

TREASURY NOTES AND SILVER BULLION.

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S P E E C H

OF

HON. WILKINSON CALL,  
OF FLORIDA,

IN THE

SENATE OF THE UNITED STATES

Tuesday, June 10, 1890.

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WASHINGTON.

1890.



SPEECH  
OF  
HON. WILKINSON CALL.

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The Senate, as in Committee of the Whole, having under consideration the bill (S. 2350) authorizing the issue of Treasury notes on deposits of silver bullion—

Mr. CALL said:

Mr. PRESIDENT: I design to submit a few observations upon the pending bill, and probably it would be quite as convenient to do so at this time as any other.

The bill proposes to authorize the purchase by the Government of \$4,500,000 worth of silver each month and the payment for it in Treasury notes. In my judgment this bill does not answer the demands of the country and the necessities of the coinage at this time.

FREE COINAGE OF SILVER.

The free and unlimited coinage of the precious metals is the only proper solution of the financial troubles which now rest upon the country. Any modification of that idea in the shape of a limitation or of a purchase by the Government is I think entirely inconsistent with the true theory of finance and with the policies which have prevailed throughout all time in reference to the currency.

GREEKS AND ROMANS UNDERSTOOD IT.

This question can not well be exaggerated in its importance. It covers the whole field of human efforts and human possibilities. We may go back as far as we please in the early history of the world, and we find that the subject of the coinage and the use of precious metals was well understood, and the principle upon which it was necessarily based in its relation to all other economies, and to the productions of the earth, and to invention and labor, was so clearly defined that there can even now be no reasonable question as to them. I read, from a treatise prepared by Sir John Lubbock, the following paragraph:

That the true theory of coinage was well understood in Greece we may see from the words of Aristotle, who thus describes the origin of coins:

"It became necessary, therefore, to think of certain commodities, easily transportable and safely transportable, and of which the uses are so general and so numerous that they insured the certainty of always obtaining for them the articles wanted in exchange. The metals, particularly iron and silver and several others, exactly correspond to this description; they were employed, therefore, by general agreement, as the ordinary standard of value and the common measure of exchange, being themselves estimated at first by their bulk and weight, and afterwards stamped in order to save the trouble of measuring and weighing them."

No one at this day can give a more accurate, a more comprehensive, and a more philosophical description of the nature and functions of coin

and the relation which it sustains to the business of society and of communities that this statement of Aristotle. Again, it is said:

For a long period every Roman family had the right of coining denarii with their own device, though precautions were taken to preclude any tampering with the weight or fineness. With the same precaution what honest motive can there be for preventing any American, English, French, or German family from coining dollars, shillings, francs, etc. Is our modern civilization so much more the patron of freedom and independence than Roman imperialism that did not restrict a family from making honest money, no more than it would any honest commodity, but confined government work to seeing that it was honest?

#### FREE COINAGE THE RULE OF NATIONS.

Mr. President, through all the history of time it has been the policy of Government to allow the unlimited coinage of the precious metals, and upon no other theory can there be predicated any sound and philosophical relation of coin to exchange. Let me endeavor very briefly to investigate this proposition.

The proposition covers mankind—man and his needs of body and mind—his capacities and the earth and its productions.

Two men in their relations will furnish the type of all mankind and present all the varieties of this question in all the thousands of years of history and the thousands of millions of human beings, in whose relations it has borne an important part.

#### RELATIONS OF MONEY TO THE AFFAIRS OF MEN.

Let us consider the subject, then, in this relation, to the end that we may the more clearly perceive and understand it.

These two men require subsistence, clothing, amusement, gratifications of taste; they must obtain them from the earth and its productions by their labor and the use of their faculties. Each of them converts the productions of the earth into things useful to them both, into commodities. Each has something which the other requires. How can it be obtained?

The things they need are such things as will sustain life; then make it comfortable; then provide against future want; then amuse and entertain? How shall they each obtain what the other has, the use of which is necessary to them? They are in contact with each other, and have the means of communication. The answer is easy and clear. It can be done by the exchange with each other of the things which each has and which the other requires. The things which they require are subsistence, shelter, clothing, and works of taste and art. In all these objects of need and use we find neither gold nor silver coin nor money.

They can neither eat it nor wear it, nor use it, in the shape of coin. They can use it as a commodity made into things for ornament and for their use and amusement.

We see, then, these two persons making an exchange with each other by transfer and delivery and by promises to exchange and transfer and deliver.

These promises to transfer and deliver are themselves transferable to others and become the easy and convenient means by which exchange is effected.

We will contemplate these two men in association with others in the same vicinage and community. They have in that community all the productions of the earth in the forms into which labor and ingenuity have converted them, but in different hands; some with things for subsistence; some for protection against future want; some for amusement; some for personal ornament—they have the same needs for the use of

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these things, but in different degrees—they can only be had by exchange. Exchange is easy to be made by transfer and delivery, and when this is not convenient, by promises or agreements to transfer and deliver.

After production from the earth into things for use, into commodities, which can only be done by labor and the use of man's faculties comes exchange, and this completes the circle of production and distribution. Exchange of commodities is thus the only thing to be done, the only means by which distribution to each man can be made. This exchange is the actual transfer in kind of the commodity to be used, of wheat, corn, meat, wine, and oil to those who have none for houses or labor, or clothes, or improvements, or services.

We have seen that this exchange or transfer can easily, conveniently, and naturally be made by actual transfer and delivery and by promises to transfer and deliver, which promises are themselves transferable. What is the difficulty if any two of us here in this Chamber, meeting daily here together and having everything which either needs or uses or can use, in our exchanging with each other, as our daily needs require, whatever we need by actual transfer or by agreement to transfer or verbal or written orders of transfer.

It is easy to perceive that there is no difficulty in it, and that we would have no need nor use for any other methods of exchange.

Naturally this is and has always been the most general method of exchange, and by it much the greater part of the exchanges in the world are made now. What is required in exchange by this method is, first, immediate contact or contiguity; second, convenience of delivery.

#### EXCHANGE OF PRODUCTS THE MEANS OF DISTRIBUTION.

These we can see are the primary factors and causes, and all other factors are secondary. Exchange, then, is the great means by which distribution of the products of labor of every kind can be made. It is exchange then, and its methods, and the laws which regulate it, which must be the great subject of consideration in connection with the coinage of the precious metals. Production and exchange are the great factors of man's existence, progress, and civilization. We can stand here on safe and certain ground without speculation, or sailing on an unknown and shoreless sea of generalization.

