PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BELL: Remonstrance of citizens of Colorado and other States, against the enactment of legislation intended to abolish the present system of ticket brokerage—to the Committee on Interstate and Foreign Commerce.

By Mr. HANDY: Petition of Richard T. Cann, jr., and 85 other citizens of St. George, Del., for a more rigid restriction of immigration—to the Committee on Immigration and Naturalization.

By Mr. JOY: Paper to accompany House bill relating to the claim of Edward B. McPherson, jr., of St. Louis, Mo.—to the Committee on Claims.

By Mr. McRAE: Resolutions of the Arkansas Division of the Travelers' Protective Association, protesting against the passage of House bill No. 30, relating to railroad-ticket brokerage—to the Committee on Interstate and Foreign Commerce.

By Mr. ROBINSON of Indiana: Petition of Leo Freiburger, C. McCulloch, T. E. Ellison, O. N. Heaton, E. W. Cook, John C. Peters, Henry C. Paul, E. M. Wilson, E. F. Yarnell, T. F. Thieme, Louis Fox, Clark Fairbanks, George W. Pixley, P. A. Randall, J. B. White, R. S. Robertson, D. N. Foster, Louis F. Curdes, C. A. Wilding, W. J. Vesey, Frank Alderman, Joe W. Bell, Isidor Lehman, E. C. Rurode, S. B. Bond, John Mohr, jr., and Charles W. Orr, of Fort Wayne, Ind., to have hides placed on the free list—to the Committee on Ways and Means.

By Mr. TERRY: Resolution of Arkansas Division, Travelers' Protective Association, remonstrating against the passage of a bill intended to destroy the present system of ticket brokerage—to the Committee on Interstate and Foreign Commerce.

SENATE.

TUESDAY, *July 6, 1897.*

The Senate met at 11 o'clock a. m.

Prayer by Rev. HUGH JOHNSTON, D. D., of the city of Washington.

On motion of Mr. GALLINGER, and by unanimous consent, the reading of the Journal of yesterday's proceedings was dispensed with.

PETITION.

Mr. McBRIDE presented a petition of sundry citizens of Eckley, Oreg., praying for the early enactment of a protective-tariff law; which was ordered to lie on the table.

THE TARIFF BILL.

The VICE-PRESIDENT. The morning business appears to be closed.

Mr. ALLISON. I move that the Senate proceed to the consideration of House bill 379.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. BATE. Mr. President——

Mr. BACON. If the Senator from Tennessee will permit me, I desire, with the indulgence of the Senate, to make a statement with reference to a matter which occurred yesterday pending the consideration of the tariff bill.

The senior Senator from Texas [Mr. MILLS] yesterday offered an amendment to the bill proposing a tax of 5 per cent upon all products in excess of $10,000 by any factory using the various materials mentioned. I voted in the affirmative upon that amendment. I feel constrained to say that that vote was given by me without due consideration, and that upon such consideration I do not approve of the measure.

I know it is suggested that the bill which is now under consideration contains many provisions imposing protective duties of such an extreme nature that the amendment was in the nature of an offset to it rather than an intention on the part of those who voted for it to indicate a purpose to impose a tax of that nature and to that extent. I think it more than probable that in the minds of some of us, at least, there was more of a disposition to enter a protest against the high protective rates in the bill than to commit ourselves to this particular mode of taxation and the extent of it.

If the industries which under this tariff bill enjoy the enormously high protective rates were the only ones which could be affected by the amendment, that might be a sufficient answer; and I am very free to say for myself that if the amendment could be limited in its operation to such trusts as the sugar trust and other gigantic monopolies which are in open, flagrant, and defiant violation of law, I would be willing to stand by the amendment. But the misfortune is that it would not only affect them, but also every manufacturing industry throughout the country. There is scarcely a village in the United States which has not some manufacturing institution which would be affected injuriously by the amendment. Such a measure I can not approve.

Under the rules there is no way in which I can change my vote, but my convictions upon the subject are so decided that I feel it due to myself that I should make this statement in order that the RECORD shall not misrepresent what is my true view of the matter.

Mr. JONES of Arkansas. Will the Senator from Tennessee yield to me a moment?

Mr. BATE. Certainly.

Mr. JONES of Arkansas. Mr. President, this bill of course is understood to give expression to the views of the Republican party for the remedy of the present difficulties under which the country labors. It is a practical declaration that more taxes, higher taxes, is the remedy for the present distressing situation. I do not believe that there is a necessity for greater taxation or that it is the remedy for the difficulties under which we labor. Our difficulties have another origin, and a remedy totally different must be applied before we obtain relief. I shall not detain the Senate by any statement of my personal views now, and I will not ask the Senate to listen to the reading of a document which I desire to have printed in the RECORD as an expression of my views. The article alluded to is "The Gold Standard," by Brooks Adams, of Massachusetts, a grandson of one President and a great-grandson of the other President of that name, a gentleman whose clearness of thought and force of diction are equal, in my opinion, to those of any member of his illustrious family. I will insert as a part of my remarks this pamphlet as an expression of the definition of the causes of the trouble under which we labor and the remedy to be proposed.

I have several other pamphlets, speeches, and articles of a similar character, several of which I desire to insert in the RECORD in its usual type, and without objection I will hand to the Reporter such as I think may be necessary to go into the RECORD.

The VICE-PRESIDENT. Without objection, leave will be granted.

The papers referred to are as follows:

THE GOLD STANDARD: AN HISTORICAL STUDY.

By BROOKS ADAMS.

[Revised to June, 1896.]

For the value of money, in general, is the quantity of all the money in the world in proportion to all the trade. (Works of John Locke, Vol. V, page 49.)

An increased demand for gold, and a consequent scarcity of that article, will make it more valuable in proportion to all other articles; the same quantity of gold will purchase a greater quantity of any other article than it did before; in other words, gold * * * will * * * rise. (Report of the Bullion Committee of 1810, page 11.)

Price, therefore, is the value of any given article, in the currency, by reference to which that article is measured; and must, of course, be varied by any variation in the quantity of gold or silver contained in such currency. (The Question Concerning the Depreciation of Our Currency, Huskisson, page 4.)

The demand for money is regulated entirely by its value and its value by its quantity. (Principles of Political Economy, Ricardo, Chap. XIII.)

A reduction of circulation must tend to lower prices. (Lord Overstone's Tracts, page 202.)

Prices temporarily may rise or fall independently of the quantity of gold in the country; ultimately they must be governed by this quantity. Credit gives a certain latitude without rendering prices ultimately independent of gold. (Investigations in Currency, Jevons, page 32.)

In this sense, to say that the quantity of money regulates prices is only the same thing as to say of any article that is bought or sold, that its quantity is a material factor in determining its value. (A Chapter in Standard Money, Giffen.)

PREFACE TO THE EDITION OF 1896.

During the two years which have elapsed since this essay first appeared the great moneyed oligarchy, whose history it attempts to trace, has governed the world; yet, even so, few monometallists will dare to maintain that those years have been years of prosperity and content. It has been a period of famines and of massacres, of bankruptcy, and of social and political upheaval. Furthermore, setting political matters aside and fixing the attention solely on the economic problems which confront us, the future, far from brightening, has grown more somber with the passage of each month. To-day prices stand at substantially the bottom of their long decline, and the shrinkage in the value of commodities relatively to money has intensified the pressure of debt until most debtor countries, like the United States, are confronted with ruin.

The powerful syndicate of money lenders which was organized in 1895 to aid the Government at Washington in maintaining its credit, by manipulating foreign exchanges, has abandoned its task in despair; and now capitalists hardly pretend to promise prosperity as the result of their policy, but simply insist that a resolute adherence to the gold standard will end by attracting foreign investors, and thus, by increasing the principal of our debt, neutralize for the moment the drain of an interest account we are confessedly unable to liquidate by trade. But to borrow on a falling market is certain and irretrievable ruin; an economic axiom so well understood that industrial expansion has substantially ceased throughout the gold-standard countries, and the mighty stream of bullion which flows from South Africa to London lies there and stagnates.

Probably for the first time in history a considerable addition to the stock of precious metals has failed to stimulate enterprise; and the banker perceives in this phenomenon the demonstration of his thesis, that overproduction is the root of all the economic evils which now beset mankind. On the other hand, the bimetallist sees in this glut of gold a menace to the very life of our civilization, for to him it represents a failure of demand through the impoverishment of the people, an impoverishment which promises to lead to disasters in the future graver than any misfortune of the past.

To the bimetallist nothing is clearer than that the gulf which divides us from all former experience is the economic severance of Asia from the West, a severance now so complete, that an addition to the money of the one does not react on the other, and hence there can be no universal equalization of prices. The difficulty begins with the price of bread, which is the basis of human life. The countries with a silver or paper currency control, speaking generally, the agricultural staples; but silver prices have not materially varied, and the Indian peasant is now as well paid with two rupees for his bushel of wheat as he was thirty years ago. Accordingly he can profitably produce at that price, and in the long run he will export enough to depress the London market should it rise. But two rupees, which are worth a dollar in India, are here worth 60 cents, and on a scale of values adjusted to 60-cent wheat the American or English farmer is poorer than he was twenty years ago by nearly half his income. To that extent he is unable to buy, to that extent the demand for manufactures fails, and this at a time when the productive capacity of the community must increase through competitive improvements in machinery. Hence the permanent glut of goods, and hence the stagnation of gold at the centers.

Nevertheless, in spite of the lethargy at home, the stronger and astuter European capitalists have found an outlet for their vitality and their wealth, in seizing and exhausting new regions wherever they have been found; and, although most civilized nations have participated in these spoliations, far the greediest and most successful has been England, whose crowning achievement has been the appropriation of the gold-bearing region of South Africa. England has, however, within the last twelve months, begun to exhibit signs of military weakness. Since last December she has not only abandoned Constantinople, a strategic point for which theretofore she had always been ready to fight, but she has allowed Russia to work her will upon the Pacific, she has endured a decisive check in South America, and she has even submitted to consider the evacuation of Egypt in order to pacify France. All this she has done to secure the plunder of South Africa, and yet, when last winter her underhand attack on the Boers failed, she lacked the energy to defy Germany and occupy the country in force. Thus England appears at length to be shut in; if Germany can be bribed or intimidated, her territorial expansion in Africa may continue for a space, but the end can not be long deferred. The masses of gold heaping up in London must find a new outlet, and the indications at present point to their absorption in the industrial development of the East.

Leaving aside for the present the field of China, whose future is still obscure, and confining the attention to matters actually at hand, the attitude of the moneyed oligarchy toward India seems undergoing radical modification. Since the administration of Lord Dalhousie, who became governor-general in 1848, the policy of the British toward their eastern empire has been somewhat simple. It has mainly consisted in forcing as many gold loans on the people as possible, and then in handing over the country to Manchester and Birmingham to make the most of. The imperative duty of the administration at Simla has been to collect the interest on these loans, and that duty has been one of ever-increasing difficulty and danger, as an enormous and growing revenue has to be wrung from a miserable peasantry, by continually raising the rent of their land. On the other hand, to pacify English manufacturers, native industries have been discouraged, where they interfered with the home market; and this discouragement has been particularly marked in the coal and iron trade, for native coal has been openly and persistently discriminated against by the railways. Hitherto the Indian railways have been largely controlled by certain English vested interests; but of late a marked change has come over the policy of Parliament, which has finally sunk into a purely passive tool of the aristocracy of Lombard street. Under the impulsion of an energy imparted to officials by idle capital, the Indian government is taking possession of the railways with a view to regulate rates of traffic, and when native coal and iron can be carried cheaply to the sea, the era of Indian industrial development will have opened.

The peninsula of Hindostan abounds in iron and coal; it has a population of over three hundred millions, increasing at the rate of 1 per cent a year, and already pressing upon the means of subsistence. This population is singularly enduring and tenacious of life, and the ordinary laborer will support himself and his family, and toil twelve hours a day, on a dollar or two a month in silver. Thus, only capital and cheap transportation are needed to make India the focus of the iron trade, and the same is true of the textile industry. A canal to the Pacific once built, so that the long-staple cotton can be shipped direct to Madras and Bombay, and India can close every cotton mill in the West. When fully developed she can undersell all competitors save kindred Asiatics.

Herein lies the menace of the gold standard. Its course of destruction is regular and proceeds from the bottom to the top of society. First, a contracting currency forces down the price of agricultural products and impoverishes the farmer; the poverty of the farmer causes the demand for manufactures to fail, and with a failure of demand comes a glut, followed by the stagnation of capital. Stagnant capital seeking employment flows where a profit can be made, develops the resources and cheap labor of the East, and undersells the West. Then a change in the channels of trade must come, followed by a depression of the standard of living among the people of our race, which must eventually profoundly modify our existing civilization.

BROOKS ADAMS.

QUINCY, *May 31, 1896.*

THE GOLD STANDARD.

Perhaps no single force has wrought so ceaselessly and yet so subtly on man's destiny as that mysterious influence which causes variations in the value of the money with which he buys his daily bread. There is a passage in Alison's History, describing the working of this mighty power, which, though it has been often quoted, still retains something of the freshness of originality:

> The two greatest events which have occurred in the history of mankind have been directly brought about by a successive contraction and expansion of the circulating medium of society. The fall of the Roman Empire, so long ascribed in ignorance to slavery, heathenism, and moral corruption, was in reality brought about by a decline in the gold and silver mines of Spain and Greece, from which the precious metals for the circulation of the world were drawn, at the very time when the victories of the legions and the wisdom of the Antonines had given peace and security, and with it an increase in numbers and riches, to the Roman Empire. This growing disproportion, which all the efforts of man to obviate its effects only tended to aggravate, coupled with the simultaneous importation of grain from Egypt and Libya at prices below what it could be raised at in the Italian fields, produced that constant decay of agriculture and rural population and increase in the weight of debts and taxes to which all the contemporary annalists ascribe the ruin of the Empire. And as if Providence had intended to reveal in the clearest manner the influence of this mighty agent on human affairs, the resurrection of mankind from the ruin which these causes had produced was owing to the directly opposite set of agencies being put in operation. Columbus led the way in the career of renovation. When he spread his sails across the Atlantic, he bore mankind and its fortunes in his bark. The mines of Mexico and Peru were opened to European enterprise.[1]

But this celebrated paragraph by no means contains the whole truth. The contraction which ruined Roman farmers was due in part to the exhaustion of the mines, yet probably adverse exchanges and legislation in the interest of the moneyed class were forces which wrought even more powerfully in the same direction. The Latins were not an industrial race, and, having grown rich through war, they bought manufactures and luxuries in Syria, Egyyt, and the East, for which they were unable to pay with agricultural products, which were substantially their only export. The effect of trade, therefore, was to create a balance against them which had to be met with coin, and Pliny calculated that, at the lowest estimate, bullion to the amount of $4,000,000 was annually remitted to India alone.[2]

Moreover, an analysis of the course of history seems to show that the tendency to enhance the value of money is a phenomenon which regularly appears at a certain stage of civilization. Mill defined capital as the "accumulated stock of the produce of labor." Of this "accumulated stock" any portion can be turned into money, which therefore is, in reality, stored labor, or a form of force, and it appears to be the instinct of the owners of this force to raise it to its highest intensity.

That they can attain their end by reducing the quantity of the circulating medium is certain, for the proposition of Mill is self-evident, that "an increase in the quantity of money raises prices, and a diminution lowers them." Therefore, as the purchasing power of the standard coin slowly augments under his manipulation, the creditor is able, by a subtle and almost imperceptible process, to absorb the profits of the producer, and to appropriate the property of the debtor; or, as Professor Taussig very accurately observes, to participate "in the improvements of production." As values dwindle the power of the suction grows, and it was accordingly an exhausted vitality which was one of the most striking phases of the decline of the ancient world.

Unlike the Greeks and Jews, the Romans were not particularly gifted with the commercial instinct, and long remained a poor and frugal people, using a copper coinage. Silver was only introduced in 269 B. C., just before the Punic wars, nor did the precious metals become abundant until after the fall of Carthage, more

[1] History of Europe, i, 31. [2] Nat. Hist. xii, 18.

than a century later. Between the death of Cato, however, and that of Cicero, in the year 43 B. C., a complete social revolution took place. Treasure poured in from many conquered countries; the accumulations grew to be vast under Julius Cæsar; and under Augustus, when the civilization culminated, the flood was at the full and the currency was made bimetallic.

Meanwhile natural selection did its resistless work. Masses of capital were concentrated in the hands of those who were economically the strongest, and a fortune of $300,000 was thought poverty by the wealthy. Even as late as the fifth century families of the second rank had incomes of that amount.[1]

Of all the ways under the Empire in which moneyed capital could be employed, none seems to have been so lucrative as usury, for the structure of society favored the trade of the money lender. At home politics engulfed fabulous sums. Mark Antony, while still a youth, owed $240,000, while Cæsar owed a million and a quarter before he held an office. Added to this was the general extravagance; a man of moderate fortune, like Cicero, for example, usually lived beyond his means, and was in constant difficulty with his creditors.

Yet Rome was comparatively a poor field, for there the rate of interest was not customarily more than 12 per cent, and was often lower. The provinces yielded a richer harvest, for the fiscal system was so oppressive that the inhabitants had to have money at any price, and they were sorely squeezed through many generations. Verres lent at 24 per cent in Sicily, Brutus at 48 per cent in Cyprus, while Seneca, who was worth about $12,000,000, made usurious contracts in Brittany.[2]

Jacobs observes:

> It would be easy to show that the rate of interest, commonly 1 per cent per month, and frequently much higher, must have drawn the greater part of the property of the community into the hands of the few, who were sufficiently dexterous to obtain the command of armies and the government of provinces, and thereby to amass a large share of wealth.[3]

To evade the usury laws the debtor was not infrequently made to acknowledge a debt very much greater than the actual loan, as, for instance, Herod Agrippa, who, when in Italy and in want of funds, signed a promise to pay 20,000 drachmas, though he only received about 2,500 in cash. Mommsen explained the effect of such a system:

> Contrasted with (en face de) this moneyed aristocracy, in whose hands capital was concentrated, stood the great mass of the poor and the debtors, and the middle class, intermediate between the two, tended more and more to disappear." [4]

From generation to generation the volume of debt swelled, while its burden increased with the growing scarcity of gold and silver; and it was precisely at the moment when the dearth of the precious metals began to be felt in falling prices that the Government entered upon that policy of contraction which it persisted in until its final collapse.

Under Augustus the silver denarius was the standard coin, for he ordered that the tribute of the provinces should be collected in silver money and transmitted to the imperial treasury, and it retained its weight and fineness unimpaired until Nero; but in his reign it began to be systematically debased, and at length became little better than a copper token lacquered with tin. As time went on it depreciated relatively to gold, and at length the Government repudiated. From the time of Heliogabalus (221 A. D.) silver was refused in payment of taxes, gold being exacted, and finally the aureus lost its weight, and the whole currency fell into confusion, gold itself passing by weight. Diocletian attempted to restore silver, but without permanent success. Under Julian (360) silver was demonetized and gold monometallism established by law. Mommsen thus described the change then made in the currency:

> The character of the monetary reform . . . in 360 is, then, the change of silver money from real money, having the first rank, into secondary or token money, having (at least in part) a conventional value.
>
> The piece of silver which, under Diocletian, was, relatively to gold, in the same position as under the Republic and the first Emperors, has under Julian only a position analogous to that of the silver crown relatively to the gold sovereign in the English monetary system.[5]

The effect of this gradual exclusion of silver, which went on growing more and more complete for a hundred and fifty years, was slowly to divide the monetary substance in halves, thereby enormously enhancing the purchasing power of the portion retained. It is even possible to measure roughly the movement of the Roman gold, since its ratio to silver at different periods is known. The chief difficulty lies with the value of silver, which itself tended to appreciate down to the Crusades, although no data remain by which to ascertain that appreciation. Assuming, however, that silver only stood constant, gold certainly rose strongly.

Under Julius Cæsar gold stood to silver as	1: 8.90
Under Domitian, about 100 A. D., gold stood to silver as	1: 11.30
Under Constantine, about 300 A. D., gold stood to silver as	1: 12.50
Under Theodosius II, about 450 A. D., gold stood to silver as	1: 18

[1] Manuel des Antiquites Romaines, Mommsen et Marquardt, x, 68, 69.
[2] See Mommsen et Marquardt, x, 76. Dio Cassius, lxii, 2.
[3] Precious Metals, Jacobs, i, 209.
[4] Mommsen et Marquardt, x, 69.
[5] Histoire de la Monnaie Romaine, iii, 160.

