THE SILVER BILL.

SPEECH

OF

HON. FRANK E. BELTZHOOVER,

OF PENNSYLVANIA,

DELIVERED IN THE

HOUSE OF REPRESENTATIVES,

ON

WEDNESDAY, MARCH 23, 1892.

"The overwhelming preponderance of the educated financial opinion of the world inclines to the belief that the proposed measure would simply result in stripping us of our gold, in upsetting our exchanges with the great trading and producing nations of the world, in bringing us down to the level of second rate financial powers only, such as China, India, and South America, and in involving our trade and production in all the inexpressible evils of a depreciated and fluctuating currency."—*Gen. Francis A. Walker.*

WASHINGTON.
1892.

SPEECH

OF

HON. FRANK E. BELTZHOOVER.

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

Mr. BELTZHOOVER said:

Mr. SPEAKER: There is nothing in which the people of the world are so deeply interested and of which they know so little as money. There is no subject on which the wisest have differed so widely and, on both sides of the contention, been so madly wrong. There is no topic of discussion therefore on which all men ought to temper their most confident views with so much considerate regard for the opinions of those who differ from them.

THE HISTORY OF MONEY.

The word money is supposed to be derived from Moneta, a surname of Juno, in whose temple at Rome money was coined. In the language of Aristotle, "Money exists not by nature, but by law," as an invention of human society for its own convenience. It is not necessarily of any particular form or substance, but consists of anything which passes freely in exchange for the various objects of human desire. It is as important to all the operations of commerce as steamships, railways, and telegraphs, and is the marvelous instrument to which the world is largely indebted for its progress and civilization.

In the earliest periods that lie along the dawn of history, when the chase was the chief pursuit of men, skins were the money and medium of exchange, as they are of the Alaskan Indians today. When the pastoral age set in sheep and oxen took the place of skins and became the money of commerce—ten sheep being equal to one ox. In the Iliad, when Glaucus exchanged his golden armor for that of Diomed, which was of brass, Homer says he gave an hundred oxen's worth for that of nine, and, therefore must have been "of judgment Jove bereft." The tripod, the first prize for wrestlers in the twenty-third book of the Iliad, was valued at twelve oxen, and a woman captive skilled in industry at four. In that day, gold and silver and other metals were well known and used, but the money and unit of value was an ox. Pecunia, the Roman word for money, was derived directly from pecus, a herd, and the old English word fee comes from the same root.

From the Agamemnon of Æschylus we learn that the figure of an ox was the sign first impressed upon coins and the same is said to have been the case with the earliest issues of the Roman as. The live stock thus used to facilitate exchanges being counted by the head was called capitale whence our term capital and the law term chattel and the common name cattle. The earliest record of values among the ancients is contained in Genesis, in the brief inventory of the estate of Abraham, when he returned from Egypt "very rich in cattle, in silver, and in gold," which were regarded as money in the order in which they were named. There were no coins then, but all metallic money was estimated by weight, so that when Abraham bought the field in Macpelah he "weighed unto Ephron the silver, which he had named in the audience of the sons of Heth, four hundred shekels of silver current money with the merchant." A shekel was worth about half a dollar, so that this famous field cost about $200. In Job we are told that "wisdom can not be gotten for gold, neither shall silver be weighed for the price thereof." The Roman unit or standard of money value was the libra, which was a pound of copper or brass, and was shaped at first like a brick, but was subsequently made round. The whole Roman coinage was of copper down to two hundred and sixty-nine years before the Christian era, when they began the coinage of silver, and half a century later that of gold.

The Chinese used copper largely in their early general coinage, but also employed cubes of gold as their most valuable money. The Greeks coined copper, silver, and gold in the various stages of their history. The very earliest of their coins consisted of silver spikes, and an obolus or spike was the unit. A handful or drachm of these spikes was the next higher measure of value, but as there were some men in those days with very large hands, it became necessary to limit the handful to 6 spikes, which thereafter became the legal drachm. The Carthagenians made money out of leather, and Numa, King of Rome, made it out of wood. In the thirteenth century, Kublai Kahn, the greatest of all the Mogul kings, made the currency of his Kingdom out of the bark of the mulberry tree, and during his reign of thirty years issued to his subjects more than $600,000,000 of this bark money. It was stamped with the mark of the sovereign, and it was death to counterfeit or refuse to take it anywhere in the Empire. The Spartans used iron for money, and Dionysius, the tyrant of Syracuse, made it out of tin. In innumerable cabinets may be found tin coins issued by the Roman Emperors. The Kings of England also coined tin, and in 1680 Charles II had struck tin farthings with a copper stud in the center to prevent counterfeiting. Tin halfpence and farthings were also issued in considerable quantities in the reign of William and Mary. Russia for a number of years coined platinum. In 1618 the governor of Virginia ordered that tobacco should be received as money, at the rate of three shillings per pound; and we are told that when the Virginia company imported young women as wives for the settlers, the price per head was 150 pounds of tobacco. As late as 1732 the Legislature of Maryland made tobacco and Indian corn legal tenders, and in 1641 Massachusetts made similar laws concerning corn. In Burmah the unit of value is lead; in the South Sea Islands, an ax; in India, cakes of tea; in Abyssinia, salt; and in Iceland, codfish. In 1694 straw money circulated in the Portuguese possessions in Angola, which consisted of small mats, called libongos, woven out of rice straw, and worth about 3 cents each.

BEL

THE EVOLUTION OF GOLD.