#### GOLD AND SILVER ARE SUBSIDIARY USES.

Gold and silver, coined or uncoined, money in whatever shape or form, can not sow or reap. The plow will not move at its bidding. The husbandman may have countless hoards of it, but unless he moves his muscles and exercises his faculties, turns up the earth, sows and plants, works the loom, makes inventions, the earth will not yield her treasures nor the fabrics of labor or art and invention be produced.

Two men in contact may each have his pockets filled with gold and silver, but when they desire to exchange things in the possession of each the exchange or the promise to exchange is more convenient and easy than for one to deliver a certain amount of gold or silver to the other and receive from the other a certain amount of gold and silver.

#### EXCHANGE AND PROMISES TO EXCHANGE.

We find, then, that exchange and promises to exchange can be made without gold and silver or money; that gold, silver, and money are not a primary or necessary factor in exchange; that whatever they may be

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and however valuable their uses, they are in their nature secondary and subsidiary uses. What, then, are the necessary factors of exchange, and where and how and to what extent does money stand in relation to exchange? Whence does it derive its uses? How far do these uses extend? Upon what do they depend?

Let us see if we can weigh and measure these ideas with precision and certainty. If we can do so and not depart from the line of strict logical sequences of cause and effect, we shall reach some certain and clear and true conclusion.

First, what are the necessary and primary factors of exchange of products between any two and every two persons in the world? They are contact, communication, opportunities and methods of transfer of commodities or products.

Without roads, communication, vehicles of transportation, ships, the mines and jewels of Golconda can not and will not effect the transfer and exchange of commodities or human productions. These factors, then, are the exercise of human faculties, contact and communication, highways, ships.

#### GOLD AND SILVER A USEFUL BUT NOT NECESSARY FACTOR.

In all these factors and agencies we find neither gold nor silver as money, yet these are the great and necessary factors of all human life, and all progress, and all civilization, and we have the demonstrated truth that gold and silver and money are not necessary factors; that money as a means of exchange, as a representative of value, may be promises to exchange in kind, or promises transferable to some common center of exchange.

#### RELATIONS OF MONEY TO EXCHANGE OF PRODUCTS.

Where, then, does money have a place in exchange, and what are the necessary ideas or properties which will enable it to have a relation to exchange or any functions connected with it?

We have found that production and exchange cover the whole circle of human efforts and human possibilities. It follows that money can only have value or use or function as a means or method of exchange. When it ceases to be used for this purpose or to have this function it is no longer money, and can no longer represent values however much the law may make it a legal tender.

It is quite obvious that exchange of products can be made either by an actual exchange in kind, and where contact and contiguity does not exist, can be made between any two persons by an exchange into something which neither has use for, but which is of general demand or of universal demand, and which, because of this universal demand, can easily and always be converted into some other commodity or product which may be needed.

#### MONEY IS THAT WHICH EXCHANGES PRODUCTS.

It therefore follows that money is that which exchanges products, and that it is something that is of general use and need, and that the quality of general use and need or convertibility into other products is the absolutely essential and indispensable quality of money.

This, then, is the law. It is not a yard-stick; it is not a peck measure. As has been stated, it can not be a fixed and stable measure of any kind whatever, because its only value is to exchange for other things and the value of those things are constantly changed with their scarcity or abundance.

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## GOLD AND SILVER HAVE IMPORTANT USES.

We therefore perceive that while the use of the precious metals is an all-important one, fixed by natural law, as the true basis of exchange it is a subsidiary and a secondary use. We further perceive that the great mass of exchanges are and must of necessity be made without the intervention of gold and silver, and under the constant changes in the methods of commercial intercourse and communications throughout the world and from its great centers there are substituted methods of exchange, without the intervention of gold and silver, and by their use simply as standards or expressions of value.

## IS THE VALUE OF MONEY A NATURAL OR ARTIFICIAL QUALITY?

It therefore follows that we must ascertain whether this is a natural quality or an artificial one created by law. If the latter, it follows that we can vary the money of a country and its methods of exchange by statute at will and pleasure. We can change it both in respect to substance, quality, and quantity. If it be artificial it is the creature of law and subject to wise and unwise regulation.

## IT IS CHIEFLY A NATURAL QUALITY.

If the uses and needs of mankind depend on nature and natural economies, then it follows that we can not by law create the uses and needs of mankind.

## IT IS BOTH A NATURAL AND ARTIFICIAL QUALITY.

If it be composed of natural qualities and of needs created by law, then we have a proposition in which the question of law and wise regulation must have place, and if we wish to reason on the subject we must weigh and analyze with precision the artificial and the natural qualities of money and find out if we can how far the law of nature will reach and control and within what limits wise regulation or law can operate. Is this quality of universal need and demand a natural quality or an artificial one?

## EXAMINATION AS TO HOW FAR NATURAL OR CREATED BY LAW.

Let us search the domains of nature and see if we can find this quality of universality of use, need, and demand in any product of nature or of labor, and then let us see if this quality of general use, need, and demand is sufficient of itself to make it serve the uses of money.

If we search the domain of nature for some product of nature and labor which is of universal use, need, and demand, we find all the articles of food, wheat, corn, meat, wine, oil, cotton, rye, flax, wool, silk, and others. These are all of universal use, need, and demand. Why shall they not serve as a means of exchange, as money?

## NATURAL PRODUCTS SERVE AS MONEY.

They do serve as a means of exchange, through the contiguity which modern methods of transportation have established and drafts on bills of lading.

## LIMITATIONS IN THEIR USE.

These articles do serve the purposes of money. They are of general use, but they are perishable and bulky, and their use is limited to the extent to which they are consumed and produced in different countries.

## EXTENT OF THEIR USE AS MONEY.

While the use of them is universal and primary, it is limited to the deficiency of production below consumption in different communities and countries. To this extent these articles of necessity are by natural

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and immutable law a means of exchange or money in all the senses but one, namely, legal tender, in which the word can be used. Any of these articles sent to any neighborhood or country and exchanged, whether by the term sale or barter or trade for something else, is an exchange of values, and as money has no value and no function but to make exchange, these commodities serve the purposes of money to the extent to which they are sold or exchanged. The universality of the use of these articles is therefore limited by these considerations as to the functions of money. They represent for these purposes the value of the articles at the centers of commerce, which is the proportion of supply and demand limited, increased or decreased, by the combinations which may be made for that purpose.

#### FURTHER EXTENT OF USE OF COMMODITIES.

Their further use is limited by the fact that the exchangeable value of these commodities in another neighborhood or country is not conveniently divisible into small quantities.

#### DRAFTS ON BILLS OF LADING THE GREATEST FACTORS.

It is not difficult to see that through drafts drawn on bills of lading this result may be very largely reached and the exchange between individuals and communities and countries largely supplied and effected.