In 476 Odoacer became King of Italy. Therefore, between the beginning and the end of the Western Empire, gold must have very much more than doubled in value in relation to commodities.[1]

Thus, year by year prices were artificially forced down, and the money lender received a progressively greater share of the product of labor, until at length the life of the Italian farmer became impossible. The consequence was that land in the European provinces passed out of cultivation, and when the Goths forced the line of the Danube they found the Empire a shell. The men who had formerly filled the legions were gone, and their descendants made the cowardly rabble of Rome, who could not be brought to face a foe. Nothing is more striking than the ease with which comparatively small bands of Germans marched from end to end of Italy or Gaul without meeting serious resistance.

Meanwhile, by the middle of the fifth century, there was chaos, and, though the mines were probably abandoned, the drain of bullion to the East went on, so that in the reign of Charlemagne it has been computed that only the eleventh part of the precious metals remained in the West which had been in circulation under Augustus. Almost the first sign of returning life was the establishment by Charlemagne, toward the beginning of the ninth century, of the silver pound as the unit of his currency.

Yet the dawn of a new era was very slow; the ninth and tenth centuries were the darkest period of the decline, and though the Moors reopened the Spanish silver mines and those of Germany were worked more or less successfully, the supply was probably not greater than the waste, and prices could not rise.

Not until the year 1000 did the revival come, and then a vast economic revolution was wrought through the impulse of religious enthusiasm. In the eleventh century the valley of the Danube was once more reopened, through the conversion of the Huns, and pilgrimages to the Holy Land began. By degrees the pilgrims came to march in armies. In 1099 the Crusaders stormed Jerusalem, and in the early years of the twelfth century the Latin Kingdom grew up along the coast of Palestine and Syria. The effect was tremendous. The Franks were thus brought into direct contact with the great markets of the East, with Aleppo, Damascus, Bagdad, and Cairo; the Arabic civilization was then in its meridian, and the eastern trade, which has always enriched every point at which it has centered, flowed toward northern Italy, with an ever-increasing momentum. Heyd says:

> The Levantine commerce took an impulsion during the crusades, of which shortly before it would have been impossible for the boldest imagination to dream.[2]

Lombardy and Venice were the seats of the greatest activity. There the spices, silks, carpets, drugs, gems, porcelains, and works of art of the East were exchanged for the wood, iron, and slaves of central Europe and the woolens of Flanders and of France. But such a commerce required a plentiful and an elastic currency, for which the metal was lacking, and it was under the pressure of this necessity that the modern system of credit was born. Since there were no mines to be discovered in Palestine, the only resource of the merchants was to increase the efficiency of the money they had, and so they introduced bills of exchange. But bills of exchange are of little avail without a clearing house at which they can be balanced, and accordingly clearing commercial paper became the great function of mediæval banking.

Before the end of the twelfth century Venice and Florence had become great moneyed centers, but the two most famous banks were at Venice and Genoa. The Bank of Venice is said to have been founded in 1171, though little is known of its early operations; that of Genoa probably began operations early in the twelfth century, and reached maturity in 1407, the date ordinarily given for its creation,[3] and gradually a simple and effective system of banking was developed, which lasted down to the establishment of the Bank of England.

In the first place, before any payments could be conveniently made, it was necessary to have a currency of recognized stability, and, amid the multiplicity of mediæval jurisdictions, not only was the coinage involved in inextricable confusion, but it was always more or less degraded by clipping or abrasion.

Accordingly, the banks undertook to provide an ideal currency. They received deposits of coin fresh from the mint and of full value, for which they gave credits. This coin was known everywhere as "bank money," and bore a premium; but, as its premium was lost if it were mixed with common specie, it was seldom or never withdrawn, but was transferred on the books of the corporation by means of the credits, which were negotiable and were always to be bought in the market. Thus, merchants in Ghent, Paris, Barcelona, or Jaffa drew on Venice, and had their balances settled through the bank without the intervention of coin. It has been calculated that the effective power of the currency was multiplied tenfold by this means.

But however great may have been the opportunity for expansion,

[1] Monnaies Byzantines, Sabatier, i, 49.
[2] Histoire du Commerce du Levant, French Trs., i, 163.
[3] Les Grandes Compagnies de Commerce, Bonnassieux, 23.

it was still too small to keep pace with the movement of the age, for an intense activity was developed. Perhaps no subsequent epoch has equaled the brilliancy of the thirteenth century. It was then the French communes had their rise and Gothic architecture culminated. It was then that the cathedrals of Paris and Bourges, of Chartres and Rheims, were built, and it was then that the glass of the windows of Sainte Chapelle was a commercial article. It was the golden age of the University of Paris, when Albert the Great, St. Thomas Aquinas, and Roger Bacon were teaching, and when in Italy St. Francis of Assisi preached. It was then that the Kingdom of France was organized under St. Louis, and English constitutional government began with Magna Charta; and lastly, it was then that the eastern trade first enriched the north, where all Europe met at the fairs of Champagne, and when, in the south, the Venetians established themselves at Constantinople. Such was the first great monetary expansion which followed upon the ages of contraction which marked the death of Rome. But as the mines were not increasing the stock of metallic money, the relief afforded by the introduction of credit was only temporary; the volume of trade soon outgrew the capacity of the currency, and prices once more tended to fall.

Adam Smith is now perhaps a little antiquated, but he collected some interesting figures, and as his tables are simple, they are easy to present. There is no question besides that they substantially agree with the more elaborate investigations of modern times. He computed the price of wheat during the interval between 1202 and 1597, both inclusive, and to show the variations in value he separated the three hundred and ninety-five years into seven divisions, and reckoned the average for each. The first of these divisions ends with 1286, and thenceforward "till after the middle of the sixteenth century the average price * * * grows gradually lower and lower; and * * * toward the end of the sixteenth century it begins to rise again." [1]

The averages of these seven divisions are curious, and are as follows, given in English money of the value of 1775:

Years.	Price per quarter of wheat.		
	£	*s.*	*d.*
1202-1286	2	19	1¼
1287-1338	1	18	8
1339-1416	1	5	9½
1423-1451	1	1	3½
1453-1497		14	1
1499-1560		10	$\frac{5}{12}$
1561-1601	2	7	5½

Another way of measuring the fall of values is by the coinage. In 1544 the penny held only 5 grains of pure silver as against about 20.8 grains in 1299, yet its purchasing power had not materially diminished.[2]

Although all mediæval statistics are meager, there can be little doubt that the figures of Adam Smith represent roughly the movement of prices during the fourteenth and fifteenth centuries, and that the movement was downward. Nor were those centuries remarkable either for intellectual activity or material well-being. But in 1492 Columbus discovered America, and as the stream of treasure slowly flowed into Europe, a new life dawned. It was the opening of modern times. For the first fifty years the influx of the precious metals was not large, but Potosi was discovered in 1545, and then the flood of silver reached its height and the full power of the stimulant was felt.

Silver sunk in its real value, or would exchange for a smaller quantity of labor than before; and corn rose in its nominal price, and instead of being commonly sold for about two ounces of silver the quarter, * * * came to be sold for six and eight.[3]

Yet though there was this great rise in commodities, the relative values of the precious metals remained unaltered during the whole of the sixteenth century, and in 1600 the ratio of gold to silver was 12 to 1, precisely where it had been two hundred years before.[4]

Nothing is more curious and interesting than to watch the impulse given to intellectual activity as the tide of money ran from South to North. In 1515 Raphael and Michael Angelo were in their prime; in 1519 Luther denied the papal supremacy; in 1509 Calvin was born at Noyon, while Shakespeare did not see the light till 1564. Science came a little later, for Galileo was not eminent much before 1589, and Kepler only took his master's degree in 1591.

Adam Smith said that the new silver "does not seem to have had any very sensible effect upon the prices of things in England till after 1570." But twenty-five years later Shakespeare was writing his plays, Bacon was in Parliament, and Drake had become the greatest seaman of the world. In 1600 the merchants of London

[1] Wealth of Nations, Ed. 1793, i, xi, 289.
[2] Agriculture and Prices, Rogers, iv, 454.
[3] Wealth of Nations, Ed. 1793, i, xi, 300.
[4] Edelmetall-Produktion, Soetbeer, 120.

founded the East India Company, the first step toward England's commercial supremacy.

Yet though Potosi was the richest deposit of all South America, and though its ore was poured into Europe when it was still poor and sparsely peopled, and before any of the great industrial inventions had been made, so great is the activity of the human race, and so vast is its power of expanding trade, that within seventy-five years the stimulus was exhausted. After 1636 the "value of silver * * * seems never to have sunk lower in proportion to that of corn," and before the end of the seventeenth century it had probably begun to rise.[1] By 1688 the English silver coin had depreciated at least 30 per cent, by clipping and adulteration—the surest sign of a contracting currency. India was once more draining Europe of its bullion.

This was the moment when Great Britain began her great development, for theretofore she had held but a secondary place in the family of nations. Her people were beginning their struggle for the great prize of the eastern trade; her industries were on the brink of a mighty revolution; she needed currency, and not finding what she needed in the earth, she supplied her necessities with paper. In 1694 the Bank of England was founded and the issue of notes began; nor can there be any reasonable doubt that the opening of the great movement which, when at its height toward 1775, is known as the industrial revolution, was substantially coincident with the creation of paper money. Adam Smith has given an interesting account of the rapidity with which the Scotch bank issues acted upon commerce:

I have heard it asserted that the trade of the city of Glasgow doubled in about fifteen years after the first erection of the banks there; and that the trade of Scotland has more than quadrupled since the first erection of the two public banks at Edinburgh, of which the one, called the Bank of Scotland, was established by act of Parliament in 1695; the other, called the Royal Bank, by royal charter in 1727.[2]

The eighteenth century was the period of the evolution of the modern paper currency based upon the precious metals; it was also a time of vast industrial expansion and intense intellectual activity, culminating toward its close in the French Revolution. At first the lowest denomination of Bank of England notes was £20, which could hardly have entered very largely into circulation; nor was the alteration in prices considerable for some years. But the battle of Plassey, fought by Clive in 1757, was the turning point in the economic history of modern Europe, for it was by this victory the English obtained the capital with which they developed their industries. By Plassey Great Britain became the master of Bengal, and then proceeded to plunder the richest provinces of India as ruthlessly as ever Rome plundered Greece or Asia Minor. No estimate is possible of the treasure shipped to London, but it must have been fabulous, amounting, indeed, to the larger part of the silver of Potosi, for the bullion mined in South America in the sixteenth century only flowed through Europe and found its ultimate resting place in the hoards of Hindostan. This treasure began to reach London in 1759, and the effect was magical. The bank forthwith began the issue of ten and fifteen pound notes, and 1760 is the year fixed upon by all the authorities as the opening of the "industrial revolution" which made England the manufacturer for the world. With the Indian silver, which continued to be gathered in for twenty years, the great inventions were utilized. In 1760 iron first began to be successfully smelted with coal; in 1776 Watt and Boulton succeeded in putting the steam engine on the market; between 1770 and 1780 Arkwright, Hargreaves, and Crompton perfected the spinning jenny and the mule, and in 1785 the power loom was invented. In 1795 five-pound notes came into use.

Prices rose buoyantly. In 1782 they were well above the level they reached in 1765, and, under the stimulus of the Napoleonic wars, they advanced another 50 per cent, attaining an altitude in 1809 probably never equaled before or since.[3]

But in 1810 the tide turned; the stimulus of the new paper money seems to have exhausted itself. The wars in South America reduced the yield of the mines, trade with India became normal, the exports of bullion to the East were again heavy, and before 1815 values dropped sharply. Meanwhile a subtle and almost imperceptible change had crept over society, a change similar to that which so strongly warped the destinies of Rome under the later Cæsars. It was the advent of the creditor class. If, during the period of the industrial revolution, the expansion of production had been enormous, so had also been the creation of debt. At the beginning of the Seven Years' War, in 1756, the national debt had been £74,575,000, upon which the annual charge had been £2,753,000. In 1815 it stood at £861,000,000, bearing an interest of £32,645,000. And this was but an indication of a profound economic movement. It was during these years the canal system was built, a work almost as difficult and important as the railroads; turnpikes also were improved, factories were established upon an unheard-of scale, and, in a word, if the accumula-

[1] Wealth of Nations, Ed. 1793, i, xi, Third Period.
[2] Wealth of Nations, Ed. 1793, ii, ii, 442.
[3] Investigations in Currency and Finance, Jevons, 144.

tions of the product of labor had been vast in England, so had the realizations of that product in money, and their investment in the form of a mortgage upon the future of the world.

Up to this time whatever had tended to facilitate exchanges had been received as an unmixed blessing to the human race, because it increased the profit of the producer and made the struggle for life less severe. It had been the interest of no powerful class to raise the value of money or, in other words, to depress prices, because substantially all the world were producers and all the world were interested in obtaining a market for what was to be sold. Thus no one tried to exclude the silver of Potosi, no one tried to stop the issue of the notes of the Bank of England, and those notes had multiplied more and more until at last they came to form the body of the currency. These conditions lasted down to Waterloo; but from the day of that victory the national policy changed. America, also, was beginning to profoundly alter the economic balance of the world. Her rapid growth brought the United Kingdom every year more into the position of Lombardy in the thirteenth century; that is, it made her the geographical center of exchanges between the East and the West. At the peace, therefore, England was left in a commanding attitude; her naval supremacy secured her the carrying trade, her mechanical inventions gave her nearly fifty years the lead of Europe in industries, while the enormous surplus production she was able to sell added to her capital in money. She was thus at once the manufacturer, the carrier, and the banker for the world. Rome herself hardly enjoyed greater commercial advantages, and England proceeded to use hers toward less favored peoples, much as Rome had used hers toward Gaul or Spain.

Therefore, if Locke's proposition be true that the "value of money in general is the quantity of all the money in the world in proportion to all the trade," and it be also true that by 1815 the creditor interest had grown to be predominant in England, the economic history of the first half of this century admits of easy explanation. To understand the course of events, however, it is necessary to bear in mind the condition of the currency.

Speaking roughly, after the foundation of the bank the money of Great Britain became divided into four portions, of different degrees of credit. First came the metal coin, whose unit was the ancient silver pound, with gold rated to it at a ratio. Second, stood Bank of England notes, which, as they practically had the guaranty of the Government behind them, generally were at par. Third, the notes of the Scotch banks. The Scotch corporations were excellently handled and enjoyed high credit; their notes went as low as 20 shillings. Lastly came the paper of the English country bankers, which ran to 5 shillings. As provincial banking had always been discriminated against in order to favor the bank in England, these issues were, as a whole, inferior to the others. Subsequent to 1760, however, they became greatly expanded.

In 1777 the circulation of notes under five pounds had been prohibited in England, but the law seems not to have been very strictly enforced; and in 1797, when specie payments were suspended because of the war, they were once more authorized to provide a substitute for the coin which disappeared. As long as hostilities continued production was highly stimulated, but a prostration followed the peace; there was a sharp contraction of paper, and gold fell in 1816 to £3 18s. 6d. in notes, or to within seven pence halfpenny of the mint price. It then became clear that cash payments could be resumed at any time, and if the creditor interest really predominated it would be natural to anticipate that the value of the currency in which payments should be made would have occupied the attention of the legislature.

To cause a currency of mixed paper and coin to appreciate, it is possible in the first place to reduce the quantity of the coin, and then to so limit the issues of paper as to create an artificial demand for the precious metal. Parliament began by cutting the ancient monetary substance in half, discarding silver, and making gold the measure of values. The act was passed in 1816, or, in other words, instantly. Having thus established the standard, the next step was to enforce payment of debts in it, and cash payments were provided for in 1823 by Peel's act of 1819. Peel's father was the first Sir Robert, the great manufacturer, who made the colossal fortune of the family. He never sympathized with the policy of his son. The story is told that on the passage of the bill Sir Robert said, with great bitterness, "Robert has doubled his fortune, but ruined his country."[1] In fact, resumption took place May 1, 1821. So far as the coinage was concerned, nothing more could be done, for the scarlet metal had been selected; nevertheless, it was still possible to stimulate the demand for gold by decreasing the volume of paper.

The act of 1797, authorizing small notes, was limited to expire in 1825; therefore as soon as cash payments were resumed they had to be gradually withdrawn. What the shrinkage of the country issue was nobody knows, but in 1819 the Bank of England had £7,354,000 in circulation in notes less than £5, and only £681,000 in 1823, and it is said that 12,000,000 sovereigns were needed to fill the gap.[1]

[1] Political Life of Sir Robert Peel, Doubleday, i, 218, note.

This mass of gold suddenly withdrawn from the common stock was about equivalent to the whole yield of the mines for the preceding seven or eight years, and the shock was felt throughout the world. In France gold coinage almost ceased. Only 274,231 louis were struck in 1821, 1822, and 1823, the smallest mintage of any three years since 1803, save those following the bank act of 1844.

Prices dropped heavily. According to Jevons's tables, they fell 24 per cent between 1819 and 1822; but perhaps the most curious commentary on the universal suffering caused by this great absorption of gold is a passage from Macleod, written to prove that contraction of the currency had nothing to do with the phenomenon:

> There was one perfectly satisfactory argument to show that the low prices of that year had nothing to do with the act of 1819, namely, that prices of all sorts of agricultural produce were equally depressed all over the Continent of Europe from the same cause. The fluctuations, indeed, on the Continent were much more violent than even in England. * * * The same phenomena were observed in Italy. A similar fall, but not to so great an extent, took place at Lisbon. What could the act of 1819 have to do with these places?[2]

The spasm was too sharp. The severity of the contraction had to be relaxed, and Parliament was forced to extend the issues of small notes till 1833. This caused a violent inflation, for not only did the country banks increase their issues 50 per cent,[3] but the great hoard of sovereigns, accumulated by the bank to replace its small notes, was rendered superfluous. The directors stated that £14,200,000 in bullion were thrown on their hands by this change of policy. The United Kingdom, for the moment, was glutted with gold, prices advanced 15 per cent between 1824 and 1825, and a frenzy of speculation set in. Even in 1824 prices rose above the continental level, and gold flowed to Paris, where it was worth more than in London. As the stock of bullion dwindled, contraction caused the currency to appreciate, commodities fell, loans were called in, a run on the bank followed, and "it is said that it must have stopped payment, and that we should have been reduced to a state of barter but for a box full of old one and two pound notes which were discovered by accident."[4]

A profuse issue during four days of upward of £5,000,000 in notes ended the crisis, but a lesson had been learned. It had been demonstrated that as long as such effusions were possible paper could cheapen gold by replacing it in the market, and accordingly, from that day forward, the restriction of notes, above a certain fixed limit, to the actual value of the bullion on deposit, became the cardinal principle of Lombard street. Twenty years later the famous Samuel Loyd, who is now remembered as Lord Overstone, was still sneering at the "parcel of old discarded one-pound notes * * * drawn forth from a refuse cellar in 1825."[5]

As soon as quiet was restored the first step of the bankers was to cause Parliament to repeal the act of 1822, which respited the small notes. In England they met with little opposition and the statute passed in 1826, but when they undertook to extend it to Scotland, such an outcry was raised that the attempt was abandoned. The Scotch were then in the meridian of their productive period, and they had no intention of having their industries strangled.

Nevertheless, this was but a beginning; the real work remained to be done, and it was about this time that the great banker was rising into prominence who, perhaps more perfectly than any man who ever lived, has represented Lombard street, and who was destined to dominate the financial policy of the Kingdom for nearly a generation.

The father of Samuel Loyd was a Welsh dissenting minister, who, having become a partner in a Manchester house, went to London and founded the firm of Jones, Loyd & Co., which was afterwards merged in the London and Westminster Bank, one of the largest establishments in the world. Samuel did not succeed his father till 1844, but long before he was a leader of the moneyed interest. He it was who conceived the bank act of 1844 and who molded the policy of Sir Robert Peel, and it is therefore right he should describe this decisive piece of legislation in his own words:

> A paper circulation is the substitution of paper * * * in place of the precious metals. The amount of it ought therefore to be equal to what would have been the amount of a metallic circulation; and of this the best measure is the influx or efflux of bullion.[6]
>
> By the provisions of that act it is permitted to issue notes to the amount of £14,000,000 as before—that is, with no security for the redemption of the notes on demand beyond the legal obligation so to redeem them. But all fluctuations in the amount of notes issued beyond this £14,000,000 must have direct reference to corresponding fluctuations in the amount of gold.[7]

Any further extension of the circulation of the country banks was prohibited, and the next year the statute was substantially

[1] A Sketch of the History of the Currency, Maclaren, 140.
[2] Theory and Practice of Banking, ii, 84.
[3] History of the Bank of England, Francis, i, 348.
[4] History of the Currency, Maclaren, 106.
[5] Overstone Tracts, 325.
[6] Overstone Tracts, 191.
[7] Overstone Tracts, 318.

extended to Scotland, except that there the one-pound notes were still allowed.