The history of money shows a plain and unmistakable evolution from the ancient commodities of barter down through skins, sheep, and oxen as money to tin, iron, copper, silver, and gold. This evolution has kept step with the march of civilization, and its inevitable and inexorable trend is to the ultimate and exclusive use of gold, which is the most valuable, the most compact, the most enduring, and the most convenient of all the products of nature. The hunter age, the pastoral age, the military age, and the mediæval age have dawned into the great commercial age, in which there can only be in money, as in all other things, the survival of the fittest. In his exhaustive report on the establishment of a mint, Mr. Hamilton, in 1791, set the pace for this consummation in this country when, among other things, he says:

> As long as gold, either from its intrinsic superiority as a metal, from its greater rarity, or from the prejudices of mankind, retains so considerable a preëminence in value over silver as it has heretofore had, a natural consequence of this seems to be that its condition will be more stationary. The revolutions therefore which may take place in the relative values of gold and silver will be changes in the state of the latter rather than of the former.

The struggle for the supremacy of gold may be the great civic battle of the century; but there can be no doubt about the result. The opposing armies may be inspired equally by selfishness or worse; but the motives that actuate the contestants can not change the vital, progressive principle involved. The large creditor class, who have money to lend, are interested in making it valuable and limited in amount, because it promotes their fortunes. The still larger debtor class, who must borrow, believe they will unload their burdens easier by making money out of anything and in unlimited quantities. The vast proportion of those who are now shouting for free coinage of silver with all the fervor of patriotism, were just as enthusiastic for the unlimited issue of greenbacks. What they manifestly want is something to shut their creditors' mouths, whether it is paper or silver.

THE CLIPPING OF COINS.

This is no new thing under the sun. In every age of the world those whose debts embarrassed them, from kings down to peasants, have striven by every means in their power to clip and cheapen the money of their country so as to make it as plenty as possible. The Greeks did it under Solon and later when the strain of the Peloponnesian war was upon them. The Romans began it early in their career and continued it on down to the expiring days of the empire. The as was at first equal in weight to a Roman pound, but it was rapidly lessened so that at the epoch of the first Punic war it did not exceed 2 ounces, and by the time of the second Punic war it had sunk to 1 ounce. Augustus fixed the aureus, the unit of gold coin, at forty to the pound. Nero reduced it to forty-five. Trajan still further debased it until under Severus it was more than half alloy. Caracalla introduced a new silver coin called the argenteus as a unit and fixed its value at sixty to the pound. This also was alloyed from time to time until under Gallienus it contained no silver at all. In this state of the money of the empire in the reign of Heliogabalus all the taxes were required to be paid in gold, while the government paid out nothing but this depreciated silver, which had to be used by the taxpayers to buy gold.

The English followed the example in almost every period of their history, for in the year 1066 a pound of silver made 20 shillings, while in 1600 it made 62, and since then it has been still further stretched until now it makes 66.

From the standard pound of silver the following number of shillings and pence were coined at successive periods:

From the Conquest, 1066 to 1300, 20*s*.; from 1300 to 1349, 20*s*. 3 *d*.; from 1349 to 1356, 22*s*. 6*d*.; from 1356 to 1421, 25*s*.; from 1421 to 1464, 30*s*.; from 1464 to 1527, 37*s*. 6*d*.; from 1527 to 1530, 40*s*.; from 1530 to 1543, 45*s*.; from 1543 to 1549, 48*s*.; from 1549 to 1551, 72*s*.; from 1551 to 1600, 60*s*.; from 1600 to 1717, 62*s*.; from 1717 to 1792, 66*s*.

From this we see that the amount of money coined from a standard pound of silver was at every change increased, until 66*s*. was coined in 1792 from the identical standard pound that made 20*s*. in 1066.

The history of gold coinage is the same. The coinage from the standard pound of gold 23 carats 3½ grains fine, which was at times reduced to 22 carats, of £13 3*s*. 4*d*., continued to increase until at the beginning of the present century £46 14*s*. was coined from the same pound, as will be seen from the following:

From 1344 to 1349, £13 3*s*. 4*d*.; from 1349 to 1356, £14; from 1356 to 1421, £15; from 1421 to 1464, £16 13*s*. 4*d*.; from 1464 to 1465, £20, 16*s*. 8*d*.; from 1465 to 1527, £22 10*s*.; from 1527 to 1530, £24; from 1530 to 1543, £27, £25; from 1543 to 1546, £28 16*s*.; from 1546 to 1549, £30; from 1549 to 1552, £34; from 1552 to 1604, £36; from 1604 to 1626, £37 4*s*.; from 1626 to 1666, £41; from 1666 to 1717, £44 10*s*.; from 1717 to 1800, £46 14*s*.

There is a natural tendency among all people to depreciate the currency. They always try to get the best of everything which they are going to keep and use, but money is made to go and they want it, not to keep as a rule, but to pass off on their neighbors, and the cheapest and worst money they can compel their neighbors to accept, the greater the profit to themselves.

The effort in behalf of the unlimited coinage of cheap silver dollars in this country is only a continuation of the same enduring contest. It is not a whit more honest in the people who advocate it than it was in the Roman Emperors and English Kings. If cheap money is the best, then the cheaper it is the better, and while a 70-cents silver dollar on this principle is better than a 100-cents gold one, a paper dollar that costs practically nothing is for the same reason better than a silver one, and Kublai Khan's mulberry money was, on the same principle, better than either.

The idea that clipping the coins and cheapening the currency of a country can help the people is founded on an utter fallacy as to what money is and what are its functions. The error probably arises largely from the general belief among the masses that gold and silver alone constitute money, while money in fact includes everything that does the work of money, coin, bank notes, checks, drafts, bills of exchange, etc.

THE UNIT OF VALUE.

