minds on the coinage question and concerning money grows out of a failure to recognize and submit to these truths, which are fundamental to commercial exchanges.

T. V. Powderly, a very clear-headed man in some matters, in the North American Review for December, 1891, page 732, grounds his argument for the free and unlimited coinage of silver on the assumption that there is no basal or world's unit of value. His words are:

Every argument that has been or will be used against silver can with equal force be directed against gold, for there is no such thing as "money of the world."

Every advocate of the free coinage of silver who does not wish for free coinage that he may get cheaper money in order to scale down his debts bases his argument on the same assumption as Mr. Powderly, viz, that there is no world's measure of value. In fact, there is no other logical ground upon which he can stand, because, if there is a "world's money" or measure of value, no single nation can by any legislation, touch the world's decision as to the price or value of any one article.

MONEY OF THE WORLD.

Either there is a "world's money measure of value," by which all prices on articles of commerce, of every name and nature, the world over, is fixed, or there is and can be no price level. If it is possible for any nation to adopt any "coin measure of value" that shall not itself be measured by the "money of the world," and its purchasing power thereby assigned to it, even in the country coining it, and that purchasing power be more or less, in exact proportion to the commercial value of the bullion in it, then we may safely adopt the free coinage of silver. But if there is a "money of the world" the statutes of a single nation, be it large or small, are as powerless to affect the purchasing power of a piece of metal, coined or uncoined, as the wind that blows.

Each country may and does have its own local and secondary measure, but the size of each measure is fixed and known, and the price quoted in Liverpool is quickly resolved into the unchanging world's measure, the "money of the world." But this could not be true if both measures, the one used in Liverpool and the measure used in each country, fluctuated in size or value. One "measure of value," among the scores of measures used in the world, must, by the common consent of every people of the world, be held to be "stable," whether, as a matter of fact, it is or is not stable, or there can be no valuation, no price made, and no commerce.

AN INEXORABLE NECESSITY.

This inexorable necessity for a "money of the world" is no more certain than it is that the "gold pound sterling" of 113 grains has been universally accepted as the international money, or "money of the world," since 1816 and before. By this gold pound sterling "money of the world," the value of each "measure of value coin" of every nation has been measured and inexorably fixed, which value so fixed has never varied by the smallest fraction from the commercial bullion value of the weight of silver bullion or gold bullion in the coin. The coinage laws of no nation have ever changed, or even influenced to the slighest degree from its commercial bullion value, the money purchasing value of any coin. This is just as certain as that London is the clearing-house of the world, and as universally conceded by merchants as is the fact that all the international commercial transactions of the world are finally settled in London, by the use of the international "money of the world," the gold pound sterling.

GOLD POUND STERLING MEASURE.

Secondly, the value of all commodities susceptible of transportation is measured by this gold pound sterling, where they are produced, and bear the same price the world over, less handling, that they bear in London; the price of every article of merchandise purchased in the center of Mexico, in the center of India, of Germany, of France, of Russia, of the United States, or Liverpool, less the handling between points. Tariffs in all countries are included in the cost of "handling."

The following table, giving prices of the products of six silver countries in gold dollars, in ounces of silver, and in the coin of the country with silver at 90 cents an ounce, and also giving the prices were silver to appreciate to its coinage value of 16 to 1, or $1.29 an ounce, is very significant. Either prices would have to recede 30.23 per cent in these countries and in all silver-standard countries, comprising four-fifths of the world, or the United States would be on a silver measure of value within a very brief period, if the free and unlimited coinage of silver was permitted.

This statement is shown to be incontestably true by the fact that "sterling bills of exchange" drawn in London against India sell for 43½ per cent premium, and if "bills of exchange" are drawn for silver rupees in India and sold in London, they are sold at a discount of 30.23 per cent, in both cases less commissions. These percentages are for to-day approximately correct.

Cost in silver-standard countries of the products named.

Products.	Gold.	Silver at 90 cents an ounce, its present price.	Silver at $1.29 an ounce, present coinage ratio to gold.
Ton of tampico fiber costs in Bolivia to-day (less handling)	$101	144¾ silver dollars, or 112 ounces of silver	Or 78¼ ounces of silver.
		In their coin, 131 bolivianos	Or 91⅘ bolivianos.
Ton of coffee costs in Central America to-day (less handling)	340	487⅘ silver dollars, or 378 ounces of silver	Or 263½ ounces of silver.
		In their coin, 441 pesos	Or 307⅘ pesos.
Ton of rubber gum costs in Ecuador to-day (less handling)	740	1,060⅔ silver dollars, or 822 ounces of silver	Or 573⅜ ounces of silver
		In their coin, 958⅓ sucre	Or 669 sucre.
Ton of block tin in bars costs in British India to-day	400	572¼ silver dollars, or 444 ounces of silver	Or 310 ounces of silver.
		In their coin, 1,099 rupees	Or 761 rupees.
Ton of coffee costs in Venezuela to-day (less handling)	360	516 silver dollars, or 400 ounces of silver	Or 279 ounces of silver.
		In their coin, 2,337 bolivianos	Or 1,624 bolivianos.
Ton of hides and skins costs in Peru to-day (less handling)	300	440 silver dollars, or 333 ounces of silver	Or 232½ ounces of silver
		In their coin, 389 sol	Or 271 sol.