Nothing could have been more drastic, for the currency was thus absolutely restricted to the supply of gold. It was even made less elastic than the Venetian of the thirteenth century, for that, at least, had been bimetallic. Every promise to pay, above a fixed limit, which was issued by the Bank of England, had to be represented by an equal amount of gold withdrawn from commerce and stored in a vault. From this time forward paper ceased to cheapen gold in Great Britain.

Thus was Lord Overstone's object accomplished; for it was his fixed determination to cause the appreciation of the monetary substance in which he dealt, and no one ever understood the problem more thoroughly, or explained more accurately the working of the economic forces to be controlled:

> If a country increases in population, in wealth, in enterprise and activity, more circulating medium will probably be required to conduct its extended transactions. This demand for increased circulation will raise the value of the existing circulation; it will become more scarce and more valuable than the circulation of other countries—in other words, gold will rise in value in England; it will be imported from other countries in which it has not so risen in value; and by this import of gold the amount of the circulation in England will be increased.[1]

Loyd comprehended better, probably, than any man then living the operation of the mighty lever of the single standard. He proposed to force down prices by causing a scarcity of money, and then to restore the volume of his currency by the sacrifice of the producer. He explained the principle with his usual perspicuity to the secret committee of the House of Lords:

> Monetary distress tends to produce fall of prices; that fall of prices encourages exports and diminishes imports; consequently it tends to promote an influx of bullion. I can quote a fact of rather a striking character, which tends to show that a contracting operation upon the circulation tends to cheapen the cost of our manufactured productions, and therefore to increase our exports.[2]

The event justified the diagnosis of the financier. Between 1840 and 1850 prices fell 23 per cent, and with reason. The annual product of the gold mines was perhaps $40,000,000; America was growing rapidly; the railroads were absorbing vast sums. In France but 5,957 louis were struck in 1845, and in May, 1847, the bank held only 300,000 francs in gold. It had held 40,000,000 francs in January, 1841.

In England the pressure was exceedingly severe; the potato blight of 1845 brought on the Irish famine, and large importations of grain were made and paid for in coin. In 1846 exchange became unfavorable and a drain of gold set in. By the summer in 1847 the situation had become acute, and in August the crash came. As in 1825, money was not to be had, debtors could not obtain accommodation at any rate of discount, and those whose obligations were maturing had to throw their securities on the market to fetch what they would bring. The sacrifice was without limit, and for several days the stringency was allowed to do its work. Then, when men of the strength of Lord Overstone had absorbed all the property they cared to buy at these prices, the ministry was permitted to give relief by suspending the "act;" and, according to the testimony afterwards given, when money had been made plenty, "the panic vanished like a dream;" relief came "in ten minutes." The excitement was intense; the merchants of London in a body petitioned for the repeal of the bank act and the partial restoration of silver, but Lord Overstone stood up resolutely before the storm, and not only succeeded in sustaining his statute, but in defeating the movement toward bimetallism. With this decisive victory the moneyed oligarchy became absolute in Great Britain.

Nevertheless, the strain upon the whole social system was terrific. During those years of suffering every government in Europe was tottering, and in looking back from the distance of half a century it is difficult to resist the conclusion that the policy of the bankers of Lombard street was one direct and potent cause of the convulsion of 1848.

What would have been the result had Lord Overstone pursued his course to its logical end no man can tell, for relief was at hand. In June, 1849, the first Californian gold reached Liverpool; in four years the annual production of the precious metals had trebled, prosperity once more set in, discontent vanished, prices began to rise, and though they never again attained to the altitude of 1809, they at least reached that point of moderate and substantial increase which they showed before the outbreak of the revolutionary wars.

Society had, however, profoundly changed since the discovery of Potosi stimulated Europe into the effervescence of the renaissance, and it must not be supposed that the flood of gold was welcomed with universal enthusiasm. On the contrary, a strong movement in favor of silver monometallism at once sprang up, and it is still interesting to read the essay of Chevalier, in which it is only necessary to substitute the word "silver" for "gold" to have the currency literature of the present day reproduced.

[1] Overstone Tracts, 319. [2] Overstone Tracts, 573.

Moreover, that insidious but potent force which in modern times is always compassing contraction, manifested itself continuously and in the most varied forms. Ten years had hardly elapsed since Europe was in the throes of revolution before an agitation began for a unification of the coinage, the cardinal principle of which was the adoption of "an exclusive gold standard." And a resolution to this effect was in fact adopted by the conference held at Paris in 1867, although M. Mees, president of the Bank of the Netherlands, protested against it in these ominous words. It would be "inconvenient," he said, "to adopt universally the gold standard, because silver would then only be a fractional currency, and consequently gold would rise considerably in value."[1]

The only direct consequence of this conference seems to have been the demonetization of silver by the Scandinavian Union in 1872,[2] for the decisive blow was struck by Germany after the overthrow of France.

As the spoil of victory, Germany received an enormous indemnity, and her Government, perhaps unconsciously, was propelled along the path which led toward the enhancement of her treasure. The act of July 9, 1873, completed the provisions for the issue of the new gold money and for the melting and sale of the old silver coin. On September 6, 1873, France, to limit the amount of metal which might thus be thrown on her mints, imposed the first restriction on the free coinage of silver; and in 1876 the Latin Union ceased striking 5-franc pieces.

The whole strain of the commerce of Europe and the United States was thus by degrees transferred from the old composite monetary substance to gold alone, and, as Lord Overstone had foretold twenty years before, it began slowly and surely to rise in value.

Silver, however, was still in full use throughout the East, and the natural increase of the demand from those countries appears to have steadied its value in relation to commodities, for its purchasing power remained practically unchanged; and thus the phenomenon which has come more and more to absorb the attention of mankind is the constantly accelerating rate of the rise of gold. Sir David Barbour related how early the Indian officials began pondering these problems:

> When the gold price of silver began to fall, the opinion was very generally entertained that the fall was due to increased production of silver. * * * Attention was called as early as 1876, by the Government of India, to the fact that it was gold prices that were falling, and not silver prices that were rising, and the experience acquired since that year has conclusively shown that the fall in the gold price of silver has been accompanied by a great fall in gold prices and not by a rise in silver prices.[3]

The same thing was observed soon afterwards by Mr. Giffen. He remarked in one of his essays:

> The decline in the value of silver might also be referred to as proving a relative contraction of gold. Gold and silver being both used as standard money, and gold having become more valuable than it was, relatively, to silver, there must either have been contraction in gold or expansion in silver. One or the other event must have happened. But there is no reason to believe in the expansion of silver as silver prices, though they have risen as compared with gold prices, have not risen absolutely.[4]

In 1876, also, the relative value of the precious metals was made the subject of an exhaustive inquiry by our own Government, one of the first of those elaborate reports which are now to be found in every language.

In short, between 1873 and the present time, these economic phenomena have been subjected to the most patient scrutiny, and have been examined with all the resources of modern science; and if any fact can ever be said to be established by observation, it is that gold has increased very largely in its purchasing power since 1873, while silver remained substantially constant to the end of 1892. In 1893 the repeal of the Sherman Act and the closure of the Indian mints caused a profound disturbance of silver values. Silver fell suddenly and sharply, but since then, while silver has been steady at from 27 to 31 pence per ounce, commodities have continuously fallen, and on January 1, 1895, were but 24 per cent of what they were in 1782,[5] before the great rise of the revolutionary wars began. The prices of May, 1896, show no improvement. This is the lowest point which has been reached since the Middle Ages, and there seems every reason to suppose that the ratio between silver and commodities will now remain constant. But for present purposes the value of a precious metal, the demand for which has been artificially destroyed, is not a matter of great moment; the vital fact is the rise of the standard by which property is measured, for this touches the very life of the world.

Within the last fifty years, since the growth of America and Australia has made London more and more the center of exchanges, and, as it were, the heart of the economic system, gold and silver have flowed thither to be sent back again to distant communities which are in the process of development, and the outflow largely takes the form of loans. But these loans have to

[1] Conférence Monétaire Internationale. Procès-Verbaux, 42.
[2] Silver in Europe, Horton, 238.
[3] Final Report of Gold and Silver Commission. Note by Mr. Barbour, 136.
[4] Essays in Finance, second series, 79, note.
[5] Economist, February 23, 1895, 263.

be repaid, principal and interest, in gold, and as gold daily commands a larger and larger amount of commodities the produce of the debtors fails to realize the necessary sum and they become bankrupt.

The history of the movement of the gold supply during recent years is very curious and interesting. By 1876 the strain had become severe; the mines then yielded about $100,000,000 annually, of which fully $60,000,000, it is estimated, were consumed in the arts, fifteen or twenty millions more were regularly exported to Asia, while all the great powers were accumulating treasure against a future war. Practically nothing was left for coinage, and therefore the relative volume of the currency began to shrink.

It would naturally have been supposed that the exports of gold from England would have stopped, and that it would have been the weaker countries, such as Australia, which would have suffered first, but this appears not to have been the case. England seems to have been the point where contraction was experienced most sharply, and it was not till her population had been squeezed to the limit of endurance that the loaning of gold ceased and the process of realization began. Mr. Giffen described in a striking passage the shrinkage of the coinage under the gold famine:

In 1861-1870 the annual gold coinage of the United Kingdom was about five millions sterling, the amount in 1871 being nearly ten millions, and the amount in 1872 being just over fifteen millions. The average of the period 1874-1883 has been one and half millions sterling only, while in 1881-82 there was no coinage at all.[1]

But the currency did not merely stay stationary, it actually contracted. Up to 1876 England had been a large importer of gold bullion, but in 1877 the balance of trade turned, and during the next ten years her exports exceeded her imports by £2,259,000. If to this loss be added the consumption of coin melted for use in the arts, which could not have been less than five millions more, the shrinkage may, in a rough way, be estimated. The mint puts the total amount of the gold coin in use at £102,500,000: it follows, therefore, that the currency must have diminished about 7 per cent in ten years, and this in the face of rapidly growing production and population.

The situation was still further complicated by the return of the United States to specie payments. Up to 1876 we were exporters of gold, our shipments in 1875 having been no less than $53,000,000, and in 1876, $23,000,000; in 1877 they practically ceased, and in 1878 we began to import. It was in commenting on these facts that Sir David Barbour made the following calculation in 1886:

It is worthy of notice that while the total yearly supply of new gold to countries outside of the United States appears * * * to have been only £9,672,000 in recent years, Dr. Soetbeer estimates the consumption of new gold for industrial purposes in the same countries at * * * about £9,835,000 sterling. It follows from these figures that the total supply of monetary gold in civilized countries outside the United States in very recent years must actually have been diminishing.[2]

Under such circumstances the suffering could not have been otherwise than severe. By 1886 prices had fallen about 40 per cent below the level of 1873.[3] The British landed interest was deeply embarrassed and largely insolvent, cotton spinning had ceased to be profitable, while coal, iron, and shipping were deeply depressed. It was in this emergency the gold and silver commission was organized to investigate the cause of the disease.

But in 1886 the limit of endurance in England seems to have been reached. Relief was necessary, and she obtained it by calling in her loans. In 1887 her gold imports exceeded her exports in round numbers by £600,000, in 1888 by £800,000, in 1889 by £3,000,000, and in 1890 by £9,000,000. The effect was to crush the debtors.

Were the operation of an appreciating currency equal upon all men, little damage might be done, but he perishes first who is weakest, and by his ruin drags down the stronger. The farmer is the weakest of capitalists, and therefore has the least power of resistance because he can not suspend production. In like manner farm labor is weaker than industrial labor, because it can not combine. Therefore, agricultural prices are the most sensitive, and it is only subsequently that manufacturers suffer through the failure of demand.

Thus after 1873 the first class to be prostrated in England were the landlords, who were very generally unable to carry their mortgages. But the same fate was certain sooner or later to overtake all farmers who were debtors, and as soon as Great Britain began to draw in her loans sharp distress visited Australia.

Up to 1873 Australia had been extraordinarily prosperous, but like all vigorous and energetic communities she discounted the future. Her staple is wool, and it is, of course, upon the price of wool that the paying capacity of the people depends. But between 1873 and 1888 wool fell from 36 cents a pound to 16 cents. The money received for the annual clip would no longer cover the interest on the debt, and so early as 1888 a real property crisis on a gigantic scale threatened Melbourne.[4] To escape bankruptcy recourse was had to renewed borrowing at high rates of interest from the United Kingdom, and by this means, though the situation was ultimately made more desperate, a short respite was obtained. The weakest spot gives first, and the weakest proved to be Argentina. The loss caused by falling prices had there been aggravated by misgovernment and corrupt financiering, and in the autumn of 1890 the crash came which broke the Barings.

Within a twelvemonth Australia had followed. In the words of the Economist in the letter already cited, "building societies, land banks, and institutions lending on land went down before the storm," * * * "there was a general fall in the market values of agricultural products," and the outlook "became ominous, especially as the frightful burden of public and private indebtedness was * * * recognized." Securities lost their market value, 40,000 houses were to let in Melbourne,[1] while during 1892 the population of the city decreased by 17,132, "and since January 1 last the exodus has increased and is continuous."[2] A speedy revival was promised by the London capitalists when the inflation should be at an end, but the situation still remains substantially unchanged save in the gold-producing regions.

While the trouble was at its worst in Australia similar symptoms were developed here. Like Australia, the United States, confident in its future, had borrowed heavily, and like Australia its means of payment lay in its farm products. What our annual charge may be for foreign interest is uncertain, but it is not usually estimated at less than $200,000,000. In 1873, however, the burden of debt was not excessive, because of the price at which crops were sold; for example, in that year American wheat brought $1.85 a bushel in London, and about $1.15 on the farm. In 1889 it had fallen to $1.03 in London and to 70 cents on the farm. The yield of 1889 was about 490,000,000 bushels, which therefore returned the grower $220,000,000 less income than it would have done sixteen years before; and this calculation leaves out of view altogether the loss to transportation companies through cheaper freight and their consequent reduced capacity to earn dividends. Nothing can be clearer than that the paying power of the nation had been curtailed nearly one-third, and the effect was visible in the exchanges.

Between the return to specie payments in 1879 and 1888 we had been, on the average, large importers of gold, but the moment England began to call in her loans we were totally unable to satisfy her demands through the sale of our products, and we had to pay the difference in money. The subsequent history is only too well known. The exports of bullion went on increasing until, in the spring of 1893, the Treasury reserve became depleted and the panic began. A violent contraction set in, and, in the words of Lord Overstone, "monetary distress" produced a "fall of prices."

As in Australia, agricultural products declined alarmingly. The wheat of 1893 brought the farmer only about 54 cents; that of 1894 but 49. What the loss of national income has been upon the cereals and cotton can be estimated by comparing this single wheat crop with that of 1881, which was among the last which sold for generous prices. In 1881 the harvest gave 383,280,000 bushels and was worth $456,880,000; in 1894 it gave 460,267,000 bushels and was worth $225,900,000. That is to say, for wheat alone we received $230,000,000 less for the crop of 1894 than for the crop of 1881, though that of 1894 was 77,000,000 bushels larger—a sum, perhaps, equal to the interest we have to pay on our foreign debt. Nor can this fall in price be attributed to overproduction, for the best estimates which have been made of the world's crop of wheat between 1880 and 1887 allowed a supply of about 4½ bushels per head annually for the population of the wheat-eating regions, while between 1888 and 1894 the supply has been but 4⅛ bushels.

It is perfectly evident that this process can not go on without producing the direst misery to the debtor, culminating in certain bankruptcy. It is only necessary to glance ever so slightly at the condition of any debtor nation to comprehend the straits to which they are already reduced. India is strained beyond endurance to meet her interest, and her ministers of finance say openly that she is on the road to ruin.

Russia, which is deeply in debt, is in a condition which can be described by no other word than frightful. Prices have there been forced so low that the peasant is left with the narrowest margin of profit on which to live; so narrow, indeed, that any failure of his crop means starvation, and accordingly famine has been chronic within the Empire for at least ten years. Food may be plenty and cheap, and yet the people be too poor to buy; and actually in one village where the national rye bread was selling at a cent and a half a pound, a traveler found the whole population rotting with hunger typhus.[3] In precisely the same way the drought brought famine in Nebraska in 1894; for, if farmers can make but a bare living in good years, they can save nothing for

[1] Essays in Finance, second series, 25.
[2] Gold and Silver Commission, Final Report, 137.
[3] Sauerbeck's Tables.
[4] London Economist, June 17, 1893, 725.

[1] Economist, January 27, 1894.
[2] Economist, July 8, 1893, 817.
[3] Through Famine-Stricken Russia, Steveni, 120

the bad, and when crops fail they must starve, because they are left paupers.

Forty-five per cent of the Russian exports are in grain, and with wheat depreciated one-half, the peasantry have to contribute two bushels toward taxes, where formerly they gave one. Of course, under such pressure the crop is forced on the market to fetch what it may.

The case of Italy is little better. The country is much embarrassed. The debt creates an interest charge of about 15 shillings per head of the population, which is higher than the rate of the United Kingdom, and this estimate does not include municipal or provincial obligations. The drain upon the peasantry is always increasing, and already has reduced them to the last extremities of suffering. To give some idea of the distress, I quote from the correspondent of the London Daily Chronicle, who investigated the subject:

The general cause of all these troubles in Sicily and elsewhere is the starvation and misery to which the laborers have been reduced. The immediate cause of the late outbreak in Puglia was a continuance of wet weather, which prevented the peasants * * * from getting any wages. As they only get about 40 centimes a day, they can not save for a rainy day. The low rate of wages, again, is caused by the fall in the value of agricultural produce. * * * The abundant crop of grapes of last year was left to rot on the vines, and the vineyards are now being stubbed up to sow wheat again. But the low price of wheat prevents its being grown at a profit. Yet the price of bread, owing to taxes and middlemen's profits, is too dear for the peasant of Puglia. His food consists of beans, eaten without salt, because the Government monopoly makes salt a luxury.

The same state of things exists in other parts of Italy; in Romagna, Emilia, and in all the great Valley of the Po, the richest land in Europe. * * * His [the peasant's] food consists of polenta or maize flour, of bad quality, and this produces the pellagra, a terrible skin disease, which is steadily on the increase in northern Italy.[1]

Lord Overstone expressed the opinion that "monetary distress, by breaking down prices, encourages exports;" and here alone, in all his reasoning, experience has proved that eminent financier to have been wrong. Monetary distress does not, generally speaking, encourage exports, because when all the world is poor no one can buy.

Take the case of England. The prices of her manufactures have fallen, but we, who are among her best customers, have several hundred millions of dollars a year less to spend. Everywhere throughout the world the agricultural class is the basis of society; ruin that, and no one can prosper. The agricultural income of England is perhaps $250,000,000 less than it would be reckoned on the scale of 1873, and the result is that land is going out of cultivation and the rural population is migrating to the cities for work. It was in evidence before the gold and silver commission that population in Lancashire was growing four times as fast as employment. The consequence is that at the precise moment when the demand for commodities is checked the quantity of labor increases most rapidly, and as the struggle for life is thus steadily intensified, ever larger numbers are thrust down into the dens of eastern London, there to slowly perish from inanition.

The symptoms of this creeping paralysis are but too evident. The Economist of August 26, 1893, says that "the customs and excise returns bear unmistakable evidence of a curtailment of the purchasing power of the community;" and in 1893, at the lowest prices up to that time ever known, Great Britain actually bought 1,000,000 hundredweight less of wheat and wheat flour than the year before, though her population is fast increasing, "and the crops [in the districts affected by the drought] were among the worst grown within the memory of living man."[2] Though the nominal daily wage may be maintained, the surplus of labor causes the individual competitor in the wage market to lose time; or, to put it in another way, the wage fund does not grow in proportion to the increase of those among whom it must be divided. The consequence has been a series of the longest, fiercest, and most disastrous strikes in history, which culminated, summer of 1893, in the coal mining troubles in the midland counties, which approached a social convulsion.

On the other hand, the owner of productive property is driven to the wall, for though the price at which he can sell his commodity declines, wages are maintained by the unions; and though the workmen may be starving because of the irregularity of employment, the pay roll stays the same. The mines of the midlands really seem to have been showing a loss when the men left the pits, and the best cotton mills of Lancashire have not averaged more than 1 per cent of profit applicable to dividends for several years.

In like manner the impoverishment of the American farmers has caused a decline in the demand for manufactures. As prices have fallen and sales have diminished, the sum spent on wages has shrunk, and the great strikes of the summer of 1894 have been the result.