In illustration of this theory there are at least two hundred thousand millions of dollars' worth of commodities that change hands in the world's commerce every year. In the transfer of this enormous aggregate of values, less than 1 per cent is paid in coin, less than 5 per cent in bank notes, and more than 95 per cent in checks, drafts, etc. The overwhelming preponderence of the world's useful money is not, therefore, gold or silver. What, then, is the proper function of gold and silver in the monetary world? Incontestably to fix the standard and unit of value.

The absolute weight or magnitude of the unit of money is a matter of little or no importance, provided that all people agree upon the same unit, and that it be permanently and exactly defined and afterwards adhered to.—*Jevons.*

In every age and nation there has always been something, some chattel or some one of the coins, that was the measure of all the rest as well as of all values in their commerce and business. When Homer wanted to tell posterity of the foolish trade of Glaucus in exchanging golden armor for brass, he estimated it, as all his countrymen did, by the ox. In the same way the gold dollar is that which measures the two hundred thousand millions of the world's commerce, although it does not actually enter otherwise into more than 1 per cent of it.

What are the essential characteristics of standards and measures? Of bushels and pecks, of pounds and ounces, of yards and feet, of all kinds of measures? Uniformity, certainty, durability, convenience. The whole business world would be thrown into chaotic confusion if a bushel sometimes contained 4 pecks and sometimes 3; if a pound sometimes weighed 12 ounces and sometimes 11; if a yard was sometimes 3 and sometimes only 2 feet in length and if all were equally lawful.

But the measures of quantity, weight, and distance do not differ in these respects from the measures of value. If there is any difference the measures of value dominate all other measures in importance, and must, of an inexorable necessity, have all these qualities of certainty, uniformity, durability, etc., and must have them all in the highest attainable degree.

In a note to his edition of Adam Smith's "Wealth of Nations" (page 502), Mr. J. R. McCulloch says:

Money is not a mere commodity, it is also the standard or the measure by which to estimate and compare the value of everything else that is bought and sold, and if it be, as it undoubtedly is, the duty of Government to adopt every practical means for rendering all foot-rules of the same length, and all bushels of the same capacity, it is still more incumbent upon it to omit nothing that may serve to render money, or the measure of value—a measure which is undoubtedly of the greatest importance—uniform or steady in its value.

Skins and sheep and oxen gave way, as money, to tin and iron and copper, and these in their turn to silver and gold, because these precious metals met all the requirements of the money unit and measure of value better than anything that had preceded them.

Must the progress of the world stop and stand still on this subject while it goes forward with the stride of a giant in everything else? Must the inflexible law, which decrees the survival of the fittest in all things, and which has thus far solved the problem of the measure of value satisfactorily, cease henceforth to operate?

The farmers of the country would greet with indignant derision the demagogue who would propose two standards of the bushel measure, one of which would contain four pecks and the other three. The proposition, however, would not be more unreasonable and absurd than to have two standard dollars current in our business to-day, one of which is worth one hundred cents and the other only seventy.

BEL

THERE CAN BE ONLY ONE UNIT.

There cannot, consistently and honestly, be two such standards. The universal testimony of the experience, intelligence and common sense of mankind has shown that the attempt to establish and maintain two such hostile umpires must lead to a war of extermination, in which one must go down. Robert Morris, the great financier of the Revolution, advocated the use of silver alone, because as he said, gold and silver could not be used as a standard on account of the variation of the ratio between the two metals. In all civilized countries the genius and industry of statesmen and scholars have been exhausted in years of futile efforts to establish the equality of gold and silver in the currency of the world. In all the discussions in Congress and elsewhere in this country, from the report of Mr. Hamilton, to which we have referred, and in which he hoped to succeed in the attempt, down to this time, the great object has been to obtain the equality of these metals, but all the most earnest and laborious and persistent efforts have signally failed. From the first coinage act, in 1792, down to 1834, the nation was upon a silver basis, because the ratio fixed by law subordinated gold. In 1834 there was another desperate effort made by legislation to correct the inequality, but it only succeeded in putting us on a gold basis, because the ratio established subordinated silver.

In 1831 Mr. Campbell P. White made the following sound statement:

There are inherent and incurable defects in the system which regulates the standard of value in both gold and silver. Its instability as a measure of contracts and mutability as the practical currency of a nation, are serious imperfections; whilst the impossibility of maintaining both metals in concurrent, simultaneous, or promiscuous circulation appears to be clearly ascertained.

In a report made the following year he writes:

The committee can not ascertain that both metals have ever circulated simultaneously, concurrently, and indiscriminately in any country where there are banks or money dealers, and they entertain the conviction that the nearest approach to an invariable standard is its establishment in one metal, which metal shall compose exclusively the currency for large payments.

The first experiment of the United States with the free and unlimited coinage of gold and silver closed in 1834. In that year, what is known as the act of 1834, changing the ratio, was enacted. In a speech, delivered on the floor of the Senate in 1834, Thomas H. Benton said:

The false valuation put upon gold has rendered the Mint of the United States, so far as the gold coinage is concerned, a most ridiculous and absurd institution. It has coined, and that at a large expense to the United States, 2,262,177 pieces of gold, worth $11,852,890, and where are the pieces now? Not one of them to be seen, all sold, and exported, and so regular is the operation that the Director of the Mint, in his latest report to Congress says that the new-coined gold frequently remains in the Mint uncalled for, though ready for delivery, until the day arrives for a packet to sail to Europe. He calculates that two millions of native gold will be coined annually hereafter, the whole of which, without a reform of the gold standard, will be conducted like exiles from the national Mint to the seashore and transported to foreign regions.

In another part of the same speech he says that he must bring out certain facts—

To enable the friends of gold to go to work at the right place to effect the recovery of that precious metal which their fathers once possessed, which the subjects of European kings now possess, which the citizens of the young republics to the South all possess, which even the free negroes of San Domingo possess, but which the yeomanry of this America have been deprived of for more than twenty years, and will be deprived of forever, unless they discover the cause of the evil, and apply the remedy to its root.