By carrying up the price of silver from 90 cents an ounce to \$1.29 it increases the price 43⅓ per cent.

This table shows that the purchasing power of each silver coin, in each nation that has a "silver measure of value," is exactly the commercial value of the bullion in it. It is inherently impossible for it to be any greater, for the price of every commodity purchased with them is immediately resolved into the inexorable "money of the world," and national trade balances are settled in "measure of value" coin—the gold pound "sterling exchange." Thus the price at which a silver-standard country buys any article in a gold-standard country is increased to the people of the silver-standard country by 43⅓ per cent. This would immediately be the case here with "free coinage of silver."

The price at which any gold-standard country buys any article in a silver-standard country is reduced to the people of the gold-standard country by 30.23 per cent with silver at its present commercial price, as compared with its coinage ratio to the gold dollar, and it is a physical impossibility that silver should advance in price and not soon recede.

COMMERCE KNOWS NO COINS.

Commerce or trade anywhere the world over, takes no cognizance of coins. It only knows the bullion in coin at its commercial price. It does not now know coins, and never did, in any country, for even a single day, since the world began. Coinage means to commerce a certification of weight and fineness, and it can be nothing more. No economist now pretends that the forming any metal into coin affects its purchasing power to the slightest degree. The only seeming exception is no exception at all, as will clearly appear upon the most cursory examination.

The United States Government stamps pieces of gold bullion into disks called dollars. It also stamps pieces of silver bullion into disks called dollars. It also forms pieces of paper into dollars. The purchasing power of the piece of gold bullion stamped dollar, in and of itself, has precisely the same purchasing power in every market of the world as in the United States, and in proportion to the gold pound sterling of 113 grains as the weight of the pure gold of 23.22 grains in the American dollar bears to the weight of pure gold in the pound sterling, namely, 20.55 per cent as great. The silver disk-marked dollar is no more recognized and has no more purchasing power than the piece of paper marked dollar, excepting in this, viz: That any merchant in this country or any other will take the silver dollar or the paper dollar, one as freely as the other, whenever and so long as he can freely exchange the paper or silver dollar for a gold dollar, and not another moment. The merchant, however, will prefer the paper dollar to the silver dollar, because it costs less to transport the paper dollar to where he may have to use it than it costs to handle the silver dollar to the same point. The silver dollar has not the slightest advantage over the paper dollar, and there is not, and can not be the slightest excuse for coining one of them that does not equally apply to our 5-cent nickel, viz: the convenience of keeping and exchanging them, and that only to a limited amount. Each is not real money. Each is only token money. Only signs or orders for the delivery of real money, gold, to the holder, not money in and of themselves.

FINAL REDEMPTION OF TOKEN MONEY.

If the day of final settlement or redemption of paper and silver dollars was this day of course the Government could sell its silver as "junk" at the rate of 70 cents for what is in the dollar disks and what was in its paper dollars for only a fraction of a cent. Like notes, drafts, checks, bills of exchange, and all forms of orders for or forms of money, paper dollars and silver dollars each have their place, in which place they are of great convenience and value.

IN EVERY COUNTRY THE SAME.

What has been said of the gold money, silver money, and paper money of the United States is equally true of them as used in every country. In the world's commerce and in our domestic trade our paper, silver, or gold dollars are exactly as real and valuable and as fictitious and worthless as I have represented them.

THE RESULT.

Finally, there is then, an inexorable and all-pervading international standard of value or "money of the world" potentially in every place and inherently measuring every commodity and all secondary "measures of value" everywhere in the world, viz., the gold "pound sterling."

Secondly, the price of each and of all commodities of commerce in every country of the world is fixed by the natural or automatic action of the laws of trade, and by means of this international gold pound sterling, by which the economic or purchasing value of the coin used as "the measure of value" in every country in the world, is made to be and kept at its bullion price.

Third, the price of every commodity of commerce is practically the same in every place commerce reaches, in every country of the world, as it is in London or Liverpool, less the difference of handling it to London or Liverpool by means of the gold pound sterling "bill of exchange."

Fourth, the coinage laws of no nation, either as to the metal used or the weight or fineness of the metal in its coin, have ever or can ever influence the power of the international gold pound sterling or "money of the world" as a primary measuring force, or affect real prices in international trade, or in the domestic trade of the nation making or altering its coin or coinage laws.

If we examine the money of all intertrade countries, and the substance of each bill of exchange made in settlement of commercial transactions, these statements will be fully justified.

THE EFFECT.

Enact your free-coinage bill into law, and every dollar's worth of imported goods will advance in price 43⅛ per cent, carrying up the price of every dollar's worth of domestic goods to the same level. This of itself will immediately and inexorably carry us to a silver basis. We need not wait for the coinage of an additional silver dollar. In fact, few will be actually coined. It is in no sense a question of coinage, but of what our "measure of value coin" shall be, which coin is again inevitably measured and depreciated to its commercial bullion place by the "money of the world," the gold pound sterling.

Thus it appears that the enacting into law of the bill for the "free and unlimited coinage of silver" will as surely put this country on a plane with Mexico, India, China, and like nations as effect is sure to follow cause.

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