#### EXCHANGES THAT ARE NOT MADE WITHOUT MONEY.

Even with this result of divisibility of the proceeds of the products of labor when concentrated for exchange, there must be a vast quantity of the numberless exchanges of service, for service, service for commodity, taxes for support of government, which can not be conveniently reached by the division of the products of labor.

#### CONCENTRATION OF PRODUCTS A SUBSTITUTE FOR MONEY.

It does, however, follow as a logical sequence that a large part if not the most important factors as money in the commerce of the world are the concentration of the products of labor or commodities for exchange and the distribution of these commodities or products from common centers, whether it is the neighborhood, State, the country village, the metropolitan mart, or the great cosmopolitan centers of New York, Boston, Chicago, St. Louis, San Francisco, New Orleans, Charleston, Savannah, London, Paris, and Amsterdam, through drafts drawn on bills of lading.

#### EFFECT ON USES OF MONEY OF EXTENDED COMMUNICATIONS.

The tendency of commerce which is exchange as communication over the world by telegraph, rail, and steam is extended is clearly to make exchange and distribution by this method and to substitute it as money or as the prevailing method or means of exchange or distribution to the full extent of its possibility.

#### POWER OF CONCENTRATION OF PRODUCTS ASSERTS ITSELF BY IMMUTABLE LAW.

By an immutable law the power of the concentrated products of labor asserts itself and is beyond control and limitation, because it is a natural law dependent on the wants and necessities of mankind, and the actual distribution of the products of labor is the only means of supplying them. The result of this natural law is concentration of products of labor in commercial centers for exchange and actual distribution.

For these two essential things there can be no substitutes. There may be anticipation and promises and these become values and transferable and are money as we have seen, and nothing can be money which does not effect this result and the performance of these two acts or the expectation of their performance.

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**SOMETHING OF GENERAL USE, IMPERISHABLE, DIVISIBLE, TRANSPORTABLE.**

We are, however, on the search for something, whether it be a commodity, the product of labor or of nature alone, which does or may possess certain qualities or characteristics which are, first, to be of general use, need, demand, or desire, as nearly universal use and demand as possible, which shall be permanent, not perishable, easily divisible, easily transportable.

**MERCHANT-OF-VENICE TRADING IN THE ORIENT.**

To illustrate this need, let us suppose in the days of Venice, in the thousand years of her existence, when her merchants sought the far Cathay of the East, one of them starting on a venture to that far-distant country. He can not transport wheat, wine, oil, or articles of subsistence on his person. If he could, he would find these things in some form wherever human life can exist, and wherever the race has made any progress he will find them in greater or less abundance. What, then, shall he carry within the necessary limitations of space and means of transportation, and by what reason shall he be guided in selecting that which will be an object of desire with the people of that distant country?

**THE COMMODITIES HE WILL TAKE AS MONEY.**

He reasons that the desire for ornament is natural and universal; that gold and silver are the products of nature the most attractive for this purpose, the most easily converted into shapes pleasing to the eye and taste, the most rare or least abundant; that by natural qualities they are indestructible from ordinary causes, most easily divisible, and most easily transportable. He has thus found something which answers the necessary conditions of his search. No law of man can give these qualities; they are impressed on them by nature; they do not derive them from the stamp of the mint; no statute can make a man or a woman desire or prefer them for ornament to iron, copper, or the baser metals.

**HE CHOOSES GOLD AND SILVER.**

He takes, then, his store in gold and silver, and preferably under most conditions gold, on account of its smaller bulk and greater scarcity.

**GOLD AND SILVER ALWAYS IN DEMAND AND ALWAYS CONVERTIBLE.**

The reasons which govern him control us. We also find in gold and silver these natural uses and qualities which make them always a convertible value, a something for which every man may exchange anything he has, confident that he will everywhere find some other person who will want this gold and silver.

**THE USE OF GOLD AND SILVER NOT DEPENDENT ON LAW.**

He knows that these qualities and uses are not dependent on any law or statute or the will of any monarch. That while their use may be increased and their value enhanced by law, they rest on the permanent base of natural desire and adaptation to human use for their value.

**GOLD AND SILVER OF UNIVERSAL USE AND ADAPTATION TO USE.**

We here find, then, the object of our search in the domain of nature a substance of universal use and desire, of adaptation to the wants of men, indestructible, divisible, and transportable. No royal stamp can either give or take away these qualities. Whenever a man has something which he wishes to dispose of and does not desire an immediate exchange into something for immediate use and consumption, here is a

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product of nature for which he may safely exchange whatever he has, knowing that when he wishes to exchange it again some one will easily be found who will desire it.

**GOLD AND SILVER ARE MONEY, WHETHER COINED OR UNCOINED.**

This fact makes it money or a medium of exchange, and the fact that this is the most current medium of exchange gives it an increased value and a new use.

The extent to which the law can either increase or decrease its value or use as a means of exchange is very limited.

**EXTENT TO WHICH REGULATION BY LAW CAN AFFECT THEIR VALUE.**

Let us see if we can weigh with precision and measure the extent to which regulation or law can either increase or decrease the value of these natural products, the precious metals of gold and silver.

Our Constitution and all other organic law gives to Government the power to "coin money;" that is to divide and stamp it and "regulate the value;" that is, prescribe its fineness or its value with respect to other coin, not regulate its value with respect to other commodities; that is as to how much land or wheat or corn or other things prescribed quantities of it shall buy.

**CAN LAW FIX THE RATIO OF VALUE OF GOLD AND SILVER?**

Neither can the law prescribe the relative value of gold and silver to each other. Let us examine this proposition and see whether it is true or not. Suppose the Government should declare that an ounce of silver shall be worth an ounce of gold; what effect will that have? The declaration of this fact by the Government will not in any way affect your taste in preferring gold to silver, nor will it change the preference of mankind for gold for use as ornament, nor the preference for gold in traveling because of its smaller bulk and safer transportation. Neither will it make silver as scarce as gold; neither will it change the natural qualities of the two metals.

**VALUE OF GOLD AND SILVER DUE TO NATURAL QUALITIES.**

We see, then, that the value of each of these metals is based on natural qualities, and adaptation to natural wants, and their relative value like anything else depends on the relative abundance or scarcity of each.

**LAW CAN NOT GIVE OR TAKE THEM AWAY.**

Law can not take away natural qualities, use, and adaptation to use.

**WHAT CAN LAW DO IN RESPECT TO GOLD AND SILVER?**

What, then, can law do in this relation, and how far can an artificial use be created which will supplement the natural use, and adaptation to use, of the precious metals?