It is rather amusing, in the face of the present cry for the "silver dollar of the daddies," to listen to this cry of 1834 for the gold dollar of their daddies.

The coinage act of June, 1834, fixed the legal ratio of gold to silver as 1:16. The commercial ratio was nearly $1{:}15\frac{3}{8}$. By the act of 1792 silver was overvalued. By the act of 1834 gold was overvalued. The framers of the act of 1792 thought that they were bimetallists, but they were, in fact, silver monometallists. The framers of the act of 1834 thought that they were bimetallists, but they were, in fact, gold monometallists.

The learned gentlemen who are supporting the measure now under consideration, for the purpose of securing the parity of gold and silver in the commerce of the country and the success of bimetallism, would become the most complete silver monometallists if their views should ever be enacted into law.

The report of the minority of the Coinage Committee of the House on the free-coinage bill of 1891 and the report of the majority of the same committee in 1892 put the whole issue in a single sentence when they say: "The whole theory of bimetallism is, that it links the two metals together, and holds them there." But this is absolutely untrue in fact, for all the efforts of the bimetallists by legislation and otherwise, for more than a century, have not held the two metals together. The exact ratio between gold and silver can not be maintained by legislation, unless you change the coinage laws every twenty-four hours. The race between gold and silver has been from the earliest period a progessive triumph for gold. At the dawn of the Christian era it stood as 1 to 9. In 1500 it was 1 to 11. In 1700 Sir Isaac Newton, who thoroughly examined the question, reported to the English Government that "by the course of trade and exchange between nation and nation in all Europe fine gold is to fine silver 1 to 15." In 1892 it is about 1 to 23.

The relative values of gold and silver have, therefore, varied in every age, and vary now, and will continue to do so until the commerce and progress and wealth of the world, paralyzed by some mysterious power, shall stand still like the marvelous petrifications of the ancient Ishmonie.

It is an idle and delusive dream, or worse, to hope to establish a certain, unvarying and inflexible standard by linking together gold and silver. The laws of nature and trade and common sense are against it. The constant irritation of these efforts and failures destroys the security and stability of the business world. Why not then patriotically settle the question once and forever in conformity with the great preponderance of the opinions of intelligent business people who have studied the subject in our day, and in obedience to the uniform teachings of the past? All these are in favor of gold.

(a) It is the most concentrated, the most certain, the most uniform, the most durable, the most convenient, and the most universally acceptable form of intrinsic value in the world.

(b) It is the sole measure of value in those markets of the world where the great bulk of our surplus wheat, corn, pork, and cotton are sold, and it therefore not only pays for them, but also fixes the prices of our enormous product of the same staples retained at home. It is a bold robbery of the farmers of this country to value their products on a gold basis and make them take depreciated silver in payment.

With gold as the unit of value, silver may be freely coined and kept substantially on a parity with gold, under a statute which shall provide that a dollar's worth of silver shall go into every dollar so coined, and whenever a disparity above a certain per cent occurs, free coinage shall be suspended until a new adjustment of the ratio is made. We should do everything in our power to promote the usefulness and value of silver as one of our principal products, but the demand that the Government shall by its stamp and fiat declare that 70 cents are 100 cents embodies sufficient heresy to defeat what might otherwise be just requests of the free silver advocate.

WHO WILL SUFFER?

The pending bill is for this reason an assault on the business stability and prosperity of the country, and its enactment into law would unsettle all values, wreck all commercial calculations, and sow a more disastrous crop of discord and distrust in the business world than ever grew from the fabled teeth of dragons. It would stop the flow of the millions of capital to this country from Europe, which for the last twenty years have been seeking investment here in railroads, mills, mines, furnaces, ranches, breweries, and hundreds of other enterprises which tend to swell the currency and expand the industries of the nation. It will drive abroad the other millions of conservative capital which is in our savings banks, and among our people and which otherwise seeks employment here. The great creditor class which the free-coinage advocates are so anxious to mulct into a loss of one-fourth of their property, consists largely of wage-earners, widows, orphans, trustees, and the humble masses of our population.

The thousands of investors in building associations, life insurance policies, and other rewards of frugality and industry would suffer to a great extent. Pensioners would find their allowances docked by 20 to 30 per cent; the laborers to whom, throughout our country, $100,000,000 in arrears of wages are always due, would suffer a dead loss in equal proportions; their employers would be able moreover to hold them to the same nominal figures on their rolls long after those figures had lost a quarter of their real significance; and the injury that must be suffered by these classes would transcend, a hundredfold, all that could be visited on the richer creditors. Can any Democrat, glorying in his party's mission, as a friend of the common people, contemplate such an act without shame?

These will be the ones to suffer from the clipping of our coins and the depreciation of our currency, and not the bloated bondholders and money magnates, who will all get from under in time to avoid the storm. The capital of the world, which is justly timid and cautious, will shrink from all the channels of trade and business everywhere before the menace to their interests by this bill.

Whether silver was fraudulently demonetized by the act of 1873 or whether that law only crystallized the inexorable logic of events is wholly immaterial in this discussion. Whatever baneful consequences, if any, may have ensued from silver demonetization, are long since irrevocable and irremediable. The patience, industry and energy of almost a score of years have brought us out again into the open sea of business, confidence and prosperity. We were ground for years between the millstones of inflation and contraction when, like the unfortunate victims in Mohammed's hell, we passed from the lurid heat and glare of war times to the frigid times of peace, and none should want to repeat that experience. We have more money now than we had in the most prosperous days, for while our population has only increased twofold since 1860, our money has increased fourfold.