Approached thus, from the historical standpoint, the evidence seems conclusive that the disease which is devouring the world is

[1] London Chronicle, February 23, 1894.
[2] Economist, January 13, 1894.

an appreciating debt; and if this be true, it is a disease which does not admit of a local remedy. As long as the obligation of contracts is unimpaired, the mere passage of a country from a gold basis to a basis of silver or paper does not appear to afford relief. India, Russia, and Italy are as hard pressed as Australia or the United States. If a single nation is to free itself from the common lot it must be by the repudiation of gold debts. Therefore the reestablishment of an elastic currency by the restoration of silver to its ancient place, through international agreement, is the best hope for the world, though probably, even with silver freely coined at the old ratio of 15½ to 1, contraction would still go on in a mitigated form. Some years ago Mr. Giffen calculated that with bimetallism values would have shrunk about 10 per cent since 1873, and the disparity between the increase of the yield of the mines and the growth of commerce is always tending to enlarge. The sum is simple and the figures are accessible.

In June, 1849, the first Californian gold reached Europe. In that year the total product of the precious metals was $66,100,000. Twenty-one years later, in 1870, the annual yield of gold and silver reached $158,425,000, or had increased about 140 per cent.

Taking 1871 as the first year of a second period, with a total product of $168,050,000, and comparing it with 1892, after another interval of twenty-one years, and the falling off in the rate of production is very marked, for in 1892 the mines yielded but $327,422,000,[1] or an advance over 1871 of only about 95 per cent. And yet nothing is more certain than that the relative expansion of trade was very much greater in the second period than in the first.

The inference is that "the quantity of all the money in the world" would have contracted "in proportion to all the trade," and that the phenomenon of falling prices would still have been developed, though in a much mitigated form. At all events, however, the relief of bimetallism would be enough to solve the problem for the generation now living.

Thus the restoration of silver becomes the most vital issue of our age, for the gold standard seems to involve more than mere financial embarrassment; it apparently strikes at the root of the social system. Pressure is producing suffering, and suffering discontent—a discontent which is seething in every European country, and which is only repressed by armies compared with which the Roman legions were but a petty band. Resistance is not attempted only because it is hopeless; but free institutions have ceased in all but name, the question which preoccupies the ruling class being whether it is cheaper to coerce or to bribe. The moneyed aristocracy, personified by Lord Overstone, is autocratic; they control the destinies of the world as absolutely as ever did the Cæsars, and they use their power as all aristocracies have done since history began. That aristocracy is now, perhaps, represented more perfectly by Mr. Bertram Currie, of London, than by any other man, and in 1887, when he appeared before the Gold and Silver Commission, Mr. Currie defined his attitude in these words:

Q. But I think you said that a demand for gold increased its value. If there were a fresh demand by America [referring to the American imports], gold must pro tanto have increased in value?

A. But what evil is done thereby if it has?

Q. Do you think that a fall of prices due to an appreciation of the standard is no evil?

A. I think a fall in prices is no evil.

Q. A fall of prices due to a cheaper production of commodities would be a gain?

A. I ask no questions as a consumer. A fall in prices benefits me.

Q. * * * Is it not a fact that owing to the low prices large tracts of country that were formerly profitably cultivated in England have gone out of cultivation and are now producing nothing?

A. If that is so it is because they are unsuited to the production of these commodities.

Q. But I am speaking of land which produced these commodities at great profit not very long ago.

A. That is the general fate of mankind. Somebody else has found that he can produce them cheaper and better. * * * I know the feeling of the class to which I belong, and I know that any change is diametrically opposed to our feelings, and that whatever change is made, to whatever extent we can, we will be clear of it. If we lend a man £1,000, we will say to him, "Understand we are not to be paid back in this new stuff; we must have gold."[2]

[From the Journal of the Society of Arts, London, May 28, 1897.]

Twenty-second ordinary meeting, Wednesday, May 26; William Henry Grenfell, B. A., in the chair.

The following candidates were proposed for election as members of the society:

Brown, William Peter, 3 Austin-friars, E. C.

Cross, Charles Frederick, 4 New-court, Lincoln's-inn-fields, W. C.

Ewens, George Thomas, West-hall, Kew.

Flood, Alfred Edward, Rowborough, Cookham, Berks.

Mitchell, James F. B., Clerk-road, Jacob-circle, Bombay, India.

Settna, Maneckjee Framjee Harmusjee, Marknes Buildings, Fort, Bombay, India.

[1] The figures are taken from the tables published by the mint, August 16, 1893.
[2] Royal Commission on Gold and Silver. Evidence of Mr. Bertram W. Currie.

The following candidates were balloted for and duly elected members of the society:

Barker, Gerald, 1 Victoria street, S. W.

Chrimes, Charles Edward, Sellwood, Rotherham.

Dyson, Robert, Fairfield, Rotherham.

Powell, Harry J., 26 Tudor street, Whitefriars, E. C.

Rodda, Edward Duncoff, 6 Gold street, Roath, Cardiff.

Zeal, Hon. Sir William Austin, K. C. M. G., M. L. C., Melbourne, Victoria.

The chairman in introducing Mr. Frewen apologized for the unavoidable absence of Sir William Houldsworth, and referred to the recent great contest in the United States when the two great parties seemed to be divided on the currency question and almost on that alone. Since then the successful party, which was supposed to have saved the country by upholding the gold standard, had sent a delegation to Europe with the object of obtaining a settlement on international lines of the currency question which divided the world. It seemed very difficult to raise public interest in this question in England; but it was of the highest importance that people should discuss it and arrive at an unbiased decision.

The paper read was—

SILVER AND PRICES: THE ECONOMIC DRAIN FROM DEBTOR NATIONS.

By MORETON FREWEN.

The problem, What is to be the future exchange value of the money which three-fourths of the human race tender for their goods? is in itself a problem of immense importance. But, stated thus simply, it might appear to be chiefly a question of international bookkeeping. When, however, we have come to recognize that with every reduction in the price of silver bullion the exchange with Asia falls; that when the silver currencies of Asia depreciate all the export trades of Asia are stimulated, then, indeed, we have arrived at the threshold of what is evidently a great race question—a question of how the white man with the yellow money is to meet the competition of the yellow man with the white money.

The silver question, then, even from this standpoint, is clearly of infinite interest; but, by the light of the recent elections in the United States, we see that, even more than a race conflict, there is involved the most bitter class antagonism; and just as these antagonisms and the knowledge of all they portend have only, after twenty years, really worked their way to the political surface in America, so also, beyond all doubt, they are destined to emerge not much later within the British Empire and in Europe, and with revolutionary violence unless our statesmen are able to secure an equitable settlement before any long delay.

THE UNEARNED INCREMENT IN GOLD.

From all sides the evidence accumulates that too great a subscription to revenue is to-day being made by the very poor, too small a subscription by the very rich; therefore men's minds have begun to recognize the true resources of taxation in what is called the "unearned increment" wherever that increment is to be found. Now, since 1873 the value of the gold sovereign—its purchasing power—has nearly doubled; the man, then, who owned £100,000 in 1873 and who to-day owns £100,000 is nearly twice as wealthy now as he was in 1873. Rightly or wrongly—I do not wish to prejudge the issue—our economists declare that this rise in the value of the sovereign results from changes in monetary legislation—changes in Germany, France, and America in 1873 and in England in 1893—changes which for the first time in history have given a monopoly value to gold. If, then, an unearned increment, which has nearly doubled the wealth of certain classes, has been obtained by design and not by accident, the recent attempt in America to prevent the further enrichment of the money owners can hardly be attacked on moral grounds. A quarter of a century ago the late Mr. John Bright, at a time when the mere accident of the great gold discoveries in California and Australia had added some 50 per cent to the selling value of English land, was in favor of taking this "unearned increment" by means of taxing the landlord. But if that vast unearned increment, which has now so enriched the landlord, has resulted from no bounty of nature, as was then the case, but from alterations in monetary laws since 1873, here is clearly an unearned increment which should, on every moral ground, be attracting the attention of our treasury officials.

BRITISH INDIA'S ABSORPTION OF SILVER.

In addressing your learned society to-night, I have no desire to enlarge upon that somewhat dreary topic, "bimetallism," so called. If a bimetallist is one who believes that the enduring settlement of the silver question involves the invention by Great Britain of a new and legal-tender silver coin, then I am not a bimetallist, for I believe no such change is necessary. The world had effective bimetallism until 1873, and to that beneficent monetary system which obtained before 1873 England and not France was the largest contributor. For by keeping the mints of 250,000,000 of our people in India open to the unlimited coinage of silver, and by rigidly demonetizing gold in India, England greatly reduced the demand for gold—which demand would otherwise have resulted in sweeping most of the new gold of Australia and California into the hoarding places of the Orient.[1] I believe that what England did for silver before 1893 is at last beginning to be recognized, in view of that awful collapse in the silver exchanges occasioned by England's antisilver legislation in 1893. And when in France and Germany public opinion recognizes the impolicy of waiting until England does more for silver than take, as she has often taken, in her Indian Empire, the entire silver produced by all the mines of the world during the year—when France and Germany have learned this lesson, as I believe America has learned it already, then, indeed, we shall witness the close of this barbarous period of exchange disasters and of wrecked agriculture with which experimental legislation has afflicted us for now a quarter of a century.[2]

To the efforts of the American monetary commission now in Paris I offer this small contribution. Let them point out to the French authorities from the report of our silver commission in 1875 that during the twenty-five preceding years, while the product of all the silver mines in the world was valued at £220,000,000 sterling, England's eastern empire absorbed of this sum no less than £164,000,000.

But it is far from my desire this evening to theorize as to the best method of securing for the world steady exchanges. That subject is endless. It is enough to point out that between the two parties—the party which believes that universal free coinage of both metals is required to maintain parity, and the other party which believes that a single great nation with open mints can act as money changer for the world—between these two parties a third party is now emerging which believes that one or at most two great nations, with open mints, can, in conjunction with silver monometallism in India, settle our present exchange troubles and for all time to come maintain the ratio.

THE FALL OF PRICES AND THE ECONOMIC DRAIN FROM EGYPT AND THE UNITED STATES.

I now come to that portion of my subject where we are no longer in the domain of theory, but where we are able to deal with accepted facts and figures. It is quite evident that as prices fall there must result an increasing economic drain from debtor nations; I mean either from those nations whose national debts are largely held abroad or from those nations which, for industrial developments, have been large borrowers from other countries. Egypt may be said to afford an extreme instance of the former class of debtor nations and the United States of the latter class. Let me put it in this way: The national debt of Egypt is, roughly, £100,000,000 sterling. Egypt is a purely agricultural community, with a little over 5,000,000 acres of cultivable land all told. The whole debt of Egypt is owned abroad; therefore, practically, a foreign mortgagee has a mortgage of £20 per acre upon the entire Nile Valley. His interest is paid to the mortgagee by the export of produce, chiefly of cotton. Now, cotton having fallen in value more than one-half since Khedive Ismail forced his country into this morass of debt, it follows that twice as much of the produce of each acre has to be exported from Egypt. Such is the added burden of lower prices in the ancient land of the Pharoahs. Now let us take the case of the New World. The United States has borrowed enormous sums of money in Europe to build railways, to build towns, to clear farms, to build breweries, to develop mines. Estimates differ greatly as to the amount owed by America abroad, but it is probably safe to reckon it at £600,000,000 sterling. I may remark here that as the known external indebtedness of only 4,000,000 people in Australasia is over £350,000,000, it might be safe to estimate the external debt of the 70,000,000 people in the United States at a higher figure. Let us say, then, that the interest annually paid by the United States in Europe is £30,000,000; that to send her produce to Europe, there to exchange it for the money she owes Europe, requires a payment of some £15,000,000, in freight, to our shipowners; and further, that American visitors spend annually at least £15,000,000 in Europe. From these figures it is evident that the economic drain from America, a drain represented by the excess of her exports over her imports, is not less than £60,000,000 per annum. Sixty million pounds per annum, or some $300,000,000; so that, exclusive of Sundays, the United States must export, to pay her foreign debt, nearly $1,000,000 daily more than she imports. Now, just as in the case of Egypt, so also have the prices of America's staple exports—wheat, cotton, maize, copper, and silver—fallen one-half. Therefore it is clear that but for that fall of prices the burden of the external debt of the United

[1] Between 1848 and 1877 the aggregate trade balances in favor of India amounted to £511,000,000, a sum largely in excess of all the gold which came during those years both from California and Australia. Confronted with such figures, what ground is there for the belief that, given free coinage in Europe or the United States, any considerable amount of new silver will ever remain in the currencies of Europe or America?

[2] Between 1856 and 1860 India's net importation of silver was £51,500,000; the total silver production from the world's mines was £40,700,000.

States, upon the industries of that great debtor country, would be one-half less than it now is.

SIR ROBERT GIFFEN ON THE DANGEROUS APPRECIATION OF GOLD IN 1888.

Thus the demand in the United States that silver should be remonetized is largely the expression of the desire of that country, that the former level of prices shall be restored, or at least that the present intolerable economic drain abroad shall not be intensified by prices lower still. In 1888 Sir Robert Giffen, after expressing the opinion that the "recent change from a high level to a low level of prices is due to a change in money," added this truly remarkable prophecy. He foresaw "troublous times both for some of our Australian colonies and for a country like the Argentine Republic, even if the appreciation does not grow more serious. That the pile of debts has to be paid, principal and interest, in appreciating money is a most serious consideration."[1] Even if the appreciation does not grow more serious! Since those words were written in 1888, gold has further appreciated 20 per cent.

CAN DEBTOR NATIONS MAINTAIN A BALANCE OF TRADE?

An economic problem, then, of great gravity with all debtor nations is this—namely, how, with prices perpetually falling, they can maintain a sufficient balance of exports over imports to pay their foreign debts. President McKinley hopes to do this by such a tariff as in discouraging imports will give him an artificial trade balance of sufficient dimensions. Mr. Bryan's view was that the restoration of silver to free coinage would so raise the silver exchanges between Europe and Asia that the exports from silver and paper communities, being no longer bonused by the depreciation of their currencies, gold prices in Europe would advance by leaps and bounds; thus the United States would both export more of her produce and get higher prices for it, so that her balance of $300,000,000 would be maintained without any difficulty, without the almost daily risk of being obliged to export gold instead of goods.

I am not concerned to discuss whether or no the view of the free silver party in the United States is correct and scientific. Enough to say that just as the difference in 1893 between open mints to silver in India and closed mints involved an immediate difference of some 23 per cent in the price of silver bullion, so also the fact of open mints to silver, instead of closed mints, in a community of the predominant commercial importance of the United States can not fail greatly to raise the price of silver. You will bear in mind also that the action of the Indian Government in 1893 in making the rupee scarce and artificially dear cut down as if by magic the great favorable trade balances India had for so many years enjoyed, and turned the balance of trade actually against her. With such an object lesson as that of 1893 to guide us, I think there can be no question but that free coinage in the United States would greatly raise the rates of European exchange not only with India, but with all Asia, South America, and Russia, would contract the exports from those countries until gold prices had risen, and would thus afford just that stimulus to America's exports which is needed to reduce the economic drain occasioned by low prices.

Any investigation of the present American crisis is outside the purpose of my remarks. It is enough to say that a favorable solution of the financial trouble is hardly possible so long as Europe's rates of exchange with all silver-using nations remain as low as to-day.

THE NATIONAL INCOME OF DEBTOR NATIONS.

I must now venture upon a short economic investigation, the statistics for which are very far from complete. If they were complete, we should be enabled to arrive at most valuable and, I fear infrequently, most alarming conclusions. I refer to the national incomes of debtor nations. It is evident that the individuals who make up a nation, and who create the yearly wealth product of that nation, must deduct from that product enough to feed, to clothe, and to shelter them; for otherwise the human machine will become unfit for work. This, then, is the first mortgage upon industry. Now, the problem—a problem of immense interest—which is beginning to attract attention is this. Has the economic drain so increased as prices fall that beyond a subsistence ration the creditor nation is taking everything produced by the debtor? If this is the case, such a condition of wealth distribution amounts to a moral enslavement of the debtor community. An economic drain, then, of any such magnitude, is not in the true interest even of the creditor nations. It is calculated to create unfriendly relations between debtor and creditor, and finally, if carried far enough, to involve debtor and creditor alike in the common ruin. Can anything, then, be more important than to secure correct figures of national per capita incomes? Mr. Bowley has worked it out for Great Britain in a paper[2] of splendid elaboration. He shows that our gross annual wealth product, animal, agricultural, structural, mineral—our wealth of all kinds, when divided by our population, gives a quotient of £42 per capita for every man, woman, and child. Now, I take for a subsistence ration—that ration required in a climate such as ours—a little more than sixpence per day, or, say, £10 per capita per annum. Deducting this from £42, there remains a surplus available for taxation and accumulation such as I suppose the world has never known. Is this surplus being accumulated for us by the increasing economic drain from debtor nations? In other words, does it represent an increase in the sufferings of our debtors all over the world?

[1] Journal of the Statistical Society, December, 1888.
[2] Journal of Statistical Society, June, 1895.

THE WEALTH SURPLUS AVAILABLE FOR TAXATION IN GREAT BRITAIN AND IN IRELAND.

Let me draw your attention not merely to the magnitude of this per capita surplus of £32, or over £1,100,000,000 a year, but to its value—its purchasing power. The sovereign with us is worth as much, or almost as much, as it is in France or Germany; it is worth considerably more than the sovereign in our colonies or in the United States. The financial relations of Ireland with this country have been recently attracting much attention. The economic drain from Ireland in proportion to her resources is very great. A large part of her banking capital, of her railway capital, her shipbuilding, brewing and distilling capital, is English. Her soil is extensively mortgaged to English loan companies, and there is the drain also of rents to absentee landlords. Now, the evidence given before the financial relations commission, and especially the evidence of Sir Robert Giffen, shows that the total annual wealth product of Ireland is not more than £65,000,000, or, say, £14 6s. per capita, from which, if we deduct a subsistence ration of £10 per capita, or £45,000,000, £10,000,000 more for imperial and local taxes, the surplus in the case of Ireland is at the most £10,000,000, as compared with a surplus of £1,000,000,000 in the United Kingdom. In the case of Ireland, then, there can be no doubt that after providing for the subsistence ration and the cost of the administration, whatever remains flows into the economic drain to the creditor nation, England. Perhaps the most ominous evidence given before the recent commission was this, that the standard of living in Ireland is extremely low, even lower than that subsistence ration which I regard as barely adequate. Dr. Grimshaw, the Irish registrar general, speaks of ten-roomed houses where there are ten families. Other witnesses report that the diet of the community suffers because good fresh food of all kinds has necessarily to be exported, poor innutritious foreign food being imported to take its place. We should look, under such conditions, for the deterioration of the human machine, for a starved cultivation and a starved cultivator.

AGRARIAN INCOME IN THE UNITED STATES.

Let us now cross the Atlantic and see what is happening on the farms of the United States, where again we have a community very largely dependent for the prosperity of its cities, its railways, and its creditor class upon the profitable operations of its farmers.

According to the census report for 1890 the number of farms was 4,564,641; the number of people per average farm, 5.8; the number of acres per average farm, 137; the gross value of the produce per farm, $539; so that we may roughly estimate that to-day almost one-half of the 70,000,000 of that population is engaged in agriculture, and if you divide the value of the produce of the farm by the number of people on the farm, you will find that the annual gross income of the farm population in 1890 was less than £20 per capita. Since 1890, average prices in England have fallen[1] 15 per cent, while the fall in the farm price of products in America has been at least 25 per cent. It is safe, therefore, to say that the present gross income of the American agriculturist is not more than £15 per annum, or some 10d. per day; whereas the contract cost of maintenance for paupers in the workhouses of the United States is returned in official documents at 14d. per capita per day.

And I venture to make this statement with strong conviction, that if, as the official figures seem to demonstrate, the gross income of the Irish agricultural class is now but very little lower than that which obtains in the United States, then emigration at present offers no resource to Ireland. When you take into consideration the heat of the summer, the severity of its winter season, to northward of the Potomac, as also the greater cost of living on the American farm, I think that the income from agriculture should be one-half more in America than the income in Ireland to justify the American emigration of Irish farm families.

Allowing in the case of America £10 per annum for the subsistence ration plus £3 for the requirements of the Federal, the State, and the county revenues, there remain at present prices not more than £2 per annum with which to support the local railway and to pay interest on local and foreign loans. There can be no doubt that in the case of the United States, the greatest debtor nation in the world, how to meet the economic drain caused by its external debt has become an almost insoluble problem, solely because of the fall in the price of all its exports.

[1] See Sauerbeck's index numbers.

DISTRIBUTION OF THE WEALTH PRODUCT OF NEW ZEALAND.