**LEGAL TENDER AND ITS EFFECT.**

The organic law of our country says:

No State shall make anything but gold and silver coin a legal tender for the payment of debts.

In this provision of the organic law the qualities which we have described are recognized, namely, universal use and universal demand. If gold and silver did not have these qualities the law which made them a legal tender would only be a declaration that a debt should not be collected or a contract performed. It is only because of its ever-present convertibility or exchangeable use that it may safely be made a legal tender for the payment of debts or the performance of obligations or contracts.

The legal-tender law does not and can not affect the validity of con-

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tracts, and does not affect and can not affect the contracts which are executed, which comprise much the greater number of transactions of life or business. Neither does it affect the great bulk of time contracts which have become the subject of adjustment in the courts. Neither does the legal-tender law and the ratio of gold and silver affect the great bulk of time contracts, because when the ratio of gold and silver to each other is different from that prescribed in the law all contracts will be made on the basis of a performance in the cheaper metal, because the law in authorizing the discharge of the obligations in either of the metals according to a prescribed ratio authorizes its discharge in the cheaper metal, and all contracts made by intelligent persons will be on this basis, and it will be only the poor and ignorant who will be the sufferers, but very soon this knowledge will extend even to the poor and most ignorant.

#### EFFECT OF LAW GUARANTYING A RATIO.

Now let us examine the influence and scope and effect of laws which make the people at large as a Government guaranty the debt-paying power or legal-tender quality of gold and silver coin of a fixed relative value or ratio, and measure if we can with exactness the influence and effect of such laws. We have ascertained that the value of gold and silver is because of their ever-present convertibility or exchange into other things; that this property or quality is because of its use and demand for ornamentation and use in the arts; that Government can neither give it nor take it away; that where it ceases to have this exchangeable value a law requiring it to be taken for the payment of debts would be a law confiscating debts and prohibiting the performance of contracts; that when the exchangeable value of gold and silver is respectively different from the prescribed ratio contracts will be made on the basis of performance in the cheaper metal. Now, the Government says we will keep these two metals in a prescribed ratio of value. We will pay gold for silver in prescribed quantities wherever any one holding silver shall want it.

Now, if the exchangeable value of the two metals for commodities, etc., in the arts or for any purpose is different, how will the Government be able to do this? Here is a certain quantity of gold; it is of more value than a certain quantity of silver for which the Government gives it. The gold will sell somewhere in England, France, India, or China, for more than the silver; that is, it will buy more travel, freight, products than that amount of silver. The Government obtained this gold from the people, who bought it with their labor or products sold for gold valued at the cheaper but actual market price of gold paid in silver; or, in other words, the people paid that much more of their labor in taxes to preserve this ratio. This seems to be the necessary result of this provision of law, but yet it seems to me that the taxation required for that purpose would be wise at present in furnishing an abundant and stable and convertible currency to relieve the farmers and people generally from the grasp of the usurer, extortioner, and money-lender.

#### RATIO OF VALUE DEPENDENT ON COMMODITY VALUE OF EACH.

The ratio of value between gold and silver is dependent on the use of each in the arts and needs of mankind. Legal-tender laws can not create it nor take it away.

The needs of mankind are for the actual exchange of commodities of things useful in life. All other things are secondary and it is only as this is promoted has currency any value.

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## EFFECT OF LAW ON TIME CONTRACTS.

Now, let us see what part the law has or can have in affecting debts and obligations or time contracts, as they have been called. What is a time contract or debt? It is an agreement for a future exchange of commodities or properties for something that will itself be exchangeable into commodities or properties. This contract is in terms an agreement to take certain quantities of gold or silver coin at certain fixed relative values, each party taking the risk that the gold or silver can be exchanged into a greater or smaller quantity of other commodities, or, in other words, he takes the risk that the property for which the gold and silver can be exchanged at the time of the performance of the time contract will be greater or less than the gold and silver he receives. This is what he terms the rise or fall of prices; that is, the greater or less quantity for which commodities can be exchanged.

## DECREASE OF GOLD AND SILVER COIN OR MONEY.

The gold and silver itself being subject to fluctuation by its own laws of abundance or scarcity, what then is the effect of decrease of coin or gold and silver? The coin only is a legal tender, and in coining or refusing to coin it there is a check on the quantity which may be obtained for the payment of debts or the performance of obligations. If Government gathers all the coin or the means by which debts can be paid or contracts performed in its own hands and holds it, or by any public policy promotes its concentration in the hands of a few persons, it deprives the people of the means of performing their obligations. It increases the amount of labor or service the people have to give for coin.

It is true this evil soon ceases and remedies itself; coin having ceased to be a medium of exchange, having become too scarce and dear, actual exchange by other methods takes its place, properties are sacrificed, homes broken up, business suspended, until new arrangements are made. This is the result produced by the old method of clipping the coin, debasing the coin. The law remaining unaltered, the scope and effect of such law is the same as contracting the currency. It operates in contracts yet to be performed or damages recovered in suits at law, and here it stops as to the great mass of the community.

## EFFECT OF INCREASE OF GOLD AND SILVER AS MONEY.

Now, what will be the effect of an increase of the coinage with this legal-tender quality preserved? The same law which governs any other value will govern the coinage in its relation to other things. If abundant, and the demand for it is the same or greater, the quantity of commodities which it will take to buy a given amount of coin will be less. This is called inflation, but it is no more and no less than what belongs to any other species of property. Coin has to be bought with or exchanged for work, service, property, lands, houses, and products. It can be used in no other way. It is a commodity that can not be divested of this quality because of its artificial or money use.

The abundance of coin, therefore, can only affect values in a measure to which any value is liable to be affected, and it benefits the great mass of men who are the debtor class and who are the least able to bear loss.

No human ingenuity can prevent this fluctuation in the relative value of commodities to gold and silver, or the relative value of gold to silver.

Whether we speak of buying property with gold and silver or of

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buying gold and silver coin with property it is the same thing; they are convertible terms, and with every fluctuation of the price of commodities gold and silver fluctuate in precisely the same degree, namely, in its exchangeable value, which is its only value and use.

GOLD AND SILVER AS LEGAL TENDER.

Gold and silver coin as legal tender has no fixed value either to the person who is to receive it or to the person who is to pay it. If it will buy more property or commodities of any kind when the contract is performed, the man who receives is advantaged, and the man who gives is disadvantaged; if less, they reverse places.

FREE COINAGE CAN HAVE NO DISASTROUS EFFECT.