The existing legislation, with amendments which can readily be devised, will give us a large, steady, and expanding currency. This increase is sure to keep pace with our growth in population and property, and this is all intelligent and honest people should ask, and all that prudent policy could provide. The safest rule of human conduct is to let well enough alone, and the *status in quo*, if reasonably satisfactory, is always wiser and better than wild experiment.

HONEST DOLLARS OF SILVER.

But if free silver coinage must come, and if we are bound to float all the immeasurable stock and product of the world, why not demand that one hundred cents' worth of the metal shall be required per dollar, and thereby give us a respectable dollar of the daddies, which can stand on its own legs, and be the equal in dignity and power with the gold dollar? Why should this great Government, like the barbarous kings of the olden time, clip 30 per cent from every silver dollar which it issues and cover this penalty for their existence into the Treasury as a sort of conscience fund? Why not give the people a dollar's worth of silver for a dollar? Why not emancipate our poor cropped silver coins, so that they can go abroad like their golden brothers and enter the commerce of the world?

The people are right in their demand for an abundance of money for all the legitimate demands of trade and that there shall be a steady increase in the volume of the currency in exact ratio with the growth of the country. With this demand, however, should be inexorably linked the requirement that all our money should always be equal to the best, so that there can be no discrimination between classes, the high and the low, the rich and the poor. The Government should see that in the matter of money the dollar which the laborer gets for his toil should be equal in all respects to that which the millionaire gets for his dividends.

THE POWER TO REGULATE.

The power of the Government on this subject is a high and equitable one, and consists beyond all doubt solely in the right to regulate the value of all coins which it issues. To regulate means to adjust by rule, and it is a gross absurdity to talk of establishing by rule that 70 cents worth of silver shall be worth 100 cents of gold. This is exactly what is contended for, however, by the most distinguished of the advocates of free coinage in this country when he declares that, "it is the legal-tender function that constitutes money." This is not true in law or in fact under our Constitution. The Government by its fiat can make a worthless piece of paper, or 70 cents worth of silver, a legal-tender for the payment of a dollar, but it does not thereby make it a dollar in the sense on which the whole commercial world understands it. It is a mere arbitrary exercise of power in defiance of reason and justice and the public welfare. It is not such a regulation of the value of the coins of the country as was contemplated by the founders of the Government.

BEL

The power of the Government back of its fiat can make its citizens take these alleged dollars just as Kublai Khan compelled his submissive subjects to accept his chips of mulberry bark. The whole operation is based on the same principles and made effective in the same way, but when the old arbitrary Mogul king closed his eyes his bark money went up in smoke and his people were rid of it, but behind the stamp and guaranty on these short dollars stands the solemn pledge of honor of the nation for their redemption in gold dollars or their equivalent. These dollars do not pass by any intrinsic merit in themselves or by virtue of the fiat of the Republic, but because of the sacred promise that the sovereign people, out of their pockets and property, will see that they are each made worth one hundred cents.

WILL SILVER GO TO 16?

This promise is a mortgage as irrefragable as the national debt itself upon every dollar of wealth and capital in the nation. The promoters of this measure tell us, however, that upon its passage silver will rise to par with gold; but we have seen the utter futility of such promises, which were made the bases of the acts of 1878 and 1890. When the act of 1878 was passed silver was under 18; when the act of 1890 was passed it had risen to 22, and now, with both acts, under which almost all the silver in the country is absorbed, we have the ratio over 23. Why should silver increase in price?

The silver output of this country is growing steadily greater—it was more than $70,000,000 last year—and it is realized that the argentiferous regions of the West have but begun to be drawn upon. Bonanzas of fabulous treasure remain yet to be discovered, of which a mere suggestion is afforded by the recent finds of gigantic ore masses at Creede and Aspen. One of these, called the "Molly Gibson Mine," has yielded rock worth $12,000 a ton. A single carload produced $75,000. Silver composed one-half of the mass, mixed with arsenic and antimony, a rare combination. Working in this kind of stuff is almost like digging for wealth in the vaults of the Treasury at Washington. A pocket in the "Park Regent," at Aspen, as big as a good-sized room, struck nine week ago, held $100,000.

The European nations saw many years ago that silver must depreciate, and therefore they began to demonetize it as far back as 1869, and fully completed it in 1873. There is not a nation of Europe to-day who coins silver for legal tender, and even in the countries which have nominally a silver standard they coin no new silver and are very anxious to dispose of what they have. The trade of the commercial world is carried on on a gold basis everywhere. The bushel of wheat which we export to England governs the price of every bushel consumed at home, and so through all the list, and hence these European and other nations, who are practical, try all in their power to get to a gold basis, and for that reason they dispose of all the silver they can as fast as possible.

The report of the Director of the Mint shows that the world's coinage of silver during the year 1888 was $149,000,000, and that Europe coined less than $14,000,000 of that amount. The balance was coined by such nations as India, some $51,000,000; the United States, some $31,000,000; Mexico, some $27,000,000; Japan, $10,000,000, etc., indicating plainly that Europe has got through with silver as money. The question of a double standard was brought up in the Reichstag at Berlin some time ago, but it was promptly squelched. Since the demonetization of silver by these nations, and since we have passed the acts of 1878 and 1890, our Government has bought about $500,000,000 of silver, and yet it has depreciated in the world's market as metal 30 per cent, and were it not for the continuous agitation, and the hope that it will become money again in our country, and by the continuous boosting and booming it gets from our silver producers and speculators, it would to-day be worth below 80 cents an ounce.

The whole effort for free coinage is a bold and dangerous experiment, in defiance of the judgment and practice of the civilized countries of the world. The marvelous resources of the Republic have withstood without disaster thus far the strain of carrying by mere force our own entire silver stock and product, but who can predict the peril of loading the thirty-five hundred millions of silver unwillingly held by other nations that may be dumped upon us?