Before concluding the subject of the national income, permit me to make a brief reference to the situation of New Zealand and of New South Wales. These two splendid colonies are "separate fiscal entities;" it is therefore comparatively easy to secure reliable estimates of the economic drain, and this is not equally the case in dealing with communities such as Essex and Ireland, or such as Missouri and California. In each of these colonies is a statistical bureau in charge of a government official, and the population, being comparatively small, the estimates of wealth production are probably more reliable than in any other country. When traveling in New Zealand, two years since, I was at some trouble to analyze from official sources the annual wealth product of the colony, and it works out, I found, at some £15,500,000 sterling, or rather over £22 per capita for 700,000 people. I gathered that the per capita returns from agriculture, including in this sheep raising—that the returns are 10 per cent greater than in the United States; while if we allot to the American and equally to the New Zealander a subsistence ration of £10 per annum, then considering the perfection of the climate the latter enjoys, he is much better off than his fellow-worker in North America. Now, if we deduct the subsistence ration for 700,000 people, or £7,000,000 sterling per annum, from £15,500,000, the total wealth product, there remains for distribution £8,500,000. Of this sum the cost of government, including the education grant, is £2,500,000; there is also £1,800,000 of interest on £39,000,000 of public loans, borrowed in England, and there is the interest on £26,000,000 of private loans contracted in England, which, estimated at 5½ per cent, is nearly £1,500,000 sterling more. If, then, we deduct these three items, which amount to £5,800,000 a year, from the £8,500,000 available for distribution, there remains for New Zealanders £2,700,000 only, or less than 3 pence per capita per day to reward their toil, and out of this they must pay the sea freights on their produce sent to Europe. Now, but for the fall of 50 per cent in New Zealand prices since 1873, the position of this colony would be very different. The value of the annual wealth product would to-day be not £15,500,000, but £31,000,000, from which sum (allowing for the altered value of money) deduct a subsistence ration of £20 per annum, or £14,000,000, and £5,800,000 for the cost of government and the external debt; so that instead of £2,700,000, as to-day, there would remain for the colony more than four times that sum, namely, £11,200,000.

DEBT AND PRICES IN NEW SOUTH WALES.

I now take the case of New South Wales, which, like California, is surely one of the garden spots of the world. In population it is about equal to California, and equal also in the wealth of its resources, and probably also, if we could get at the figures for California, about equally in debt to the outer world. In Mr. Coghlan the government of the colony has a most talented and painstaking statistician; and these are the figures prepared by Mr. Coghlan when I was in Sydney two years ago: The total external payments of interest by the colony on its public and private loans is £5,100,000. The exports of the colony, which in 1894 were £15,904,961, would at the prices of 1872 have realized £29,078,000, while the imports of the colony, namely, £11,128,929, would at the prices of 1872 have cost the colony £16,819,000. Here, then, is a loss occasioned by the fall of prices aggregating £7,500,000 on the external trade alone, or a yearly loss of over £6 per capita. Thus the fall of prices has imposed an annual fine upon this colony equal to the interest on its entire external debt, and £2,000,000 to boot. You will observe also from these returns that while the colony has saved 33 per cent on the prices at which it buys from us, its loss on what it sells us was at the rate of 45 per cent, for the reason, probably, that its sales were of raw material and its purchases manufactured articles, in which articles labor combinations thus far have been able to keep up the rate of wages, and thus prevent the full fall in prices.

IS THE EQUITABLE DISTRIBUTION OF WEALTH COMPATIBLE WITH RUINED AGRICULTURE.

In conclusion, let me say that in this question of the economic drain from debtor nations, which has been caused by the fall of prices, there is much more involved than the straining of our relations, whether with Ireland or the United States, or than that further financial catastrophe which has overtaken our colonies. The great fall of prices, in wrecking what must always be the greatest industry employing white men—namely, agriculture—is also wrecking the entire edifice of political philosophy, which for the wisest and the best of our ancestors was the work of their lives. For what is the ultimate aim of all political effort? Is it not the equitable distribution of wealth? And I believe that the history of mankind is witness that the best possible, indeed the only evidence of equity in the distribution of wealth is to be found in the contemporary prosperity of agriculture. And it is agriculture which to-day, in this country, in Ireland, in North America, and in Australia, is waterlogged because of the collapse of prices. What has been the distinctive feature of a prosperous agriculture throughout history if not that while few in the community have become very rich few also have been very poor? But look what is taking place with the great rise in the value of gold. While millions of white farmers are drifting to disaster, and while the great cities are congested with a "submerged tenth," driven in from the abandoned fields, there is to-day emerging a small group of millionaires, the value of their sovereigns doubled and the number of those sovereigns quadrupled.

In the United States we learn from official returns that the average wealth of the families in the rural districts is £700, while the average wealth of the families in the cities is nearly £2,000; and yet in the cities two-thirds of the families are without any property at all. Of Great Britain, a distinguished American, Prof. Charles Spahr, writes, after a careful analysis of our wealth statistics:

> If we sum up the results of our inquiry we find that less than 2 per cent of the families of the United Kingdom hold about three times as much property as all the remainder, and that 93 per cent of the people hold less than 8 per cent of the accumulated wealth.

And of America he says:

> Seven-eighths of the families hold but one-eighth of the national wealth, while 1 per cent of the families hold more than the remaining 99.[1]

DISCUSSION.

Mr. R. Manuel said he had listened with great interest to the views put forward by Mr. Frewen, but it seemed to him that the paper was not at all confined to the influence of silver on prices, but also included some very interesting economic questions which appeared largely flavored with socialism. Everyone must admit that the demonetization of silver in 1873, followed by the action of England in India twenty years later, had a prejudicial effect on the gold value of silver bullion in London, the great center of the silver trade, but he was not at all sure that it was right to conclude from that that the demonetization of silver was the sole cause of the fall in the price of commodities. He believed there were other influences at work, which he hoped to hear dealt with by some of the eminent economists present. This paper seemed rather cosmopolitan in its sympathies, and he must confess that he looked at the matter rather from the English point of view, and, according to Sir Robert Giffen, it was an undoubted fact that wages generally were at a much higher level to-day than they were twenty-five years ago, and that change synchronized with the great fall in prices. Taking the population at 40,000,000, and reckoning 5 to a family, there would be 8,000,000 families, of whom 1,000,000 probably belonged to the middle and upper classes, and the other 7,000,000 to the working classes, or those even not so well off; and if the result of this fall in prices was that that large section got higher wages and obtained the necessaries of life cheaper than they ever did before, he thought from a national point of view they ought to be well content with the present aspect of the silver question. He quite agreed with what had been said on the economic and social side of the question from an abstract point of view, and no doubt it was a great international question, how to deal with these debtor nations. This question had nearly rent the United States in two; but it was not at all unusual for a man who had borrowed money and was called upon to pay the interest upon it to find it a drain on his resources and to look upon it as a great hardship. That was exactly the position of the debtor nations, and he did not see that it was much affected by the question of silver currency. He understood Mr. Frewen to say that if the United States were bold enough to open the mints freely to the coinage of both gold and silver at a ratio to be determined by themselves, that vast and enterprising community would be strong enough to restore the bullion price of silver in gold to something nearer its old level. He believed the effect of that would be that foreign creditors would refuse to receive payment in silver, and that it would lead to draining the United States of the gold which it possessed.

Professor Foxwell said some of the remarks of the last speaker were very much to the point and were well worth consideration. In the first place, he asked if it was right to attribute the fall in prices, which he recognized apparently as a serious evil, to the changed position of silver as money since 1873. That was a very difficult question to answer, but it might be put in another way. What would be the effect on prices if silver had remained in use as before; would the unlimited coinage of silver have maintained prices at their former level? He was inclined to think there might still have been some fall in prices, but that was a view which the upholders of the gold standard almost universally repudiated. They said that the world would have been flooded with silver, and that there would have been such a mass of money thrown on the market that there would have been an inflation of prices. The question was very difficult to decide, depending as it did so largely on estimates. It was often assumed that improvements in production and increased efficiency had caused the fall in prices, but he thought that could not be maintained. The question whether improvements in production would cheapen a commodity

[1] The Present Distribution of Wealth in the United States, page 69. Published by Crowell & Co., New York.

depended entirely on the other question whether similar improvements affected the production of the precious metals, which governed prices. If the improvements and inventions applied equally all round, to the commodities and the money which measured their value, there was no reason why prices should rise or fall, and that was the ideal to be aimed at. It was evident that there was no inherent necessity for improvements to reduce prices, if one looked at the period from 1850 to 1873. A leading patent agent told him that there was never a period during which more improvements were made or more inventions applied to industry, but prices did not fall, but rose. That was the time when Mr. Gladstone spoke of the national prosperity advancing by leaps and bounds, and the reason was that while the facilities for the production of commodities were increased, the supply of gold and silver was increased still more by the discoveries in California and Australia. Another very interesting point was the relation of prices to wages. In theory, a fall of prices might operate in various ways. If the nominal wages remained the same, the workman of course got a larger share of commodities when prices fell, and that view commended itself especially to those with fixed salaries; it was the view held by the treasury, not only here, but in other countries, even in the East. But they must remember that the great majority of incomes were not fixed, but were dependent in some form on the produce of industry, and in their case it was a much more open question. Looking at the matter historically, and going back to the beginning of the century, it would be found that the condition of the working classes had been much better when prices were rising than when they were falling. One of the worst periods was from 1819 to 1849, a period during which the price of bread had a significance which in these days we could hardly understand, because when it rose above a certain point large numbers of the people were absolutely starved. During that period when the working classes were thoroughly disorganized, and were often out of employment, the country was on the brink of a social revolution. He had carefully studied the literature of the first half of the century, and was astonished at the mass of socialistic literature and the general discontent with which classes now quite respectable and intensely conservative were then permeated. A hard-working, honest man had then before him no reasonable prospect of continuous employment at a reasonable wage, and that uncertainty and sense of injustice rankled and brought the country to the verge of revolution. At that time there was a mass of socialistic literature which would not have been tolerated in any other country, but by 1852, when prices had begun to rise, that class of literature disappeared. He thought the evidence was conclusive that, on the whole, the falling prices from 1819 to 1849 brought with them, not an increase in the real wage of the laborer, but the reverse. In 1860 Mr. Gladstone made a great budget speech, taking rather an optimistic view of the results of free trade, and when it was objected that things were no cheaper than before, he said it was not the question of price in which he was interested; they were going to improve the position of the laborer by freeing industry, stimulating enterprise, and so increasing employment; that, he said, was the true policy to give comfort and contentment to the laborer. The testimony of Jevons, Newmarch, and McCulloch was distinct, that the effect of the new gold and the lift it gave to prices was beneficial to all classes, and to none more than the laborers. If he thought rising prices were injurious to the laborer, or falling prices a benefit, he would never advocate anything which tended to check the fall. It was, perhaps, rather premature to talk about cosmopolitan views; most of them had come to the conclusion that it was not charity alone which ought to begin at home; at any rate, he was not taking the cosmopolitan view of this question of debtor and creditor, but he thought it was not to the benefit of anyone that the present system, which gave an undue advantage to the creditor, should continue. He had just obtained some facts with regard to the investments of insurance companies which were very interesting. In 1892-93, he found that the insurance companies had invested about £190,000,000, at an average interest of 4.03 per cent; and in 1895-96 their investments were £200,000,000; but the rate had fallen to 2.78, just 1½ per cent. That was a definite illustration of the process which was going on upon the largest scale. People could not get the same rate of interest on their investments; they could get more for their money, but their incomes were reduced. It was not really to the interest of the creditor to ruin the debtor. One effect was that the overflow of British capital was checked, and it was very difficult now to find sound investments, not because the wants of the world were all satisfied, but because there was no reasonable certainty of a return on investments. He had had a deal of information lately from New Zealand, where he found this question occupied a very prominent place in the thoughts of the people, especially of students at the university. They said that to pay the debts of the colony to-day they had to export two and a half times as much produce as would have sufficed to pay the same amount twenty-five years ago. They were beginning to declare that borrowing must cease, and it was even suggested that no one should be allowed to enter the colony who did not bring a certain amount of capital with him.

President Andrews (Brown University, Rhode Island) said it occurred to him, in listening to the first speaker, to inquire what proofs there might be available on the interesting question, whether the fall of prices since 1873 was occasioned by the change in the legal attitude of certain countries toward silver, or whether it might not be accounted for entirely, or principally, by improvements in methods of production. Now, it would seem almost inevitable, on universally recognized principles, that if the fall in prices was caused by industrial improvements the world ought to have been much better off, strikes less frequent, and a condition of general prosperity evident, at any rate equal to that which prevailed from 1850 to 1870. But, as a matter of fact, that had not been the case; there had been a terrible depression in almost every direction. Great Britain, perhaps, had been better off than many countries, but in the United States certainly there had been no such prosperity as the theory demanded. There must, therefore, be some other cause. They were all interested in the prosperity of one another; if one nation wanted to get on, it ought to feel an interest in the well-being of nations across the seas, and this, not as a matter of ethics, but of economics and business. It was a great mistake to suppose that because things were in a fairly good condition in Great Britain they were as good as they ought to be. It was very common to remark, especially at election times, that the laboring man was getting on; so he was, and he would continue to get on, because he knew enough to combine and to fight, and they must admit that, taking the world over, the working population got a little more food, a little more comfort, and a little more holiday in return for their labor; and he did not suppose there was anyone there who did not rejoice at this; but having said that, men were too apt to settle down and say, "Thank God it is so, surely we do not need anything more." The premise was right, but the conclusion was wrong. Though the great world of toilers were fairly well off, they ought to be a great deal better off than they were; and if they could set free the springs of productive industry, the prosperity of all classes would rise to a much higher level. He did not expect the millennium would come in his day, but they might look forward to a nearer approach to it than anything seen since 1870 or 1874. There was a great deal of interest taken in the American tariff on this side of the water, and manufacturers would like to see it lowered; so should he, and he had used his influence in that direction, but the question of the tariff was intimately bound up with that of the currency. In 1886, when the Morrison bill was before the public, he said that unless some change were made in the monetary system of the Western World, and some check put on the fall in prices, Congress might put on what tariff it pleased, but it would not stand, and the prophecy was being verified much quicker than he anticipated, though the present tariff bill might not pass the Senate. He had every reason to believe that sooner or later a very high tariff would be enacted, unless a change were made in the monetary system. How deleteriously that would act on the commerce of England, no one could say, The idea when the Wilson tariff was passed was that it would give the country an ample revenue, and it ought to have done so; but it did not, and the country went on getting into debt. The difficulty was the lack of prosperity on the part of the people; they could not purchase goods because they had fallen into a condition of poverty by reason of the monetary system. It was not to the advantage of Great Britain that there should be a high tariff in the United States, but there always would be a high tariff until some reasonable monetary system was adopted in all the Western World.

Mr. W. Field, M. P., having assisted at the conference in Buda-pest, said the majority of representatives there were of opinion that the question of bimetallism seriously affected the commerce of the world, and especially agriculture. The public mind in this country had not grasped the principle of the matter. Money ought to be the measure of value; and was there any common sense in having one currency in a certain portion of the world, representing 800,000,000, and another currency in the remainder? The practical effect was there was no money at all, i. e., there was no common measure of value throughout the world. The effect was to give a premium to the silver countries, and our own manufacturers were penalized. He knew something about working-men, and took the chair at a large meeting in Dublin of working-men when a resolution was unanimously passed in favor of bimetallism, because they recognized that cheapness was not everything. You might have a loaf of bread for a half-penny, but if a man had not the half-penny, what advantage was it to him? Agriculture at the present time was to a large extent unproductive, whether in England, Scotland, or Ireland. The land did not produce one-third of what it might, and the men who were paying rent, particularly in Ireland, under the monometallic system, had to pay so much more practically, because the price of all produce had gone down one-third in value. That kind of finance could not last; money ought to be the servant of mankind, not the master; but the man who could command gold absolutely ruled the world. This question ought to be thoroughly studied, but, unfortunately, it was not fairly discussed in the press, and politicians avoided it because it was not made a political question. He quite agreed with Mr. Bryan that, until it was made a political question, the people would not take an interest in it. Meantime agricultural laborers were thrust into the towns and into the workhouses. He thought it would be absolutely necessary before long for the nations of the world to hold a conference and arrive at some principle by which the money of the world should be of equal value everywhere. If something were not done, more and more goods would be imported from the silver countries, and they would be landed in something like the Chartist movement of 1848.

Mr. Hermann Schmidt said there was one phase of this question to which attention had not yet been given, viz, the absolute necessity in which the world found itself to follow the lead of England. The fact that England, France, and Germany had not seen fit to make any relaxation in their standard necessitated other nations following suit, the most remarkable instance being that of Russia, who was at present amassing gold to an amount such as had never been seen in the history of the world before. She held already more than £130,000,000 sterling, and every week she was adding to the store. There was great opposition to it by the agricultural party, but for the moment the financiers and bankers had the ear of the Government and the opponents had not been able as yet to effect anything. The question would have to be fought out, but it would probably take years, and meanwhile the commerce of the world was steadily being deprived of the gold which was being produced in Africa and Australia. Austria had commenced the same thing to some extent even earlier, and seeing the steps Russia was taking, she was now hurrying on and taking gold in larger quantities. Japan also was following suit. It was almost incredible how a country which had run to the first position in Asia under a silver standard could suddenly adopt a gold standard, but it was simply because she thought her credit would be raised in the Western World and next week she would be coming to the London money market for a loan. As had been already pointed out, the avenues of employment for capital were steadily being decreased because debtors had either become insolvent or ceased to borrow. In spite of gold being in such demand, money in the city was becoming a drug. For some time it was believed that this was only a passing phase, but when they had a 2 per cent bank rate for two years, bankers began to recognize that the matter was becoming serious. Then came last year's panic in the United States, and in the fear that Bryan would be elected about £10,000,000 was sent to America, which in former years would have sufficed to raise rates for a long time, but in six months the bank rate was back to 2 per cent, with little prospect of its going up. Professor Foxwell's insurance companies' figures did not nearly express the real facts of the case, because the insurance companies did not make their investments all on one day, but gradually, and they were all in possession of large amounts invested years ago, yielding still the higher rates of previous years. If they had to invest their money to-day, the figures would be very different from those which had been given. You could see this in America, where the railroads were able to borrow at 3 per cent, though not many years ago they had to give 5 or 6 per cent. That showed how the currency question affected the creditor classes. Either you must have bimetallism or capital would become valueless. Of the two alternatives, the one which made capital valuable and labor prosperous was better than the other which made capital valueless and labor idle.

Mr. E. F. Vesey-Knox, M. P., said he unfortunately did not hear the paper, but if he might venture to criticise the title, he would say that those debtor nations which were independent seemed to have their own way of getting rid of the economic drain. When they did not see much chance of borrowing again, they ceased to pay interest, and he did not know that he could blame them. If they attempted to pay back in gold what they had borrowed, they would be draining their country of a much greater amount than they had reckoned, and it was much simpler and, on the whole, more just to pay nothing at all. The debtor nations really in an unfortunate position were those who, not being independent, still had to pay their debts. For instance, Ireland was drained year by year, and he saw no end unless they all became bankrupt individually, there being no recognized form of national bankruptcy. Gentlemen who advocated the gold standard insisted that prices had not fallen merely on account of the depreciation in silver, and perhaps that was so. Nevertheless, prices had fallen, and consequently the debtor had to pay in commodities a great deal more than he borrowed. Owing to the English system of specific duties, the appreciation of gold had a much more oppressive effect on the poorer population in this country than in any other, where duties were only ad valorem. The duty on tobacco was much heavier in proportion to the value than when it was first fixed, and so with the duty on beer and spirits. That was one aspect of the financial question between England and Ireland in which England got a great advantage under the present system. Indirect taxation fell more heavily on Ireland in proportion, and the more gold was appreciated the more England got from Ireland year by year. From that point of view it was a pity that England could not rule the whole world as she did Ireland. If she had ruled Portugal, that country could not have got rid of her debt, and the Argentine Republic would not have been able to get temporary relief. As England did not rule all the world, it would be just as well for her to take some account of the interests of those people who did not want to pay back more than they had borrowed.

Mr. Moreton Frewen, in reply, said he could not accept the suggestion that his views were too cosmopolitan, because the whole drift of his paper was to show that we were running our own colonies, our own flesh and blood—not foreigners—into very shallow water. He did not wish to discuss the question of the relation between the fall in silver and the fall in prices; that had been argued ad nauseam; but anyone who wished to follow it out could not do better than refer to the evidence of Mr. Hermann Schmidt before Lord Herschell's commission. Within one week of the closing of the Indian mints the price of silver fell 23 per cent, and there was such a collapse of prices of all kinds in the wholesale market as the world had had no previous experience of. He could not understand how anyone could dispute that if, as they were assured, the purchasing power of the rupee in India, the tael in China, and the yen in Japan was as great as ever, and yet the exchange value of those coins has fallen one-half, such conditions would not stimulate exports from the silver to the gold countries and force down prices in the gold-standard markets.