I am therefore, Mr. President, confident in the opinion that the unlimited coinage of gold and silver and its legal-tender quality can have no disastrous effect upon the business of the country. I perceive in a little manual which I have here that the absorption of the silver coinage of the world in Oriental countries has been, if I read these figures aright, something like a billion and a half of money from the year 1835 to the year 1876. I read as follows:

Asia, with nearly double the population of Europe and America combined, depends almost exclusively upon the western continent for its supply of the precious metals. The annual import into Asia and Egypt of silver for the last thirty years has averaged \$40,000,000.

At the beginning of the century, according to Humboldt, they took twenty-five out of forty-three millions of silver annually produced, and the remaining stock was insufficient to supply the requirements of silver for manufactures and change money. England, in 1816, and the United States, in 1853, depreciated their subsidiary silver coins, not on account of the excess but from scarcity of silver and impossibility otherwise to retain their silver coins from export to the East. There is no reason to apprehend that the demand of India and China for silver will decline. During the last twenty-five years India has taken an average of \$83,000,000, and China \$9,000,000, making the average yearly absorption of silver by those nations \$47,000,000. It is not unreasonable to expect that their future requirements will fully equal that amount.

DEPOSIT OF BULLION AND CERTIFICATE OF LEGAL-TENDER COIN.

I had a conversation this morning with a very intelligent and accomplished man who is the representative of the United States of Colombia in this country, in which he expressed his opinions in regard to the use of silver coin as currency and the unlimited coinage of silver. We remember with what distinguished ability the Hon. Mr. Romero, the minister to the United States from Mexico, discussed this subject in the Pan-American Congress which recently assembled in Washington. The following draft of a bill prepared by me embodies the views of Mr. Hurtado and other distinguished citizens of our sister Republics:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That silver bullion of the standard of fineness required by the laws of the United States for coinage shall be received at all the mints of the United States for coinage in the denominations and of the fineness now prescribed by law, and coined in the order in which such deposits shall be received.

That in making such deposit of the ores, of the standard of fineness required by the laws, by any citizen of the United States, the superintendent of the mint shall deliver to such depositor a certificate of the amount of such deposit and the amount and character of coin which he will receive and the time at which it will be coined and delivered to him, with the guaranty of the Government that such coinage will be made and the amount of coin delivered on the presentation of his certificate. The seigniorage shall be deducted from said coin.

That silver dollars and half-dollars coined from the mints of the United States shall be a legal tender in the payment of all debts and obligations, and of taxes and dues to the United States.

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The opinion of Mr. Hurtado is, I think, a wise one. He is an able and an accomplished man, and it is a matter of gratification that the representatives and citizens of our sister republics here are men of distinguished ability, who have given profound thought and consideration to these great financial subjects. I take pleasure in giving Mr. Hurtado the credit of this idea, whatever value it may have. He is of the opinion that coinage laws which authorize the deposit of gold and silver bullion of the standard of fineness required by the laws of the United States for coinage, required to be received at the mints of the United States and to be coined in their order, certificates being given for the bullion deposited, which certificates are to be redeemed in coin itself with the legal-tender quality attached, would at once remove from the market a great amount of silver bullion and place it on deposit in the mints of the United States; that this would to a great extent relieve the price of silver, and it would take time (there being coined probably not more than forty millions or fifty millions a year) for the coin to be made and to be delivered; that the Government would thus have a check upon the amount, the suddenness with which it should be placed upon the market, and that in this time the laws of trade and the business of the country would adjust contracts to the new and increased amount of currency. Thus an unlimited coinage might safely be resorted to, and the beneficial effects of a great abundance of money had throughout the whole country.

LIMITATION OF COINAGE HURTFUL TO ALL INTERESTS.

I fail to see, Mr. President, anything but an undue and hurtful control of the great interests of production and distribution by any limitation whatever upon the amount of gold and silver coin which can be placed in the world. Where do you find the idea, and upon what do you found it? It possesses its value as a commodity; it is indelibly stamped upon it. Law can not give it and law can not take it away. It has no value except its use and capacity for exchanging the products of labor. Deprive it of these you leave it dead and inactive. The legal-tender quality attached to gold and silver or anything else without the power of making exchanges would leave it dead and inactive, and the legal-tender quality would only be a means of confiscation, a declaration that contracts can not be performed, or that when performed something that is incapable of transferring values and effecting exchanges shall be received in payment. To make anything of such universal use or value that any person will reasonably believe that whenever they desire they can convert it again into any other product or value which they may desire, it must have some natural, permanent, intrinsic value; that is, use and adaptation to use.

Legal-tender use is not universal. It is limited to unexecuted contracts, and to contracts which are submitted to legal arbitrament, and to contracts the performance of which is involuntary and compulsory.

All the legal-tender laws in the world could not make iron or copper or any of the base metals a means of exchange for commodities.

The only effect of such a law would be to limit all contracts to such as could be immediately executed, or to the settlement of disputed contracts by voluntary arbitrament.

Therefore, Mr. President, I fail to see any force in the argument that any limitation whatever is desirable upon the supply of the precious metals that are to be found in the world. Exchange is not dependent upon it. It is promoted by it. That is all. The arts are kept alive.

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The abundance of gold and silver is constantly checked by the desire of the human race for ornamentation, which gives to it, as Aristotle said in the early days, its value, and its great and essential value, for the purposes of currency and of business.

NO FIXITY OF VALUE IN EITHER GOLD OR SILVER.

Mr. President, there is force in the suggestions made by the Senator from Ohio. While I appreciate the great ability and learning which has been exhibited by the Senator from Colorado upon this subject and quite agree with him, in most of the propositions of one of the most learned and able speeches ever made in the Senate on this subject, still I see that there is both force and ability in the suggestions of the Senator from Ohio. A single standard of value, and a gold standard, is certainly the more certain standard of the two. The divergence which the two metals may have can not exist when there is but one standard, and the measurement of contract values to be paid in the future would appear to be more certain if limited to gold values; but neither in gold nor silver can there be certainty.

The gold will buy more or less of commodities, and commodities buy more or less of gold, for they are convertible terms, as commodities may be scarce or may be abundant, and there is no fixity and can be no fixity of value. The old theory as we read in the old school-books and in Blackstone of the institutions which instead of taking gold or silver took wheat, for rent, is a proper illustration of this idea, which is true and will hold true as long as the world lasts.

ADVANTAGES OF FREE COINAGE TO FARMER.