The bill, according to the statement of its distinguished author, who laughs at all predictions of danger, will only add 30 cents per capita to the circulating medium of the country, and the leaders of the Farmers' Alliance, among those who ought to know, declare that this will afford no relief to the people. If its results do not go beyond this and do not afford the relief its promoters hope for, then it is clear the uncertainty and doubt it will cause in all the channels of business will far outweigh its usefulness. If it should flood the country with all the surplus silver of the world, and stimulate its production enormously here and elsewhere, and drive out our gold and unsettle the foundations of our national credit, the measure would be the monumental blunder of our history, beside which the demonetization of silver would sink into insignificance.

A MISCARRIAGE IN STATESMANSHIP.

The consideration of this measure at this time is a miscarriage in statesmanship, which, if it results disastrously to the great party which will be held responsible for it, will be reluctantly forgiven. While we are figuring and scheming to make 70 cents of silver into a dollar we are losing sight of a great crying issue on which all the people of the nation are awake and informed and ready for action, and through the neglect of which we are losing millions. We have more of everything to turn into money in the markets of the world, more raw materials, more railroads, more seacoasts, more harbors, more genius, and more enterprise than any other people on the earth, but we do nothing toward getting the benefit of these great advantages.

We ought to produce and export $1,000,000,000 worth of manufactured articles every year, instead of only a little over one-tenth of that amount. We manufacture for only 65,000,000 of people and leave to a few nations the great field of supply for 1,400,000,000 of population outside of us. The result is that we do not even pay for all the manufactured products which we must have from foreign countries with our manufactures, but we pay the balance with the products of our farms, were we raise wheat in competition with the half-starved Indians, and Russians, and the barbarous Hungarians.

Our farmers have behind them ages of inherited development and intelligence, yet they are put by our laws on a level with these barbarians in the great struggle of existence, instead of being in the workshops and becoming inventors and skilled laborers and producers of those things which are far beyond the capacity of these downtrodden people who have been slaves for centuries.

We squeeze the last dollar out of our consumers and pay debts by the exactions which are not due for twenty years, and pay on top of this twenty millions of premiums for the privilege of paying in advance. This is a form of contraction which free silver people do not regard. They abuse the national banks for contracting the currency, but never think of our paying $75,000,000 a year on a national debt which had not matured. They declare that more people on earth use silver than gold, but they never tell their followers that the 350,000,000 of people who use gold had an export and import trade last year of $12,000,000,000, while the 382,000,000 of people who use silver had only a similar trade of $225,000,000.

This is a great national question, which involves all the essential economical interests of the country, and its proper solution demands intelligent, honest, manly discussion and consideration, but this is not the proper time for its agitation and decision. It ought not to have been permitted to oust or even interfere with a greater and more imperious cry for reform in legislation which is robbing our people and paralyzing our industries and progress.

We have money enough, and its quality is good enough for all our present wants. What we should demand is that our people shall be permitted to keep it in their pockets and use it in their business without unjust restraint or the onerous exactions of the taxgatherer. What we should insist upon at every stage of the proceedings from the beginning of this Congress to its close is the liberty to buy where we can do so cheapest and thereby save our money, and sell where we can get the highest prices and thereby add to our accumulations the just rewards of enterprise and thrift and industry.

Increase our trade relations with the world by striking down the infamous tariff laws; wipe the stupid shipping statutes from the books; place commercial agents in every city and port in the world, and let us assume our rightful station among the nations of the earth in commerce and manufactures, and our money matters will settle themselves without further tinkering.

A.

Amount of gold and silver money in the world.

Countries.	Gold.	Silver.
United States	$708,000,000	$482,071,346
England	550,000,000	100,000,000
France	900,000,000	700,000,000
Germany	500,000,000	205,000,000
Belgium	65,000,000	55,000,000
Italy	140,000,000	60,000,000
Switzerland	15,000,000	15,000,000
Greece	2,000,000	4,000,000
Spain	100,000,000	125,000,000
Portugal	40,000,000	10,000,000
Austria-Hungary	40,000,000	90,000,000

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Amount of gold and silver moner in the world—Continued.

Countries.	Gold.	Silver-
Netherlands	25,000,000	65,000,000
Scandinavian Union	32,000,000	10,000,000
Russia	190,000,000	60,000,000
Turkey	50,000,000	45,000,000
Australia	100,000,000	7,000,000
Egypt	100,000,000	15,000,000
Mexico	5,000,000	50,000,000
Central American States		500,000
South America	45,000,000	25,000,000
Japan	90,000,000	50,000,000
India		900,000,000
China		700,000,000
The Straits		100,000,000
Canada	16,000,000	5,000,000
Cuba, Hayti, etc	20,000,000	2,000,000
Total	3,733,000,000	3,880,891,346

B.

Money in circulation in the United States January 1, 1891.

Gold coin	$411,080,597
Standard silver dollars	67,547,023
Subsidiary silver	58,651,154
Gold certificates	144,047,279
Silver certificates	302,289,463
Treasury notes, act July 14, 1890	21,896,783
United States notes	343,485,385
National-bank notes	173,938,259
Total	1,528,935,943
Net increase	24,199,340

C.

Money in circulation in the United States, March 1, 1892.