He remembered Mr. Bear's figures, in a paper at the Imperial Institute, on the connection between the increasing gold premium in the Argentine and the price of wheat, which left nothing to be desired, and he enforced them by a reference to Mr. Brett's evidence before the commission as to the effect of the high premium on gold in the Argentine knocking down the price of wheat in Mark Lane. Exports from countries with depreciated currencies all over the world were stimulated, and the competition was such as white men here could not meet. No one denied that at some point the fall in silver must be arrested. If the United States were to demonetize silver and throw all its silver dollars on the market as bullion, the fall in the exchanges with Asia would be such as to practically bankrupt the universe. What would the Government of India do if the rupee fell to 6d. or 3d. When this matter came into the domain of history, it would be recognized that they had, during the last twenty-five years, been confronted with a race issue of enormous importance to every white workingman.

The chairman, in proposing a hearty vote of thanks to Mr. Frewen, said he had for some time been strongly opposed to bimetallism, but after fifteen years' study of the question he had completely changed his views, and he could not conceive how anyone could maintain that the revolution of 1873 had produced no effect. He quite agreed with Francis A. Walker, whose loss they all deplored, that the history of this century would be searched in vain for a political crime of equal magnitude. He had, therefore, endeavored to do something to rectify that blunder and remedy the effects of that crime.

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THE BIMETALLIC LEAGUE.

The annual meeting of the Bimetallic League, held at Manchester on June 2, was in every way a great success, and we specially commend a perusal of the very full report of the proceedings which will be found in our columns this month, feeling assured that our readers will find it both instructive and encouraging.

Sir William Houldsworth and many other members of Parliament who would otherwise have been present were detained in London owing to the House of Commons being engaged on the workmen's (compensation for accidents) bill; but in all other respects the gathering was thoroughly representative. The large number of representatives of labor who were present was, perhaps, the most striking feature of the meeting, and there is no doubt that the attitude of the wage-earning classes generally toward bimetallism is a factor which the leaders of both the political parties in Parliament must take into the most serious account.

Our readers will also do well to read carefully the account we give of the annual meeting of the French Bimetallic League, held in Paris on May 28, and of the speech of the premier, M. Méline, delivered at the banquet held subsequently. The three special envoys of the United States, Senator WOLCOTT, General Payne, and Mr. Stevenson, were present on the occasion, and M. Méline's reference to their mission was important in the highest degree; indeed, nothing could be more significant than his closing words, "Our support will not be wanting to compass the triumph of that great cause which we are ready to defend together."

With such sentiments animating the French Government, it may safely be anticipated that the United States special envoys will not be long in coming to a good understanding with the authorities in France, and that in a few days they will arrive in this country to test how the Government are prepared to carry out the resolution of the House of Commons of March last year, and to fulfill the pledges to do all in their power to promote an agreement. The greatest crisis in the history of the monetary question is therefore at hand, and we earnestly indorse the rallying words of the annual report submitted at Manchester, and call upon all the friends of monetary reform to redouble their efforts at the present juncture. This was the keynote of the Manchester meeting, and upon the response to it depends the settlement of the question, or a continuance of monetary dislocation, of financial disquietude, and of the handicapping of British industry and its further transference to the East and far East. Social questions embracing the gravest issues are involved in this matter, and we trust that no effort will be spared by those who have at heart the prosperity and peace of the British Empire.

REPORT OF THE ANNUAL MEETING.

The annual meeting of the Bimetallic League was held in the Town Hall, Manchester, on June 2. The lord mayor (Mr. Alderman J. F. Roberts) presided at the opening of the meeting, the chair being subsequently taken by Mr. Robert Barclay. The mayor's parlor, where the meeting was held, was crowded. Among those present were: Mr. George Jamieson (H. M. consul, Shanghai), Mr. Robert Barclay, J. P., the Hon. Herbert C. Gibbs (London), Sir Edward Sassoon, Bart. (London), General Sir W. G. Davies, K. C. S. I. (Esher), Mr. L. L. Price, M. A. (Oxford), Mr. A. W. Flux, M. A. (Victoria University), Mr. R. L. Everett (Ipswich), Mr. G. Handasyde Dick (Glasgow), Mr. T. E. Powell (London), Mr. L. J. Maxse (London), Mr. W. Mackenzie (Dundee), Mr. Abraham Haworth, Mr. Theodore Crewdson, Mr. W. R. Moss (Bolton), Mr. Tom Garnett (Clitheroe), Mr. Thos. Henthorn, Mr. C. I. Sassoon, Major W. H. Tristram (Bolton), Mr. J. Thomson, Mr. H. E. Wollmer, Mr. R. W. Granville-Smith (London), Mr. H. Lathbury, Alderman John King, jr., Mr. Alex. Beith, Alderman J. Mark, Mr. Theo. J. Walsh (Birmingham), Mr. P. L. Gray (Ratho, N. B.), Mr. I. C. Waterhouse, Mr. F. J. Faraday, Mr. W. E. Dorrington, Alderman Southern, Mr. Wilson Lloyd (Wednesbury), Mr. J. H. Howell (Bristol), Mr. G. C. Haworth, Mr. Charles Macdonald, Mr. Elijah Helm, Mr. Alex. Carus, Mr. J. R. Hepburn, Mr. Ernest Seyd (London), Mr. Joseph Lees (Oldham), Mr. J. Garnett, Mr. F. C. Constable (Karachi), Mr. A. J. H. Carlill (Shanghai), Mr. A. E. Rodewald (Liverpool), Mr. T. W. Freston, Mr. J. Jackman (Sheffield), Mr. Howard Allport (Barnsley), Mr. W. T. Rothwell, Mr. J. A. Hutton, Mr. R. Attenborough (Northampton), Mr. H. T. Gaddum, Mr. E. H. Greg, Mr. J. D. Gorse (Nottingham), Mr. F. G. Hayter (Bradford), Mr. R. E. Lofft (Bury St. Edmonds), Mr. C. D. Phillips (Newport, Mon.), Mr. G. Lewis (Folkestone), Mr. W. S. Lowe (Staleybridge), Rev. J. Midgley (Todmorden), Mr. J. W. Miller (Brighouse), Mr. A. Tattersall (Stoke-on-Trent), Mr. C. E. Theilmann (Hull), Mr. J. J. Uridge (Lewes), Mr. J. H. Hallard (Edinboro), Mr. E. L. Hartley (Blackburn), Mr. Henry McNiel (general secretary), Mr. Arnold Hepburn (assistant general secretary), and Mr. W. B. Faraday (Manchester secretary).

The following representatives of labor were also present: Messrs. James Mawdsley, J. P. (general secretary Amalgamated Operative Spinners), W. Wood, J. P. (Amalgamated Operative Spinners), W. H. Wilkinson (general secretary Northern Counties Weavers' Association), Jos. Barrows (organizing secretary Weavers' Association), W. Mullin, J. P. (general secretary Card and Blowing Room Hands), Allan Gee, Huddersfield, and W. H. Drew, Bradford, and Ben Turner, Batley (general secretary Yorkshire Woolen Workers), A. G. Markham (London Bus and Tram Workers), George Dew (London Building Trades), W. Millar and T. Fowden (Oldham Spinners), M. Connolly (Oldham Card Room Hands), F. Entwistle, G. D. Kelley, and R. W. Watters (president, secretary, and treasurer, Manchester and Salford Trades Council), W. Mellor, J. P. (Chorley Weavers), James Mills (Bury Weavers), Luke Park, J. P. (Preston Weavers), S. Sidebottom (Staleybridge Spinners), A. Williamson (Hyde Spinners), R. Proudfoot, J. P. (secretary Southport Trades Council), J. Rigby (Chorley Trades Council), S. Joule and A. H. Gill (president and general secretary Bolton Spinners), S. R. Compston (secretary Macclesfield Trades Council), J. R. Clynes (secretary Oldham Trades Council), J. T. Cowdell (secretary Accrington Trades Council), John Farron (Rossendale Weavers), F. Entwistle, J. P. (Amalgamated Engineers), R. Walkden (secretary N. E. Lancashire Tape Sizers), Robt. Townend (Sabden Weavers), J. Sidebotham (secretary Power Loom Overlookers), J. R. Lomax (secretary Farnworth Trades Council), G. Billington (secretary Preston Spinners), W. Bancroft (secretary Hyde Weavers), W. Booth (secretary Ashton Weavers), W. H. Carr (secretary Ashton Card Room Hands), A. H. Cottam (secretary Accrington Weavers), J. Cacker (secretary Bolton Spinners), G. Foster (secretary Wigan Spinners), E. Hyde (secretary Macclesfield Weavers), W. Haydock (Ramsbottom Spinners), Councilor C. Redfern and T. Crowther (president and secretary Rochdale Spinners), G. Tabron (Brass Finishers), Councilor Watters (Typographical Association), Thomas McLean (secretary Oswaldtwistle Spinners), H. Preston (secretary Sheet Metal Brazers), J. G. Greenhalgh and J. Edge (president and secretary Bolton Card Room Hands), J. Johnson (secretary Blackburn Spinners), Walter Gee (Hyde Card and Blowing Room Operatives and Ring Spinners), M. B. Farr (Card and Blowing Room Operatives, Mossley), Arthur Williamson (Hyde Spinners), T. Robinson (Padiham Weavers), and William C. Robinson (Amalgamated Beamers, Twisters, and Drawers' Association).

THE LORD MAYOR'S ADDRESS.

The lord mayor, in opening the proceedings, said:

GENTLEMEN: I regret that my official duties will prevent me from occupying this chair for more than a few minutes. I wish to say briefly, however, that I had pleasure in following the example of my predecessors in granting the use of this room for the annual meeting of the Bimetallic League. I desire also to offer a cordial welcome to Manchester to Mr. Jamieson, Her Majesty's consul at Shanghai, and to other gentlemen who have come here to-day from London and various parts of the country. Occupying as I do an official position, you will not expect me to express any personal views upon the monetary question, but as international trade is a matter of the first importance to this country, and to no part of it more than Manchester and Lancashire, we are, I am sure, indebted to those gentlemen representing various industries and branches of trade who have come here to give us their experiences and to speak upon a subject which is regarded as so important throughout the whole world of commerce. [Cheers.] I will now ask Mr. Robert Barclay to preside over your deliberations.

LETTERS OF REGRET.

Mr. Henry McNiel, the general secretary, then read the following letters from gentlemen unable to attend the meeting:

[Letters from the Right Hon. Lord Aldenham, president of the Bimetallic League.]

TORQUAY, *May 28, 1897.*

MY DEAR MCNIEL: I am sorry to be again unable to be present at the yearly meeting of the Bimetallic League. Let me hope that this may be the last time at which I shall have to make excuses, and that either I may be in my place next year or that there may be no need for the league to hold a meeting at all. If there is a meeting, the omens all point to its being one of congratulation to industry and commerce on the final settlement of this vexed question, on the attainment of the two great ends and objects of our endeavors, the restoration of a par of exchange and the arrest of the continuous fall of prices from which all industries have been suffering. I hope that is to be the note struck at our meeting in 1898, and that this year of jubilee is to bring a cessation of this controversy and monetary peace to the world of commerce.

The continued progress of our cause shows clearly that there can be but one settlement of the controversy, that we, at least, shall never cease urging our plea on behalf of British industry till the two forementioned objects are attained.

I have spoken of the continuous progress of our cause, and of this there can not be more conclusive evidence than the circumstances attending the Presidential election in the United States, where the battle lay, not between bimetallists and monometallists, but between international and national bimetallism, the monometallists being nowhere in the race. To this evidence we may add the pronounced desire of France and Germany for an international settlement of the question, the increased and increasing zeal in our colonies for the return to our ancient monetary law, and I find also additional evidence in the increased and increasing force to conviction of the working classes, both manufacturing and agricultural, that their interest is bound up in the return to sound monetary principles.

Monometallists, indeed, speak "with fine contempt" of the workingmen who should pretend to judge of such matters. It is probable that the workingman is better qualified to judge of what concerns himself then are his critics. The monometallists for the most part know nothing at all of the interests of the workingman in this particular, and scarcely pretend to have mastered either the objects of bimetallism or the details of its action. I do not hear of Mr. Mawdsley upbraiding the governor or even the clerks of the Bank of England with their ignorance of the interests of bankers, nor reading a lecture to an admiral or even an A. B. man-of-warsman on nautical maneuvers. The unlearned in manufactures may be content to believe that the artisan knows better than he. Cuique sua arte credendum.

But the greatest evidence of all is shown by the famous resolution of Parliament in March, 1896, and the promises of the chancellor of the exchequer. Such promises are not made nor such resolutions carried without a certainty that they are consonant with the general wish of the nation. Our objects would indeed be gained if the United States and France, or any other great commercial nation, would agree to carry the matter through, even without England, though it would be only political wisdom if we were to add our forces to theirs. It is at any rate certain that the United States mean business and expect success, or the President would not have sent Senator WOLCOTT and his colleagues to negotiate; and it is satisfactory to know from the chancellor that he will do all he can to facilitate this mission.

My advice, then, is that we should in no way relax our efforts to bring about the wisest solution—an equal agreement with the United States, France, and Germany. Yet if prejudice prevents that consummation, we should do our best to second the efforts of the chancellor of the exchequer, and thus make the American mission successful.

Yours, very truly, ALDENHAM.

[Letter from the Right Hon. A. J. Balfour, M. P.]

10 DOWNING STREET,
Whitehall, London, S. W., May 21, 1897.

DEAR MR. MCNIEL: I am afraid that Parliamentary engagements will prevent me being present at your meeting, which I hope will be a success.

Yours, very truly, ARTHUR J. BALFOUR.

[Letter from the Right Hon. Henry Chaplin, M. P.]

LOCAL GOVERNMENT BOARD,
Whitehall, London, S. W., May 21, 1897.

DEAR SIR: Mr. Chaplin fears that it is impossible for him to be present at the annual meeting of the Bimetallic League to be held in Manchester on June 2. He regrets all the more that he can not attend on such an occasion, as he recognizes that the meeting is likely to be of special interest. He wishes me, however, to assure you that his sympathies are as strongly as ever in support of the principles of monetary reform.

Believe me, yours, faithfully,

JOHN CATOR.

H. MCNIEL, Esq.

[Letter from the Right Hon. Lord George Hamilton, M. P.]

INDIA OFFICE, *London, S. W., May 26, 1897.*

DEAR SIR: I am much obliged by your letter of the 21st, and should greatly like to attend the meeting of the Bimetallic League on June 2, but am afraid that my engagements will not allow me to be in Manchester at that time.

As to what you say about the state of the cotton trade, I fear there can be no doubt of the truth of what you say as to its depressed condition at present. Apart from questions of exchange, it is impossible that India should pass through the famine and plague without the results of these calamities being felt in all branches of industry concerned in trade with the East.

I am, yours, faithfully,

GEORGE HAMILTON.

H. MCNIEL, Esq.

[Letter from the Right Hon. Walter Long, M. P.]

BOARD OF AGRICULTURE,
London, S. W., May 21, 1897.

DEAR SIR: I am desired by Mr. Walter Long to thank you for your letter of the 18th instant, conveying to him an invitation from the Bimetallic League to be present on the occasion of their annual meeting on June 2.

In reply, he wishes me to express his regret that by reason of his Parliamentary duties it is not possible for him to accept the same.

I am, dear sir, faithfully, yours,

GERALD ARBUTHNOT.

HENRY MCNIEL, Esq.

[Letter from Alfred de Rothschild, esq.]

NEW COURT, ST. SWITHIN'S LANE,
London, E. C., May 21, 1897.

MY DEAR SIR: I am desired by Mr. Alfred de Rothschild to acknowledge receipt of your letter, and to say in reply, with his compliments, that he regrets his inability to attend the meeting on June 2.

Truly, yours,

S. G. ASHER.

HENRY MCNIEL, Esq.

[Letter from Sir W. H. Houldsworth, Bt., M. P.]

ROYAL COMMISSION ON LIQUOR LICENSING LAWS,
6 Old Palace Yard, London, S. W.

DEAR MR. BARCLAY: I am exceedingly sorry I can not get down to the Bimetallic League meeting, but it is, I find, impossible, as I must remain here to-morrow, having some important Parliamentary engagements to attend to.

The present juncture is a most interesting one for bimetallists. There seems a prospect of something of a practical character being accomplished by the United States commissioners who have come to Europe on an official visit to negotiate for an international agreement. It will be the duty of the Bimetallic League to support and assist these negotiations as opportunity arises. The necessity for an international monetary standard of value is as great and as pressing as ever. As long as different standards exist in the commercial world, so long must the normal course of trade be from time to time disturbed and impeded. Variations in the relative value of silver and gold must result in price disturbances, which are most prejudicial to steady trade.

I sincerely trust that the time is not far distant when the monetary war now existing between the East and the West may give place to a more rational and scientific system.

With many regrets at not being able to support you to-morrow by my presence,

Believe me, yours, very truly,

W. H. HOULDSWORTH.

Letters of regret were also announced from the Duke of Fife, K. T., the Duke of Sutherland, the Duke of Leeds, Marquis of Lorne, M. P., Earl Fortescue, Right Hon. G. Balfour, M. P., Mr. H. R. Grenfell, Lord Claud J. Hamilton, Lord Stanley, M. P., Viscount Curzon, M. P., Viscount Folkestone, M. P., Lord Balcarres, M. P., Lord Ed. Manners, M. P., Prof. H. S. Foxwell, M. A., Prof. J. S. Nicholson, M. A., D. Sc., Hon. E. Hubbard, M. P., Sir Robert Jardine, Mr. Charles Hoare, Sir L. Lyell, Bt., M. P., Hon. V. Gibbs, M. P., Sir A. Hickman, M. P., Mr. H. C. B. McCalmont, M. P., Mr. C. P. Scott, M. P., Lieut. Gen. Sir A. Clarke, G. C. M. G., Sir W. W. Hunter, Sir D. Barbour, K. C. S. I., Mr. J. W. Maclure, M. P., Mr. W. J. Galloway, M. P., Mr. R. H. Inglis Palgrave, F. R. S., Sir F. Milner, Bt., M. P., Mr. R. Ascroft, M. P., Mr. Coningsby Disraeli, M. P., Mr. G. Kemp, M. P., Mr. H. Seton-Karr, M. P., Mr. T. P. O'Connor, M. P., Mr. J. W. Sidebottom, M. P., Mr. E. F. V. Knox, M. P., Mr. B. V. Melville, M. P., Mr. W. Field, M. P., Mr. J. H. Parnell, M. P., Mr. G. H. Finch, M. P., General Russell, M. P., Mr. Fortescue Flannery, M. P., Sir Elliott Lees, M. P., Mr. J. Pinkerton, M. P., Mr. Wm. Sidebottom, M. P., Mr. W. D. Green, M. P., Mr. W. E. M. Tomlinson, M. P., Mr. J. L. Wanklyn, M. P., Mr. J. H. Wilson, M. P., Mr. Alex. Wylie, M. P., Mr. Wm. Younger, M. P., Mr. George Whiteley, M. P., Hon. L. Holland, M. P., Hon. Philip Stanhope, M. P., Sir J. F. Leese, M. P., Mr. Lees Knowles, M. P., Mr. J. Rutherford, M. P., Mr. W. F. Lawrence, M. P., Mr. H. Shepherd Cross, M. P., Mr. W. Bromley-Davenport, M. P., Mr. J. F. Firbank, M. P., Mr. A. Arnold, M. P., Mr. W. W. B. Beach, M. P., Mr. C. Bill, M. P., Sir R. H. Paget, Bt., Mr. Clare Sewell Read, Colonel Foster, M. P., Mr. J. G. Lawson, M. P., Maj. Gen. Sir C. D'Oyley, Bt., Sir A. Lyall, K. C. S. I., Sir T. C. Hope, K. C. S. I., Sir D. H. Macfarlane, Sir L. Griffin, Mr. J. Howard Gwyther, Mr. T. A. Welton, Mr. George Howell, Mr. Robert Gladstone, Sir G. L. Molesworth, K. C. I. E., Mr. S. Williamson, and many other gentlemen.

LETTERS FROM THE FRENCH AND GERMAN LEAGUES.

PARIS, *May 30, 1897.*

Monsieur LE PRÉSIDENT: The general council of the French Bimetallic League intrusts me with the pleasing task of thanking you for your kind telegram of the 28th instant, which Mr. Granville-Smith transmitted to us on behalf of your league on the occasion of our second annual general meeting.