But the great advantage, in my judgment—and I express it, with modesty—of the unlimited coinage of these precious metals is that it prevents combinations affecting the value of money; it prevents contraction of the currency by a few persons. It is true it does not exclude the possibility of it, but where gold and silver are abundant, and where it may be stored in the great centers of exchange throughout the country everywhere, and where the farmer receives it for his products—and I am by no means certain that the ideas of the Farmers' Alliance for relief from their present depressed and impoverished condition will not in a modified form take a great part in the financial system of the world. When silver is abundant—and it goes into the profits of the farmer throughout the country, and of the artisan, and of the laborer, they will have the means then of establishing their own centers of exchange and their little centers of finance. When it is scarce, when a single standard exists, when it is a subject of easy manipulation and control and does not have to be gathered from a great and wide center of distribution, it is easy to combine and easy to contract.

But, as I perceive it, Mr. President, the great factors of business, of life, and of civilization are production and exchange, and products by the laws of commerce are now concentrated in centers of exchange, in neighborhoods, in metropolitan cities, in cosmopolitan cities, in great centers of exchange, which through clearing-houses and draft on shipments distribute it throughout the different quarters of the earth. I am satisfied that the progress of financial skill and ability and enterprise will give some favorable direction to the ideas which the great agricultural interests of the country are now formulating in the direction of a concentration of the products of agriculture which are not perishable so that they will be sources of credit.

These products do now, we perceive, furnish the methods of exchange

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and their proceeds are a currency. Who will say that the millions and hundreds of millions of wheat values exported to Europe and concentrated in a common center of distribution and the value of it drawn in bills of lading and paid in this country is not a credit, is not a capital, is not a money, is not a method of exchange? Why, unquestionably that is true.

This idea may be followed out, in my judgment and belief, into some practical results.

#### PUBLIC POLICIES WHICH IMPOVERISH THE FARMER.

Our present system of banks, our methods of collecting revenue by a tax on consumption which makes everything necessary and useful to human life dearer increases the hours of labor necessary to obtain them. The concentration of the money of the country through the tax levied on the transportation of the people in the great centers of finance bears with great hardship on the farmer and leaves him with nothing but a bare and scanty support for himself and his family.

#### FIVE THOUSAND MILLIONS OF DOLLARS PAID BY FARMERS.

I think the estimate is not unreasonable that between four and five thousand millions of dollars of gold values have been sold by the farmers in foreign countries since the war and brought back to the United States; and of this great sum of money nearly one-half has been required by our laws to be paid by them in bounties to others for the things which they consumed.

From the remainder all charges of transportation and its incidents have been paid; and of this great sum there has been little or nothing left, and they have had to borrow from those who held the proceeds of their labor at 10 or even 20 per cent. interest to educate their children and clothe their families until a great debt has been accumulated upon them, and a hopeless future seems to look them in the face.

#### MEASURES WHICH WILL CONTRIBUTE TO THEIR RELIEF.

It is true that the unlimited coinage of silver will not change these conditions, will not alter the tax levied on them of one-half their products, but it will do something towards it. Money abundant, farm produce will buy more of it than it would if scarce. This will aid them in paying taxes. It will make money cheaper. Money abundant, financial enterprise will find the means of making the farmer's products which are not too perishable a source of banking credit at low rates of interest if the farmer requires loans.

Changes in our laws regulating banks and banking may enable them to meet the needs and interests of their combined organizations without the intervention of the Government. The Government, we must remember, is the people, and has nothing but that which the people give to it. It has nothing but taxes and the credit which the power to levy taxes gives. Of these taxes the farmer pays a great part of the whole amount. Money is nothing but a means of exchanging what the farmer makes with the product of the artisan, the manufacturer, and other farmers and fruit-growers of his own and other countries.

#### EXTENT OF THE POWER OF GOVERNMENT.

It is true that the belief, confidence, or credit that certain things or persons will be able to effect what we desire is equal as a factor while it lasts to the actual possession or existence of the power, and in this sense the Government has a credit or confidence much greater than its real power. Its real power is limited, first, by the capacity of the people, and, second, by the willingness of the people to pay.

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Government often exceeds the capacity of the people to pay in times of war, and the willingness of the people always stops short of the point where the tax encroaches upon their means to buy the bare necessities of life. It is a question whether we have not reached that point now with the great farming interests of this country.

**FAVORS ANY MEASURE WHICH WILL RELIEVE FARMERS.**

I shall favor any reasonable and practical measure in the direction of the ideas of the Farmers' Alliance which can afford them relief, and I regard the free and unlimited coinage of gold and silver as an important step in that direction.

**EFFECT OF LIMITED AMOUNT OF GOLD AND SILVER.**

Let us further examine the effect of the confinement or limitation of the currency as the representative of exchange to a fixed and limited amount which may be easily held and controlled by a few persons concentrated in our great cities or in foreign centers of exchange.

We take gold and silver, for illustration. We have found that these precious metals have a universal and intrinsic value for ornamentation and use in the arts, which makes it reasonably certain that as bullion it will always be in demand everywhere, and therefore when we have any property which we wish to convert into something else which is not convenient immediately to buy or exchange, we purchase gold and silver either as bullion or as coin for future exchange into something else.

Seizing on this property of these metals the policy of the laws and of all forms of power, whether despotic or free, from time immemorial, has refined, milled, and stamped these metals in coins of convenient sizes, and endeavored to fix and create an arbitrary ratio or relative value of one to the other, for the purpose of making them by law or force a legal tender for the payment of obligations, and for the purpose of giving absolute control to government or centralized power of something which would always command the services and labor and products of mankind by its power of convertibility.

The same motive has been powerful with bankers and all forms of private combinations, as we discover from the organization of credit on the basis of the issue of bills of credit on the basis of a redemption reserve of three dollars of bills to one of gold or silver.

This fact equally illustrates the insufficiency of the total amount of gold and silver in the world to effect its exchanges, and the great power and control over the labor of the people which the control of the precious metals gives.

Having erected on the foundation of these natural values of the precious metals this great fabric of commercial and centralized power, and enshrined it in the confidence of the world by giving it a legal-tender or debt-paying power, sanctioned by all governments and all forms of power and by traditions from the most ancient times, when in our modern days a golden image was molten, and all the world required to bow down and worship it, we may well see what a shock it is to the customs, the traditions, and the interest of the world. We can also see how great the power in the hands of those who by law are vested with the power of making this golden image and commanding the world to worship it.