	General stock, coined or issued.	In Treasury.	Amo unt in circula tion March 1, 1892.	Amount in circulation March 1, 1891.
Gold coin	$606,661,364	$198,847,863	$407,813,501	$408,752,874
Standard silver dollars	412,184,740	352,920,220	59,264,520	63,560,553
Subsidiary silver	77,096,549	14,787,832	62,308,717	57,345,638
Gold certificates	178,151,419	18,150,140	160,001,279	147,119,129
Silver certificates	328,421,343	3,280,157	325,141,186	303,822,259
Treasury notes, act July 14, 1890	85,236,212	9,517,659	75,718,553	28,871,279
United States notes	346,681,016	24,549,328	322,131,688	340,274,851
Currency certificates, act June 8, 1872	29,440,000	90,000	29,350,000	
National-bank notes	172,621,875	4,792,427	167,829,448	168,692,736
Total	2,236,494,518	626,935,626	1,609,558,892	1,518,439,319

Population of the United States March 1, 1892, estimated at 65,049,000; circulation per capita, $24.74.

Amount of money in circulation in the United States from 1860 to 1892.

Year.	Amount.	Per capita.
1860	$435,000,000	$13.85
1865	723,000,000	20.82
1885	1,292,000,000	23.02
1892	1,609,558,882	24.74

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D.

Statement showing the changes in circulation during twenty years from October 1, 1870, to October 1, 1890.

	In circulation October 1, 1870.	In circulation October 1, 1890.	Decrease.	Increase.
Gold coin	$78,985,305	$386,939,723		$307,954,418
Standard silver dollars		62,132,454		62,132,454
Subsidiary silver and fractional currency	38,988,995	56,311,846		17,322,851
Gold certificates	28,511,000	158,104,739		129,593,739
Silver certificates		309,321,207		309,321,207
Treasury notes, act July 14, 1890		7,106,500		7,106,500
United States notes	329,489,221	340,905,726		11,416,505
National bank notes	294,337,479	177,250,514	$117,086,965	
Total	770,312,000	1,498,072,709	117,086,965	844,847,674

Net increase	$727,760,709
Average net increase per month	3,032,336
Circulation per capita in 1870	19,978
Circulation per capita in 1890	23,969

E.

Statement showing the changes in circulation during ten years from October 1, 1880, to October 1, 1890.

	In circulation October 1, 1880.	In circulation October 1, 1890.	Decrease.	Increase.
Gold coin	$261,320,920	$386,939,723		$125,618,803
Standard silver dollars	22,914,075	62,132,454		39,218,379
Subsidiary silver	48,368,543	56,311,846		7,943,303
Gold certificates	7,480,100	158,104,739		150,624,639
Silver certificates	12,203,191	309,321,207		297,118,016
Treasury notes, act July 14, 1890		7,106,500		7,106,500
United States notes	329,417,403	340,905,726		11,488,323
National-bank notes	340,329,453	177,250,514	$163,078,939	
Total	1,022,033,685	1,498,072,709	163,078,939	639,117,963

Net increase	$476,039,024
Average net increase per month	3,966,992
Circulation per capita in 1880	20.377
Circulation per capita in 1890	23.969

Tables D and E exhibit the comparative amounts of the various kinds of money in actual circulation at several different periods. The various sums stated in the tables are all exclusive of money in the Treasury. They represent, as nearly as is possible, the exact amounts of the several kinds of money in actual circulation among the people at the periods named.

Table D shows that during the last twenty years the net aggregate increase of money in actual circulation among the people was $727,760,709; average monthly increase during that period, $3,032,336; per capita increase, $4.991.

Table E shows that for the last ten years the aggregate increase has been $476,039,024; average monthly increase for the same period, $3,966,992; per capita increase, $3.592.

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F.

Money in actual circulation in England, France, Germany, and United States.

	France.	England.	Germany.	United States.
Population	38,250,000	38,165,000	48,000,000	65,000,000
Gold	$900,000,000	$550,000,000	$500,000,000	$567,814,780
Silver	700,000,000	100,000,000	215,000,000	384,405,706
Notes	104,000,000	60,000,000	150,000,000	657,338,406
Total	1,704,000,000	710,000,000	865,000,000	1,609,558,892

Per capita: France, $44.55; England, $18.60; Germany, $18.02; United States, $24.74.

G.

The relative values of gold and silver in the various countries of the world from the discovery of America to 1889.