It is our turn now to send you, for your annual meeting to be held on June 2 at Manchester, this expression of the best wishes and the heartiest sympathy of all French bimetallists.

We send you at the same time a full report of our meeting and of the speeches delivered by M. Méline, our prime minister, and by Senator Fougeirol, the president of our league, at the banquet which followed.

In reading these speeches—delivered before Senator WOLCOTT, Mr. Stevenson, and General Payne, who also honored us by their presence—you will realize the approach of the decisive moment; you will feel that the special mission from the United States, after it has come to an agreement with the French Government, will approach the Government of the Queen officially and ask the effective support of England in establishing a stable par of exchange between gold and silver.

Our sincere wish, Monsieur le Président, is to see the efforts of British bimetallists crowned with success. We trust that Her Majesty's Government will welcome the special delegates of the United States as our Government has just done, and that the solution of the great monetary problem, which we have at heart, may at last enter upon the path of practical accomplishment.

Animated by the hope, the French Bimetallic League begs me to transmit its heartiest wishes for your complete success.

For the general council of the French Bimetallic League,

E. THERY, *General Secretary.*

The PRESIDENT BRITISH BIMETALLIC LEAGUE.

BERLIN, *March 30, 1897.*

DEAR MR. MCNIEL: The German Bimetallic League send heartiest greeting to the members of the British league on the occasion of their annual meeting in Manchester.

We are as one with you in recognizing the evils to industry which have resulted from the demonetization of silver, and also as to the effectiveness and soundness of international bimetallism as a remedy.

Our common cause is making progress throughout the world, certainly it is in Germany, and we believe that the prospects of an international agreement were never so hopeful as at present.

The good work done in the past by the British league makes us confident that your members will do their duty at this important and critical juncture, and the German league may also be relied upon to do theirs.

Yours, faithfully,

VON KARDORFF,
Chairman of the German Bimetallic League.
OTTO ARENDT,
Honorable Secretary of the German Bimetallic League.

HENRY MCNIEL, Esq.

THE ANNUAL REPORT.

The annual report, which was taken as read, was as follows:

In presenting the annual report, the council of the Bimetallic League desires to express the deepest regret at the death in December last of Gen. Francis A. Walker, whose brilliant address at the annual meeting in London last year was the special feature of the proceedings. General Walker was one of the greatest economic authorities of the century, and the world is poorer by his death.

During the past twelve months the cause of international bimetallism has made marked progress.

Upward of four hundred meetings have been held throughout Great Britain and Ireland under the auspices of the league, and in no case has an adverse vote been recorded.

The intelligent interest which the wage-earning classes have taken in bimetallism continues to develop in a striking manner, and in the period under review many additional trades and labor councils have passed favorable resolutions. The policy of the league in devoting special attention to bringing the facts of the monetary controversy under the notice of wage earners has been adversely commented upon by monometallists. It is freely said that the subject is too complex for the masses to understand, and that the league is appealing for support to the most ignorant portion of the community. The council desires to join issue with such criticism. Not only do the personal experiences and general intelligence of the wage-earning classes render them competent to understand the broad issues of the monetary question, but they evince a readiness and anxiety to study the subject, in marked contrast with the attitude of their critics. The main body of those who condemn bimetallism and deny to the wage-earning classes the intellectual capability necessary to understand the subject have themselves not even attempted to study it. The conditions of life under which the great masses of the people exist do not permit them to indulge in "prejudices" where the object at stake is their means of existence; and the simple test, therefore, which they apply to bimetallism is the effect it would produce upon British industry.

While some monometallists affect to disbelieve that the demonetization of silver has affected the prices of commodities, others, alarmed at the growing enthusiasm for bimetallism amongst the people, have endeavored to create a prejudice by declaring that the remonetization of silver would raise prices. These arguments can not both be true. With regard to the latter, the wage-earners know that however low prices may suit the nonproducing class, those connected with or engaged in any branch of productive industry do not gain by having the fruit of their labors sold at falling prices, artificially reduced as a consequence of monetary legislation. They have learned the cardinal facts that during the period 1852-1873, when the volume of the world's money was materially enlarged by the gold of California and Australia, and also by an increased production of silver—with a par of exchange between the two metals—capital engaged in productive industry reaped a good profit, wages advanced, and the conditions of labor improved in a manner quite unexampled before and quite unequaled since.

The council of the league not only feels justified in the appeal it has made to the wage earners, but regards their enthusiastic response as a most valuable indorsement by practical men of the benefits which would result from international bimetallism.

A new and gratifying feature in the movement has been the growth of opinion in Ireland in support of bimetallism. A number of successful meetings have been held there, and at a representative meeting in Dublin an Irish branch of the league was formed, the executive of which includes men of all political parties. Judging from the interest which is being evinced throughout Ireland, there is every promise that the Irish branch will prove a most valuable auxiliary.

The council are glad to report that the National Agricultural Union—an influential association composed of landlords, tenant farmers, and agricultural laborers, formed to promote the interests of agriculture—decided unanimously at a recent meeting to include in its parliamentary programme "the establishment by international agreement of a stable monetary par of exchange between gold and silver."

The general condition of agriculture—our greatest industry—continues deplorable, and notwithstanding the optimistic conclusions drawn by many from the national revenue returns, the condition of many other industries is known by those engaged in them to be also unsatisfactory. The constant danger to some of the most important trades, through the absence of a par of exchange between gold and silver moneys, has been strikingly illustrated by the paralyzing effect of recent fluctuations in exchange, and the council can not emphasize too strongly the fact that no proposal has ever been put forward to provide a stable par of exchange except international bimetallism. It is also well known that the stringency in the money markets of India has caused much embarrassment by restricting the facilities necessary for the due conduct and development of business. These conditions have been the outcome of the closing of the Indian mints by the Government, a policy which would never have been contemplated but for the demonetization of silver.

The great development of competing industries in the East and far East has continued during the past year, and must continue so long as it is fostered by the present monetary conditions. It constitutes a danger to our home industries, the gravity of which it would be impossible to exaggerate. No relief can be expected from the adoption of a gold standard by Japan. That country has simply "crystallized" the reduced gold value of the silver yen by decreeing that the former 5-yen gold piece shall in future, while remaining of the same weight, be called and treated as a 10-yen piece.

The growth of interest on the subject of bimetallism in our colonies, especially in Australasia, continues to be well maintained.

The most important event of the past twelve months has been the Presidential election of the United States, when Mr. Bryan, the Democratic candidate, received about six and a half million votes on a "platform" of national bimetallism, and Major McKinley, the Republican candidate, received about seven million votes on a "platform" which pledged the party to promote an international bimetallic agreement amongst the leading nations of the world. It may be pointed out that the disturbance to trade and the alarm caused to investors in many classes of securities during the election were striking evidence of the evils which attend the present unsettled condition of the monetary question.

A few weeks after the Presidential election M. Méline, the French prime minister, delivered a speech in the French Chamber, strongly urging the necessity of bimetallism in the interest of productive industry, and in the course of it he declared that the French Government would hasten with all their might the advent of the international conference which should settle the monetary question.

Soon after this declaration it became known that Senator WOLCOTT was coming from the United States on a mission to sound the leading statesmen of some of the chief European countries as to the prospects of securing an international agreement. He arrived in the middle of January, and had unofficial interviews with various statesmen in this country and in France and Germany.

The report which Senator WOLCOTT presented to President McKinley upon his return to the United States was evidently of an encouraging character, for the President has since appointed a special commission, consisting of Senator WOLCOTT, Gen. C. J. Payne, and Mr. A. E. Stevenson (ex Vice-President of the United States), to visit Europe and officially negotiate the terms of an international monetary agreement. The members of the commission have arrived in Europe, and are now in France upon the business of their mission.

It is to be earnestly hoped that such cooperation will be accorded by the leading nations that an international agreement will be concluded at an early date. As to the attitude of this country, it is well to recall the terms of the resolution accepted by the Government and unanimously passed by the House of Commons last year:

"That this House is of opinion that the instability of the relative value of gold and silver since the action of the Latin Union in 1873 has proved injurious to the best interests of this country, and urges upon the Government the advisability of doing all in their power to secure by international agreement a stable monetary par of exchange between gold and silver."

While the necessity of international bimetallism was never greater than at present, the council can, with confidence, affirm that not since 1873 have the prospects ever been so hopeful. In view of the serious attempt now being made to secure a settlement on an international basis, the council earnestly calls upon all friends of monetary reform to redouble their efforts during the coming year.

ALDENHAM, *President.*
H. R. GRENFELL,
Chairman of General Council.
ROBERT BARCLAY,
Chairman of Executive Council.
HERBERT C. GIBBS,
Vice-Chairman of Executive Council.
HENRY MCNIEL,
General Secretary.

The following statement of accounts was read:

Receipts and payments for 1896.

	£	s.	d.
To balance brought forward from 1895	148	2	4
To amount received in 1896 from subscriptions, donations, and guarantors	8,451	14	1
Total	8,599	16	5
By expenses of meetings, printing office expenses, etc	8,498	10	6
By balance carried forward	101	5	11
Total	8,599	16	5

THE PROGRESS OF THE LEAGUE.

The chairman [Mr. Barclay] moved the adoption of the report and accounts. It was now, he said, fully three years since they had the last bimetallic annual meeting in Manchester, and as that was held just when the disastrous consequences of the closing of the Indian mints were being felt, their meeting was one of great anxiety as regarded the course that events might take. One thing which resulted from that disastrous step was that it led to the general attention of the country being drawn to this question, and more especially in London. They found themselves obliged to extend their work in London, and they found it desirable also to remove the headquarters of the league to London, as more advantageous for organization and for maintaining contact with their continental friends. People wondered in this district why so little had been done here in the way of demonstration. The league had, however, during the whole of this period, been carrying on a very active educational work, and the result of the work done in removing to London and the work done there was very evident to the world now. [Applause.] The first result was the convening of an international conference of bimetallists. Numbers of friends who came from the Continent for the first time realized the reality in the bimetallic movement in England. They knew how the London press kept the blinds down, so to speak, in regard to this question, and during the Presidential election they managed to mislead the English people as to the real effect of the silver movement in the United States. Their continental friends met the English bimetallists and saw that our league represented a real living movement, and on their return to their own countries the first thing they did was to start leagues of their own, first in France and then in Germany; and from what they had heard of what the French league was doing they would see that great progress had been made with this question. There was nothing more important than to trace back during the last three or four years what had been done. In the course of their educational work last year 400 meetings had been held, and at nearly all resolutions were adopted and sent up to the Government urging attention to this question. The movement was now spreading east and west, north and south. In every quarter they had agents working for them, disseminating their views and trying to bring the question to an issue. Although they had had less demonstration in Manchester, this city had never been forgotten. They had felt it to be the center and core of the movement, and they looked to Lancashire for the propelling force which was to drive this question home. ["Hear!" "Hear!"] Education was important, and this was going on at a rapid rate, but they must try to force action on the Government. They knew that all the foreign countries regarded one square mile in London as the one barrier to bimetallism. They knew the sympathy of many members of the present Government toward this question, but the forces in the Government were weak unless they had something behind them.

FAVORABLE ATTITUDE OF THE TRADES UNIONS.

One point he wished to emphasize, and that was the cooperation they had had from their friends of the trade unions. [Applause.] It was in no mere spirit of adulation they had spoken of them in the report. They had been the center from which the force had come that had made this a living question. Unfortunately Lancashire had suffered, and they knew that no audience of Lancashire men would have heard with patience what was said two days ago to the Chamber of Commerce of London with regard to the advance of industry in Japan and the reference to Lancashire as about to be wiped out by this process. ["Hear!" "Hear!"] Many of our once powerful manufacturers who ought to have spoken out on this question had been so crushed to the ground by their losses that they had lost the power of action, so to speak; but the working classes knew what was happening. They felt that their employment depended on the conservation of this cotton industry, and as they were realizing the dangers that were surrounding it from the competition of cheap silver, they would wake up with a force and energy which would make itself felt by the Government. [Applause.]

THE CLOSING OF THE INDIAN MINTS SEVERELY FELT DURING RECENT FAMINE.

With regard to the effect of the unfortunate closing of the mints in India, many of them might remember that at the time the league issued a circular in which they deprecated to the full the folly of this step and predicted that when times of trouble came on India the real consequences of that step would be seen. There was not a shadow of doubt that the late time of pressure from famine had been dreadfully intensified by the pressure for money. That scarcity of money had been to some extent as bad commercially as the scarcity of food. ["Hear!" "Hear!"] It was the poor agriculturists of India—and remember that 90 per cent of the vast population of India were poor agriculturists—who had been the sufferers. Perhaps the thing was never put more forcibly than it was in a letter lately published, in which the effect of closing the mints was likened to the effect on the English artisan and agriculturist if, on going to the savings banks, they found that half of their deposits were gone. The practice of hoarding and putting their silver into ornaments is just the savings-bank system of India. They could always formerly get their silver ornaments immediately converted into rupees. Now that power is gone, and they can only, through the silversmiths, get half of the amounts they thought they possessed. There was no doubt that the poverty of these poor people in the interior, largely from this cause and the inability of the small traders to pay their debts to the dealers of Bombay and Calcutta, was the great cause of the scarcity of money so strongly felt in Calcutta and Bombay, which had so seriously impeded the trade. He felt they were at a critical point. ["Hear!" "Hear!"] It would have been realized from the letters which had been read how this great question seemed to be coming to an issue. They had heard how France and America were putting their heads together. The commissioners who had visited France from the United States would soon be in our country and asking what the Government was going to do. What they had to do was to show by their feeling that they must have it settled. This country could not allow itself to stand in the way of the progress of this question. ["Hear!" "Hear!"] It would lead to important results not only commercially, but in many ways, and it was incumbent on everyone in that room, and everyone whom the report of that meeting would reach, to come forward and help them toward bringing this question to a speedy settlement. [Applause.]

HOPEFUL PROSPECTS OF BIMETALLISM.

The Hon. Herbert C. Gibbs, in seconding the adoption of the report, said the council was right in affirming with confidence, as it did in its report, that not since 1873 had the prospects been so hopeful. Let them turn back four years to the Brussels conference. At that time the United States was in favor of international bimetallism, but really the opinion of the United States then was nothing more than a pious opinion. She had no means of supporting that opinion, and no intention of taking any steps by herself in the way of forcing the movement on. The position of France was that she remained content with existing conditions. The position of England was that she took the earliest opportunity of expressing her disapproval of the whole thing, and Germany followed England. At that conference, which was abortive, a great number of people brought forward schemes of their own—of doing something for silver. Since that time a great many of their friends had given their support to the action of the United States—of doing something for silver. They did not want anything done for silver in the nature of a substitute; they did not want any oleomargarine substitutes. [Laughter.] They wanted the real article—that was to say, they desired the cordial and complete cooperation of all the leading nations, their own included, in the settlement of that great question, and with nothing less than that would they be content. [Applause.] At the same time, it might of course happen that to achieve that object, or as a step toward it, the more enlightened nations would have to take the lead, and would, perhaps, open their mints to silver, with the partial cooperation of the worse enlightened nations, leaving those worse enlightened nations to follow, after they had seen, by the logic of accomplished facts, that their arguments were unsound and their fears groundless. What was the position of those nations at the present time? In the United States 6,500,000 voted for national bimetallism, 7,000,000 for international bimetallism, and every one of the voters in the United States voted for bimetallism in some form or other. ["Hear!" "Hear!"]

PRESENT ATTITUDE OF THE POWERS.

Let them look a little more closely into the position of different parties. The 6,500,000 were composed of free silverites, and some of the supporters of Mr. Bryan were not what they would call the most stable element in the United States. The 7,000,000 who voted for McKinley were composed of some who favored free silver, but who preferred international bimetallism, and believed in the possibility of international agreement. Some believed the promises held out to them that the defeat of Bryan and the return of McKinley would mean improved trade and restored confidence. He forgot the exact number of banks that failed directly McKinley was elected [laughter]; but it was sufficient to show that no improvement in trade was to be expected from that quarter. It was perfectly clear that if international agreement failed, those who had believed in its possibility would certainly vote for Mr. Bryan at the next election, and they would be joined by those who were deluded by the promises of the McKinley party. So it was clear that at the next election the Bryanites would be in an overwhelming majority. The anxiety felt in London at the bare possibility of such a thing occurring was not forgotten, and it had made all the sensible men there desire the approximate and permanent settlement of the question. But that was not the point he wished to make at that moment. It was not for them to judge what the character of Mr. Bryan's supporters was, but he wished to point out that if Mr. Bryan was supported, as some Americans said he was, by the forces of disorder, then it was a question of vital importance to the interests of the United States that this matter should be settled and at once. It was also a question of vital importance to those foreigners who had interests in the United States, and what was perhaps almost of more present importance to them, it was of vital importance to the existing administration. ["Hear!" "Hear!"] Thus they saw that instead of bimetallism being a pious opinion in the United States it was a matter of vital importance. It was a motive force irresistible in the United States, and of great influence in the councils of Europe. France was formerly content with existing conditions. Now she had emphatically expressed her discontent not only in the Chamber, but in many other representative assemblies, and, lastly, they had as prime minister not only an earnest and zealous bimetallist, but a man who is as earnest and zealous and active in the support of his convictions now that he was in office as he was before. [Applause.] In the report there was a quotation from one of the many speeches M. Méline had given on the subject. He said that the French Government would hasten with all their might a definite settlement of the monetary question, and now the commissioners from the United States were in the country M. Méline said that the support of France would not fail the United States in order to further the great cause which they would defend together. [Applause.] Thus they had two great nations agreed to cooperate with one another in the settlement of this great question, and they knew that England was definitely pledged by the formal declaration of the chancellor of the exchequer in March last. Speaking in the name of the Government, he said that they would use every means in their power to assist these nations short of the abandonment of the gold standard. Who could then deny that the council had cause for hope?

THE M'KINLEY COMMISSION.

They must remember that negotiations were taking place now, and that the French Government had accorded a warm reception to the commissioners from the United States in face of the declaration of the chancellor of the exchequer. Therefore we must assume one of two things—either that the commissioners have reason to believe that this Government was prepared to reconsider the question of opening the English mints to silver, or that France and the United States were prepared to take action with the partial cooperation of England, provided always that England did, without stint or difficulty, do as she had promised to do, viz, all in her power to assist. They had no reason to suppose that the Government would not act loyally and fulfill the pledges given, but if there was any hesitation in this matter—if the negotiations on that basis fell through—they would know at whose door to put that disaster, and he trusted that the men of Lancashire and the workingmen of Lancashire would know how to deal with men who did not fulfill their pledges. The decisive moment in the history of the movement had arrived, and it behooved all who believed in the system of bimetallism to make their views heard with no uncertain sound in the cause of justice, common sense, and civilization. ["Hear!" "Hear!"]

AMERICAN IRRITATION AT ENGLAND'S ISOLATION.

There was one other thing which he wished to call attention to, because it was so little understood in this country, and it was that owing to our stupid and arrogant isolation, hostility in the United States toward England was deep and abiding, and until the monetary matter was settled it would remain so. ["Hear!" "Hear!"] When the question of Venezuela arose between the two countries, everybody in London was enormously surprised that so small a thing should cause such great hostility; but they might have known that that was not the cause of such hostility, but it was simply an occasion for showing that hostility already existed, as everyone knew who read the currency literature of the United States. He was speaking to a prominent American on the subject of the proposed treaty, who said: "How can you expect us to pass an arbitration treaty when we are at war with you, not with guns and rifles, but with our tariffs and other things." And they would remain at war until they got a settlement of the monetary question. He (the speaker) would not put forward the argument of hostility of other nations toward England if England was right in the course pursued, but she was absolutely wrong, and therefore it would be a blessed thing for the country if her action or inaction ceased to provoke hostility in other nations. It was true generally that an international agreement would make for peace all over the world. Cooperation in one thing led to cooperation in another, and all for a good object. Then, again, it had been said that the treaty would make them dependent upon other nations. No doctrine was more pernicious than that—they were already dependent. All that the treaty would do would be to give a striking testimony to the fact that dependence already existed, and that in commerce, which was the most beneficent agent in the world next to religion, they were all members of one body, and if one member suffered the other members suffered with it. In fact, whether we looked on this question as an improvement to trade or whether we looked on it as making for peace, we might echo the words of the late Professor Walker and say: "The cause of international bimetallism is the cause of civilization." [Cheers.]