**EFFECT OF HIGH TAXES AND SCARCE MONEY ON THE FARMERS.**

How does the farmer stand whose labor has brought back to this country four or five thousand millions of dollars of this golden treasure

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or its representative values in the last twenty years. First, 45 per cent. paid in bounties to other persons; second, cost of transportation collected from the remainder and drawn to New York, or London, or Amsterdam, where interest on bonds is paid; third, four hundred and fifty millions a year in Federal taxes collected and drawn to a common center; fourth, a system of banking or the right to loan money limited by law to those who can buy Government bonds with the condition attached by law that no loans or credits shall be made to the farmer on the security of his land, and practically excluding him from the privilege of loans on the products for the exchange of which this great system has been constructed, and which is its only proper use. The farmer is then compelled to borrow, when he requires money outside of these institutions at enormous rates of interest.

It is not difficult to perceive that under this system the farmer is the most oppressed of all people.

**THE DEMOCRATIC PARTY THE FARMER'S PARTY.**

The Democratic party since the day when Thomas Jefferson abolished entails and established the land policy of small farms and the protection of actual settlers has been, as it is to-day, the friend and support of the farming interest, without detriment to the true interests of manufacturers, which can only flourish permanently when the farmer prospers.

**GREAT BENEFACTORS WHO HAVE SPRUNG FROM BUSINESS OF MAKING MONEY.**

From the earliest time the business of handling and managing money has been the most profitable of all pursuits. It has produced many great men in every age of the world. Many of the world's benefactors have sprung from it—the great Jewish banker, Montefiore; the great citizen of Washington, Mr. W. W. Corcoran, whose statue ought to adorn some public park in Washington City; in my own State a citizen of New York, Mr. H. M. Flagler, who is still living, who, though not a banker is a great master of finance, has used his great fortune as a benefactor of mankind, in great works of public utility in the State of Florida and deserves honorable mention in the noble list of those who having accumulated great fortunes have been inspired with a pure sympathy with the wants of mankind and a generous ambition that their talents should leave behind them the enduring fruit of good works; and there is another citizen of New York, Mr. H. B. Plant, who uses his great means there in other works of permanent beneficence, and a third, Mr. Robert Coleman, of Pennsylvania, who is still living, for whom the like claim may be made. These men, and others like them, will live in the gratitude of future generations of the people of Florida.

**MONEY ALSO BREEDS SHYLOCKS.**

The business of managing money breeds also men of another kind—Shylocks, extortioners, usurers—the reproach of all time, accursed of God and man.

The scarcity of the precious metals in forms of coin, the limitation of the legal-tender, the debt-paying power to a single thing scarce and difficult to obtain, breeds this latter class of men in every little community and neighborhood to prey on the people as mercilessly as the jackal preys on the dead and wounded of some deserted field of battle. These men find their support in great combinations of credit in our commercial centers; they are fair as the "whited sepulchre on the outside," but false and foul with "dead men's bones and rottenness within," preying on the farmers and on their wives and children.

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## FREE COINAGE PROTECTS FARMERS.

It is because the free and un'limited coinage of the precious metals will enable the farmers, by wise combinations, to avail themselves of the opportunity to obtain the use of money that I favor it as the first and one great step towards protecting them against this class of men.

## OTHER MEASURES FOR THE FARMER'S RELIEF.

Other great measures will follow. The farmers should not be misled by wolves in sheep's clothing. The great struggle in which they are engaged is not now for the first time made.

It dates back many centuries, and is the contest between the people, the great body of whom must always be tillers of the soil—and, under favorable conditions, peaceable, contented, and prosperous—and the power of combination in the interest of the few. Low taxes, popular education, small holdings of land, laws inviting the cultivation of the soil, cheap transportation, abundance of money, government based on peace establishments, no standing armies, and no great navies, opportunities for industrial education of the farmers' children, diversity of employment; these are the great points on which the battle has been fought for ages.

## DEMOCRATIC PARTY THE GREAT FARMERS' ALLIANCE.

The Democratic party, under the influence of the ideas and principles of Thomas Jefferson, stands fully committed to these ideas and measures.

It is and has been a great farmers' alliance. For myself, I will go as far as those who will go farthest in the support of every practicable measure, not only of present relief, but of permanent advancement and benefit to them. I believe that with free coinage of gold and silver, with abundance of money, with lower taxes, with wise and intelligent combinations of the farmers for economical, not political, purposes, that our system of banking and finance may be so changed that it will do all that is possible to be done for their prosperity. It is obvious, in my judgment, that so long as one-half or more than one-half the proceeds of their labor is taken in taxation in one form or another that the first great measure must be to relieve them from this great burden of taxation.

Relieved from this, with abundance of money from the sale of crops, with banks organized subject to safe requirements established by law and under Government supervision, the farmers themselves will control their own banks, as they did in former times, and dictate within reasonable limits of the natural law of demand and supply the sale and disposition of their own products. The farmers, under a proper system of taxation and finance, are richer than the Government, and than all other combinations. Their need, and the purpose of their combinations must be for the successful establishment of the economies, which will save and secure to themselves the greatest share of the proceeds of their own products; for the products of the farmer's skill and labor are the sources of all prosperity and wealth. They constitute the resources of government, and when it needs money or tribute it levies its taxes on the farmer and his products.

What is needed, then, is such policies as will enable the farmer to save for his own use the largest share of the products of his own labor, and such policies as will enable him to control and direct in a reasonable degree the financial agencies which furnish the means of exchanging them.

## CALL

AMOUNT OF THE PUBLIC DEBT OF THE WORLD.

On January 1, 1889, the amount of the combined debt of the world was \$26,100,082,695.

DEBTS OF THE WORLD IMPOSSIBLE OF PAYMENT.

All the gold and silver, whether coin or bullion, in the world will not pay the debts of the world.

The debts of some particular countries are impossible of payment.

FORCE AND EFFECT OF THIS FACT.

What is the force and effect of this fact, and what is its relation to coinage and to the precious metals and to money?

Let us examine these facts and endeavor to consider what they mean.

TOTAL AMOUNT OF BULLION AND GOLD AND SILVER COIN IN THE WORLD.

The total amount of bullion and gold and silver coin in the world in active circulation is estimated in the annual statistics for 1889 to be eleven billions five hundred millions in active circulation. In banks, two billions; that is, thirteen billions five hundred millions; of paper money, three billions nine hundred millions. In a note on page 377 the author says:

The total amount of gold and silver in circulation at this time in the world does not exceed seven billions six hundred millions.

All the gold and silver in the world known to have been mined previous to 1492 amounted to \$8,691,374, yet the existence of only one hundred and seventy millions could be traced. In 1809 there was estimated to be one billion eight hundred and forty-three millions of gold and silver in circulation altogether, although America alone had added between 1492 and 1809 \$6,000,000,000 to the world's stock of precious metals.