Year.	Ratio.	Year.	Ratio.	Year.	Ratio.	Year.	Ratio.
1497	10.70	1680	15.40	1698	15.07	1710	15.22
1500	10.50	1687	14.94	1699	14.94	1711	15.29
1551	11.17	1688	14.94	1700	14.81	1712	15.31
1559	11.44	1689	15.02	1701	15.07	1713	15.24
1561	11.70	1690	15.02	1702	15.52	1714	15.13
1575	11.68	1691	14.98	1703	1[illegible].17	1715	15.11
1623	11 74	1692	14.92	1704	15.22	1716	15.09
1640	13.51	1693	14.83	1705	15.11	1717	15.13
1665	15.10	1694	14.87	1706	15.27	1718	15.11
1667	14.15	1695	15.02	1707	15.44	1719	15.09
1669	15.11	1696	15.00	1708	15.41	1720	15.04
1679	15.00	1697	15.20	1709	15.31	1721	15.05
1722	15.17	1764	14.70	1806	15.52	1848	15.85
1723	15.20	1765	14.83	1807	15.43	1849	15.78
1724	15.11	1766	14.18	1808	15.08	1850	15.70
1725	15.11	1767	14.85	1809	15.96	1851	15.46
1726	15.15	1768	14.80	1810	15.77	1852	15.59
1727	15.24	1769	14.72	1811	15.53	1853	15.33
1728	15.11	1770	14.62	1812	16.11	1854	15.33
1729	14.92	1771	14.66	1813	16.25	1855	15.38
1730	14.81	1772	14.52	1814	15.04	1856	15.38
1731	14.91	1773	14.62	1815	15.26	1857	15.27
1732	15.09	1774	14.62	1816	15.28	1858	15.38
1733	15.18	1775	14.72	1817	15.11	1859	15.19
1734	15.39	1776	14.55	1818	15.35	1860	15.29
1735	15.41	1777	14.54	1819	15.33	1861	15.50
1736	15.18	1778	14.68	1820	15.62	1862	15.35
1737	15.02	1779	14.80	1821	15.95	1863	15.37
1738	14.91	1780	14.72	1822	15.80	1864	15.37
1739	14.91	1781	14.78	1823	15.84	1865	15.44
1740	14.94	1782	14.42	1824	15.82	1866	15.43
1741	44.92	1783	14.48	1825	15.70	1867	15.57
1742	14.85	1784	14.70	1826	15.76	1868	15.59
1743	14.85	1785	14.92	1827	15.74	1869	15.60
1744	14.87	1786	14.96	1828	15.78	1870	15.57
1745	14.98	1787	14.92	1829	15.78	1871	15.57
1746	15.13	1788	14.65	1830	15.82	1872	15.63
1747	15.26	1789	14.75	1831	15.72	1873	15.92
1748	15.11	1790	15.04	1832	15.73	1874	16.17
1749	14.80	1791	15.05	1833	15.93	1875	16.59
1750	14.55	1792	15.17	1834	15.73	1876	17.88
1751	14.39	1793	15.00	1835	15.80	1877	17.22
1752	14.54	1794	15.37	1836	15.72	1878	17.94
1753	14.54	1795	15.55	1837	15.83	1879	18.40
1754	14.48	1796	15.65	1838	15.85	1880	18.05
1755	14.68	1797	15.41	1839	15.62	1881	18.16
1756	14.94	1798	15.59	1840	15.62	1882	18.19
1757	14.87	1799	15.74	1841	15.70	1883	18.64
1758	14.85	1800	15.68	1842	15.87	1884	18.57
1759	14.15	1801	15.46	1843	15.93	1885	19.41

The relative values of gold and silver, etc.—Continued.

Year.	Ratio.	Year.	Ratio.	Year.	Ratio.	Year.	Ratio.
1760	14.14	1802	15.26	1844	15.85	1886	20.78
1761	14.54	1803	15.41	1845	15.92	1887	21.13
1762	15.27	1804	15.41	1846	15.90	1888	21.99
1763	14.99	1805	15.79	1847	15.80	1889	22.10

The causes of the recent rapid decline of silver were stated as follows by Mr. Leech, Director of the Mint, before the Coinage Committee of the House, in January, 1891:

In December, 1865, a monetary treaty was entered into between France, Switzerland, Italy, and Belgium, to which Greece subsequently became a party. The convention prescribed the denomination, weight, and fitness of the coins that should in the future be struck by each of the contracting parties. By the terms of this convention the coinage of gold was unlimited in amount, and the coinage of 5-franc silver pieces of full legal-tender value was permitted without limitation in all of the States comprising the union, at the ratio of 15½ ounces of silver to 1 ounce of gold. All other silver coins were made subsidiary and to be coined only on Government account. The treaty has been modified and renewed on several occasions, but the main objects have been preserved.

In 1871 and 1873 laws were enacted by Germany by which gold was made the sole standard of value and silver demonetized. All silver coins which had previously been issued and received in the several states of the German Empire were called in.

In order to procure the necessary gold for coinage purposes Germany was forced to sell from time to time up to 1879 large quantities of silver from its store of melted silver coins, including the large amount received after the close of the Franco-Prussian war from France in payment of indemnity. The effect of this legislation was the creation of a demand for gold in Germany and an increase of the supply of silver bullion or melted coins in other countries, followed by a depreciation of the price of the latter metal. In the mean time there was a large increase in the production of silver, which, with other causes, tended to further depreciate the price.

Owing to the fact that it became profitable to brokers and exchange-dealers to purchase silver in Germany and send it to the states comprising the Latin Union for coinage into silver 5-franc pieces, it was decided by the contracting parties in 1874 to limit the amount of 5-franc pieces to be coined by each. This, however, did not steady the price, and in 1878 the states of the Latin Union decided to close their mints to the coinage of full legal-tender silver, since which time this coinage has not been resumed.

The action of Germany in demonetizing silver was followed in December, 1872, by Norway, Sweden, and Denmark. These States entered into a monetary treaty, formally ratified by Denmark and Sweden in 1873 and by Norway in 1875, adopting the single gold standard and making silver subsidiary, to be coined only by the states for change purposes.

In 1875 Holland, which had been on a silver basis from 1847, adopted the "double" standard nominally, at the anomalous ratio of 1 to 15⅝, but in fact prohibited the coinage of silver, thus practically going over to a gold basis.

By the law of September 9, 1876, Russia suspended the coinage of silver, except such as was necessary for trade with China.

By the act of February 12, 1873, the coinage of silver in the United States of full legal-tender quality was not provided for. Gold was made the standard of value. But at the time this act was passed the United States was practically on a paper basis, so that the new law can not be said to have appreciably affected the price of silver. Moreover, silver was received from individuals for coinage into trade dollars up to 1878, and large purchases of silver were made for subsidiary silver coinage under the acts of 1873 and 1875, to take the place of fractional paper currency, which had been used for subsidiary purposes since 1862.

By the act of February 28, 1878, the coinage on Government account of the silver dollar of full legal-tender quality was authorized. Silver for this purpose has been obtained by the purchase of some $24,000,000 worth each year. Notwithstanding purchases of such magnitude the decline of price has not been arrested.

The annual supply of silver from the mines of the world has largely increased in the last fourteen years—the period covered by the great decline in the market price of silver—having doubled since 1872; that is, from some $62,000,000 in that year to about $124,000,000 in 1886.

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