The grand total of gold and silver produced in the world down to June 30, 1884, is estimated to be \$23,148,762,501, of which \$12,709,425,520 was gold and \$10,439,336,981 was silver. The total amount of gold and silver, in coin and bullion, in circulation at this time in the world does not exceed \$7,600,000,000.

WHAT IS A DEBT?

It may be properly defined to be an obligation or promise, either public or private, to give or pay to some person a quantity expressed and clearly defined of some value or commodity, either in kind or in some other thing which shall be exchangeable into that or into all commodities.

INTERCHANGEABLE VALUE OF PAYMENT THE ESSENCE OF THE OBLIGATION.

The interchangeable value of the commodity in which this obligation is to be performed is of the essence of the obligation. To make this clear let us suppose that I agree to pay you 100,000 bushels of wheat at some future time. You say, "I will take your obligation to pay me this wheat in something other than wheat, if I can find something which can at that time be exchanged for wheat or for any other commodity." I say to you, "Gold and silver is that thing," and we agree on gold and silver; and we estimate, according to our judgment, the amount of gold and silver which will equal this amount of wheat, taking the present values of wheat in relation to gold and silver and our judgment as to its increase or decrease. We have then in this illustration the use and necessity of a common and interchangeable and permanent representative of value.

REPRESENTATIVE OF VALUE MUST BE PERMANENT, UNIVERSAL.

We find it then the interest of mankind to make this representative of value as permanent and as universal as possible.

A GREAT POWER.

We can see then clearly what a great power it is to be able to create or control this representative of value.

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## MAY BE THE MEANS OF APPROPRIATING LABOR OF THE PEOPLE.

If it be interchangeable, it may be the means of appropriating or using the products of every man's labor. Yet, as we have seen, it is a purely artificial and a subsidiary use or factor.

## TRADITION AND USE COMBINE TO MAKE GOLD AND SILVER THE REPRESENTATIVE OF VALUE.

Tradition, custom, and use in all countries have combined to establish this representative of value and have found in the natural properties of gold and silver and in the desire of mankind for ornamentation the permanency and universality of use and demand required in such a representative of value.

## RELATION OF ACTUAL EXCHANGE OF PRODUCTS AND COMMON REPRESENTATIVE OF VALUE.

We have also found that the necessity of mankind is for the actual exchange of things, and that exchange by a common representative of value is only a convenience and not a necessary use. Now we have found a common representative of value and have made its use universal and have sought to make it compulsory by law as a legal tender.

We have also found that through its use there has been created an amount of promises or obligations to deliver it which are many times greater than the entire amount of it in all the world.

The laborer receives a dollar for a day's labor. He takes the same dollar to the grocer and pays for a quantity of groceries, measured by the quantity of gold which the groceries will buy, and this will be greater or less as groceries may be at that time and in that place abundant or scarce, and this will depend on the facility of communication and transportation.

## EFFECT OF CONTROL OF REPRESENTATIVE OF VALUE.

If this dollar is held by one man, or by a few men, the persons who hold it and sell it for commodities will charge more for it than if it was abundant and held by many men.

Thus this dollar goes on its way from hand to hand in an unending circle, performing its functions without cost to the community; but when it stops, when it is concentrated, when is diverted from these proper uses by any artificial means, it ceases to be a convenience and a means of exchange, and other methods of effecting actual exchanges become substituted easily and naturally.

## FORCE AND INJURY OF LAW.

Here comes and begins the force and injury of law. A great mass of obligations, private and public, have acquired the force of law, and are required to be performed in this dollar not in actual exchange.

A person may have all the things which the dollar may be exchanged for, and of the value of which its sole function is to be the representative, but the law requires you to have the dollar money, and if you have it not everything you have is taken, though many times greater than the value of the money representative fixed in the obligation. It is the control of the dollar, or money representative of value, and its scarcity and its abundance which are great controlling factors as to this great mass of indebtedness, public and private, and are great objects of desire, and are the means by which the great mass of the people are held in the slavery of want and ignorance, which is the worst form of slavery.

## CONCLUSIONS OF FACT AND REASON.

We have thus found the following propositions of fact and reason:

First. A greater amount of public debt or public obligations to trans-

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fer and deliver the exchangeable products of mankind than there are products in the world.

Second. A mass of debt impossible of performance or payment.

Third. A mass of private debt or contracts impossible of performance, because they exceed the products of the world.

Fourth. A power in the legal-tender laws to compel the performance of these obligations in one species of exchangeable value, namely, in gold and silver and not in other values.

Fifth. A proposition to further limit, compel, and confine the performance of these obligations to less than one-half of these two values, namely, in gold.

Sixth. The concentration of these legal-tender values in the possession and control of a very small number of persons in every country in the world who, by the ownership of the public debt of the world and through the taxing power of governments, and by the ownership of the land virtually own and appropriate the products of the world, regulate prices, and prescribe the abundance or scarcity of the supply to each person of the necessaries and comforts of life.

**SUBSTITUTION OF PAYMENT OF INTEREST CHARGE IN PLACE OF PRINCIPAL OF PUBLIC DEBTS.**

We may form some idea of the effect of this mass of debt and of legal-tender laws and of the tax power by a consideration of the fact that the public debt of the world is impossible of payment, and practically there has been substituted for it an obligation to pay only a part of the debt, namely, an annual charge of a fixed amount which is termed interest, and that the obligation to pay this annual interest has become a value, and men sell their labor and all their products for gold and silver and pay it for portions of this debt with the certainty that the Government can never pay it, and solely for the purpose of obtaining this annual payment, and the payment of this interest or annual charge upon this great mass of fictitious and impossible obligation has become so great a burden on the people of some countries as to approach the point of impossible performance even of this substituted obligation of so small a part of the original debt.

**EFFECT OF OWNERSHIP OF PUBLIC DEBTS AND CONTROL OF TAXING POWER OF GOVERNMENTS BY A FEW PERSONS.**

The ownership of this public debt of Governments and the control of the tax power and the ownership of the land by a few persons in the great centers of commerce and finance, is oppressive and ruinous to the people in concentrating the representative of value and directing through it the proceeds of labor and all the products of man into the ownership, use, and enjoyment of the few.

**FREE AND UNLIMITED COINAGE OF GOLD AND SILVER A REMEDY.**

It therefore follows that the free and unlimited coinage of gold and silver and its supplement by all other methods of exchange are beneficent uses, and while they may affect to some extent this great mass of debt which is impossible of payment, and which must fall of its own weight before many generations shall pass, and if it does not can only survive to carry civilization down with it, until both perish. While it may have this effect it will also limit the power of the few. It will also promote fair exchange and distribution, and be an unmixed blessing to the toilers of every country in the world.

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