Sir Edward Sassoon, in supporting the resolution, said they had had the advantage of listening, from the lips of the chairman, to a concise recapitulation of the past year's working of the league and of the measures taken to defend its position. The gentlemen of Manchester had afforded a reasoned and intelligent support against an adversary whose strength mainly lay in the fact of possession, and whose dislodgment could only be effected after a prolonged and obstinate siege. For the present, however, there seemed a lull; the opposing forces were bivouacked awaiting fresh developments. In the meanwhile the United States emissaries were again reconnoitering. The prime minister of France had declared, in clear and decided language, the earnest desire of his nation for an international convention. As one who passes a few hours every day within the pale of that obstructive "square mile" to which the chairman had referred, he had no compunction in speaking to this motion when he remembered what gigantic strides had been made and what singular progress had been achieved, mainly through the efforts of this league since its formation. [Applause.] They would hear from Mr. Jamieson, consul in the north of China, the conclusions at which he had arrived after years of patient and close study of the evolution of the industrial races in the far East, and of the direct bearing of currency changes on the expansion of their activity.

THE POLICY OF THE INDIAN MINT.

There was one point which from their point of view did not seem to have come in for attention at all commensurate with its importance. He referred to the mint-closing policy in India. To what straits were they reduced? This empire, so wedded to free trade, so inexorably stern on the principles of political economy, had by the force of circumstances, early foreseen and foretold by your league, found itself obliged to banish those principles to Saturn or Mars. Personally, he confessed to having approved at the time of this policy of despair. If only because, following humbly in the wake of practical thinkers, one said to oneself, "Let us have one element of instability removed. Let us have the 1s. 4d. rate, so confidently foreshadowed by its sponsors, and let the commerce between Lancashire and India be sheltered from the intensely harassing effects of a constantly fluctuating exchange." Alas for the frailty of human calculations! They reckoned without their host, and their anticipations had been to a large extent belied. ["Hear!" "Hear!"] He had looked into the rates ruling since the closing of the mints, and he found that the average to the end of 1896 came out at 1s. $2\frac{1}{32}$d.; in other words, 15 per cent away from the standard of their dreams. So long as the Indians were ready to absorb from 6 to 8 crores of silver and 2 crores of gold, so long would the divergence from the 1s. 4d. rate continue, dislocating trade relations between England and India on the one hand and England and the silver-using nations on the other. ["Hear!" "Hear!"] The suspension of coinage had admittedly brought about a heavy fall in silver, which in its turn has dragged down the exchanges. Thus they move in a vicious circle, to the detriment of all possible calculations upon which the entire fabric of trade and industry necessarily depended. [Applause.] It had been used as an argument that merchants and manufacturers could guard their future transactions by settling exchange forward with the banks. Yes; at what cost? At a cost so high as to be prohibitory, for banks did not exist for benevolent purposes ["Hear!" "Hear!"], but to reap a profit for their shareholders, and the managers, like shrewd financiers, exploited the dire necessities and perplexities of their helpless clients. The way was strewn with difficulties. He was almost tempted to gloat over the failure of the Indian scheme. He was reminded of the case of a close-fisted churchman, who, while in his pew, felt a heavy bit of plaster fall on his head. He looked up and said, "I say, this place sadly wants renovating; I shall subscribe a five-pound note toward it." Whereupon a devout worshiper, sitting close by, fervently exclaimed: "O Lord, hit him again, and hit him hard!" [Laughter.] Seriously, did they think that with money at 10 per cent in India, a stringency not created by the normal conditions of expanding trade, but a purely artificial one—did they think such a state of things could continue without paralyzing and vitally exhausting all the sources and mainsprings of the nation's prosperity? [Applause.] And could they, who regarded the Indians as their best and most reliable customers, afford this frittering away of their resources and this diminution of their purchasing power? He would take them back for an instant to 1878. That year people began to entertain some misgivings as to the fall in silver. A conference was convened in Paris. That able economist, whose memory would ever remain green in their minds, Sir Louis Malet, one of Britain's representatives, asked, at the instance of the Indian Government, for power to make such terms and enter into such compacts with nations interested in silver as would have enabled them to obtain a quid pro quo for a continued use of silver and keeping the mint open, or, failing that arrangement, India desired to be empowered to take steps for the introduction of a gold currency. The thing was as simple as A B C then; but, unhappily, owing to negligence or indifference, the home government refused both these requests—the golden opportunity was lost, the psychological moment slipped by. A rather dog-in-the-manger policy!

BOTH POLITICAL PARTIES EQUALLY TO BLAME.

Both of the political parties were equally to blame ["Hear!" "hear!"], and were therefore responsible for India's and the world's financial unsettlement. They were as responsible for the cataclysm in prices and for the disaster culminating in the Baring crisis as the man who negligently put up the kinematograph was directly answerable for the catastrophe in Paris a few weeks ago. With regard to India's economic position, he had a good deal of sympathy with the view that she was in an unaccountably backward condition. And whose fault was it? Why, as sure as he was standing there, it was the fault of those who contributed by their culpable inaction, and were still contributing by their obstruction, to the degradation of the white metal, with the consequence that the golden stream which should go to fertilize and irrigate virgin tracts of soil in India now went to dishonest governments and effete bureaucracies. ["Hear!" "Hear!"] The investor here would not face the risk a bitter experience had shown to be inseparable from a silver standard minus international bimetallism. Another thing, it had crippled railway extension, and whereas in the United States they had close on 190,000 miles open, in India, with practically the same extent of territory open, they had 19,000 miles. Another result of a single standard. When wheat jumped up in America from 50 cents to near a dollar everyone was delighted; in India, when it rose from 9 seers to 3 or 4 seers to the rupee the gaunt specter of famine devastated the land. Just compare the two pictures! The chancellor of the exchequer was glorying in their prosperity. Was that a monopoly of this gold-standard nation?

Look at France. Had she not thriven and prospered in the most miraculous manner under her bimetallic régime despite the desolating Franco-German war? What nonsense it is to say that they were flourishing here because they were not like other people, and had a different standard! Lord Beaconsfield put it tersely when he said, on a memorable occasion, "The gold standard is not the cause, but the effect, of our prosperity and industrial supremacy." Some years ago he (the speaker) had the honor of a private correspondence with a former chancellor of the exchequer in connection with a rudimentary article contributed on bimetallism by him (Sir Edward). Things went smoothly enough at first, but when they got to close quarters perhaps the arguments inherent to this righteous cause were too strong for his opponent—he suddenly chucked up the sponge and wrote: "You know the first duty of a chancellor is to be orthodox." How swift was the Nemesis! This incarnation of financial purity and economical orthodoxy soon fell. When he heard that he had fallen into a pool of heresy, of retrograde and reactionary measures, involved by his sanction of Indian mint closing, he could not help exclaiming, "Oh, Lucifer, son of the morning, how hast thou fallen!" [Laughter and applause.] This was a question that concerned everybody. Those present were the men with whom, in the last resort, the solution of it would rest. They should educate their friends and their neighbors so that, fully understanding its merits, its obvious advantages, they would be able to bring a strong and a united pressure to bear on the Government, and it would once more be said that "what Lancashire thinks to-day England will think and do to-morrow." [Applause.]

ADDRESS BY CONSUL JAMIESON.

Gentlemen, in addressing you to-day I propose to speak mainly on the effects which the fall in the gold value of silver has had on our trade with silver-using countries, and more particularly with the far East. It has been my lot to spend some thirty-odd years in China, the first ten of which, from 1864 to 1874, were under what we may call the old régime, when the par value of gold and silver was as yet undisturbed, and some twenty-odd years since 1874, during which I have watched the gradual separation of the two metals and the various consequences that have followed therefrom. It has also been my duty to report from time to time for the benefit of my fellow-countrymen in England on all matters affecting trade and commerce, and to keep myself as far as possible in touch with the local mercantile communities in the East. I have, therefore, had, I will not say better, but certainly more varied, opportunities than gentlemen in this country for observing phenomena connected with the fall of silver. I have watched the movements from the other end of the line, as it were, and certain features are more marked there and impress themselves more strongly on the mind than at this side.

I will also venture to add that I have endeavored so far as possible to bring an impartial mind to bear on the subject. The fall in the gold price of silver has been personally no grievance to me—rather the contrary—and in espousing the bimetallic side I may at least lay claim to disinterestedness in the matter. I advocate this cause from the sincere and honest conviction that it is the cause of justice and equity between man and man, the cause which best furthers the international trade of the world and which best conduces to the welfare and prosperity of this great empire.

I need not tell you that China has always been, and is now, purely silver monometallic. I will not take up your time with a description of the various forms of currency, nor with the intricacies of the retail coin known as "cash;" suffice it to say that in the wholesale trade and in all payment of customs duties the metallic medium is either uncoined silver by weight, known as the tael, or the silver coin known as the Mexican dollar. This is a coin actually coined in Mexico and imported as there is a demand for it. It is of a certain known weight and fineness, and generally passes at about seventy-three one-hundredths of a tael, though the rate varies from time to time according as dollars are scarce or not. There is no import or export duty on the Mexican dollar; its value therefore keeps touch with that of the general mass of silver bullion in the world. It is a sound and honest coin, for it will stand the test of the melting pot, the only true test. A similar coin, I may remark, has recently been introduced, termed the British dollar, which is coined in Bombay for the Eastern banks. It is current in Singapore and the Straits, where it will replace the Japanese yen, but as yet it has hardly found its way into China.

THE EFFECT OF THE FALL IN SILVER.

I pass on now to speak of the effect of the fall in the gold value of silver on British trade with the far East.

The effects may be divided into three classes:

1. The effect on capitalists, bankers, and others who have English capital invested in the East.

2. The direct effect on trade as manifested through changes in the level of prices.

3. The indirect or economic effect on production, operating through a disturbance of the relation between prices and wages.

As regards the first I need not take up your time. It is obvious that if anyone remitted, say, £1,000 for investment in silver securities at any time before or during the fall, he would never since have been able to get it back again except at a severe loss. All those whose incomes depend upon silver remittances have felt a similar loss. Many promising institutions have been either wrecked or had their usefulness greatly marred by this cause, and for no other fault than that the directors did not see clearly ahead what was going to happen. But losses of this kind, though sharp and severely felt at the time, are soon got over. Companies close and are wound up. Bad debts are written off and a new leaf is turned. There is not the lingering, lasting effect which the other two classes produce.

The second point is the effect on trade through fluctuations in prices caused by fluctuations in the relative value of the metals, or, as it is called, by loss of the par of exchange. The currency of China for wholesale trade being, as I have said, either Mexican dollars or uncoined silver, both of which are free to enter and leave the country in unlimited quantities, it follows that its value or purchasing power is simply that of silver on the open market of the world. Any change, therefore, in the gold value of silver immediately affects the exchanges between Shanghai and London. Exchange simply keeps touch with the rise and fall of silver, saving, of course, temporary fluctuations produced by local demand. But the exchange is the tie that connects the gold price of London with the silver price in Shanghai. Given that the exchange is constant, that is, that you have a fixed par between the two countries, then prices in both countries move together; whatever raises them in London will raise them in Shanghai. It is immaterial whether you quote prices in gold or in silver, the percentage of rise and fall is precisely the same.

But now break this par of exchange and you introduce a new element altogether; gold and silver prices no longer go hand in hand. You have gold prices rising while silver prices are steady, or you may have silver prices rising while gold prices are steady, or you may have one rising and the other falling at the same time. Everything depends now on the nexus between the two metals.

THE EVIL OF AN UNSTABLE EXCHANGE.

To illustrate this by a simple case: Take the export of raw silk from Shanghai to London. A pound weight of raw silk costs, say, in Shanghai, $4; the equivalent price in London, allowing for freight and profit, would be, at the par of exchange of 4s. 2d., about 18s. 6d. Suppose, now, that from reasons outside the silk market entirely, the value of silver relatively to gold falls 25 per cent. The dollar then becomes equivalent to 3s. 1½d. It is obvious you must at once have a change either in the gold price in London or in the silver price at Shanghai, for if they did not, then £100 sent out to the East would produce 25 per cent more dollars, and at the old price would buy 25 per cent more silk. But if that same silk could be sold in London at the old price of 18s. 4d. then manifestly the merchant gets his sterling back with the old profit and a clear 25 per cent extra. The competition of merchants would soon put a stop to this. They will outbid one another by either offering a larger silver price or accepting a smaller gold price, till profits are reduced to the old level. Thus, either at one end or the other there must be an adjustment. The general level of prices for silk must either rise in the East or fall in the West; there is no escaping from this position.

Take, now, the converse case of exports from England. Suppose you have a piece of shirtings of a certain quality, costing in Manchester 9s. At the old par value the corresponding selling price in China would be, say, $2.36. Assume, now, that from causes apart altogether from the cotton market the gold value of silver falls 10 per cent. What happens? If prices remained unchanged on both sides, the merchant manifestly would lose 10 per cent. He must at once put up his silver prices 10 per cent in order to make the same profit as before. Here there is no stimulus to competition, as in the other case, but just the reverse. Trade is checked for the time being. It is always difficult to suddenly get your price raised. Buyers hold aloof, hoping that exchange may rise again or that the Manchester price may fall. Sales drag, goods remain in your warehouse for months, running up charges, and, whatever happens, the merchant is sure to be a loser somehow. It may be suggested that losses in the trade one way would be compensated by gains in the other, and that the merchant has only to do an equivalent business in imports and exports in order to come out square. But that is not so. I have often said to some of my friends engaged in the export trade from Shanghai: "This last drop of a penny in exchange ought to do you a good turn; you ought to clear an extra 3 or 4 per cent on your current shipments of silk." "Yes," the reply would be; "that might have been, but we have just heard by telegram that the London and Lyons markets have dropped by precisely that amount." And so it was in every case. The market instantaneously and automatically almost adjusted itself to every successive change in the gold value of silver. The determining consideration was not "What did these goods cost?" but "At what figure can they be replaced?"

THE PRICE OF ALL ARTICLES AFFECTED.

I have mentioned only silk and piece goods by way of illustration, but it is obvious that the same cause that affects them affects the price of every other article which enters into the international trade between the two countries. Apart altogether from changes of price arising out of the natural laws of supply and demand, which every merchant understands and lays his account for, you have here a new cause for disturbance altogether, and one which can not be gauged with any reasonable certainty. Who would have been wild enough twenty years ago to predict that silver would go down to 27d. an ounce, and who will venture to say what it will be five years hence? It may be back to 60d., or it may be down to 16d.

We have got, then, to this, that every change in the relative value of gold and silver entails a corresponding change in the price of all commodities capable of being exchanged between silver-using and gold-using countries. Temporary fluctuations fall on the merchants, bringing sometimes loss and sometimes profit, or loss to one and profit to another; but changes of a permanent nature necessarily and inevitably entail a permanent change in the general level of prices, either in the silver-using country or the gold-using country, or in both. I am not at present concerned to discuss which country is likely to be affected, and whether prejudicially or beneficially. I only wish to impress on the meeting the tremendous nature of the consequences that flow from the present instability of gold and silver—consequences which the world can not escape from so long as their relative value is left indeterminate. This is what is meant by the rupture of the par of exchange—a term that, to my mind, hardly conveys a full enough idea of the momentous results. It is not merely a question of remittances between the two countries. That is perplexing and annoying enough, but it can in some measure be obviated. It is the inevitable result in the changes of the level of prices, and the consequent disturbance of the equity of all contracts, that is the great and important feature.

You are generally aware that the adjustment of prices, of which I have just spoken, has, as a matter of fact, been effected by gold prices giving way. Speaking generally, silver prices of commodities have remained steady and gold prices have fallen. This was strictly true up to a comparatively recent date, and even yet four-fifths of the adjustment is due to the fall in gold prices, and not more than a fifth to a rise in silver prices. I am not concerned with why that is so, but it is a fact.

The result of that is that our trade with China, as a whole, has, in my opinion, been less affected than might be supposed. It is difficult to say for certain that the volume of trade, as measured in commodities, is greater or less than it would have been had the old par of exchange been maintained. As the price of native products has not risen greatly (except in certain limited lines), there has been no very marked stimulus to exports from China, and as the silver price of cotton goods has not risen very greatly, there has been no general check on imports into China.

THE "MIDDLEMEN" BEAR THE BRUNT.

But there has been a very serious effect on the status of the middlemen; that is, the distributing agents between the English manufacturer and the Chinese purchaser. On them has fallen the brunt of the petty and incessant fluctuations in the price of silver. It has forced them into the position of mere commission agents. Much of the business now is done in that way, viz, by selling to China and buying in Manchester simultaneously, and at the same time settling exchange forward through one of the banks. In this way the merchant runs no risk at all; but, per contra, he gets little profit. As it requires little or no capital to do that sort of business, a crowd of small men have come forward who have cut down commissions almost to the vanishing point.

Now, some of you manufacturers may say that is all the better for us—the cheaper they do business out there, the more will they want to buy. But there is another side to the question. The extension of your business into new fields depends solely on those whom I may term your agents, the merchants out in foreign parts. The manufacturer sits at his door till somebody comes to buy. The middleman goes out into the world seeking new outlets for British products. They are the people who conquer the world for you, whose energy and push have made British trade what it is. But they won't do that for nothing. If you starve them they won't work.

Now, that is largely the position that the destruction of the par of exchange has brought our merchants to. The uncertainty of the trade has chilled their energies. They work on the old lines to make bread and butter, hardly venturing to initiate any new. They hesitate to invest their money in new enterprises, not knowing how it will come back to them.

This, though it may seem a small matter and rather savoring of personality, is, in my opinion, one of great importance. It is essential to the development of British trade that your merchants, the great distributors, should be men of wealth and intelligence and energy, and this you can only secure by making it worth their while; in other words, when there is money to be made in it. If circumstances over which they have no control make success impossible, or make it too risky or too hazardous, the best men will take their money elsewhere, and you are left with the second rate.

So, altogether, though it is not perhaps easy to say just by how much the China trade has been affected, it is beyond question that the general influence has been adverse. Where commodities are offering for exchange, trade will go on under any circumstances, even if we were reduced to absolute barter. But none the less is it deemed essential for successful commerce that you must have a sound metallic medium of exchange, and equally is it essential that you should have, if possible, a fixed and stable common meeting ground between the two metals of the world, gold and silver.

The Eastern trade, I have said, has been less affected than might be supposed, because silver prices have been reasonably steady. But that may not be so in future. Suppose the general level of gold prices were to rise while silver kept at its present level, it seems to me that might affect the Manchester trade in the far East very adversely. Given the present low rate of exchange, if Manchester prices rise, so must silver prices in the East. This checks imports from England and pro tanto encourages local manufacture. It is true exports from China would be encouraged and some commodities probably would be taken in exchanges. But it might not be Manchester goods, and it certainly would not be quite the old staples.

THE ECONOMIC EFFECT ON PRODUCTION.

I must now advert, though very briefly, to the third result which I mentioned as following from the fall in prices, and that is the economic effect on production. If all prices, including rents, wages, and taxes, fell or rose uniformly, no one would be a whit the worse. If you receive double or half for everything you sell and pay double or half for everything you buy, your net profit is just the same as before. You are simply using larger or smaller counters, as the case may be. But prices never do thus rise and fall uniformly. Especially is this the case when the change in prices is brought about by foreign trade and through causes which are international. These have at first no direct effect on wages or rents, and none at all on fixed charges, such as mortgages, etc. Wages, though quick to rise, are slow to fall, and invariably lay behind a fall in prices. The result is that every fall in silver, disturbing as it does the general level of prices, must disturb the relation between labor and capital. Given a 5 per cent reduction in the price of finished goods, if the manufacturer pays the same for his labor, his profit, other things being equal, must be 5 per cent less. That, of course, can not go on. Unless labor can be made 5 per cent more, efficient wages must come down eventually, or else manufacturers must close their mills. And even greater efficiency of labor, if due to improved machinery, is not enough, because such improved machinery is equally available to foreign competitors.

Fluctuations in silver, in short, tend to create the same disturbance in wages as they do in prices. The one necessarily and inevitably follows the other. Silver-using countries are similarly affected, but just in the inverse sense. A fall in silver benefits the manufacturer there, while a rise injures him. They are just as much interested as we are in promoting stability. Meantime, the disturbance, so far as it has gone, is altogether in favor of the silver manufacturer. He can allow better wages and yet make a better profit than before.

I need not enlarge on this point, as I have already laid stress on it in an essay published now some three years ago, which some of you may possibly have done me the honor to read. I would only add that I see no reason to modify the views I then expressed.

UNEQUAL DISTRIBUTION OF WEALTH.

But some people have said to me lately, "Your anticipations as to injury to British trade and manufactures have not been verified. Look how prosperous the country is, look what a magnificent budget we have had, look at the savings-bank returns, the income tax, the growth of trade, and so on. Why talk of injury? We were never better off."

Now, I am quite prepared to admit that there is a deal of fight in the old country yet. There are many signs of prosperity to be met with. Certain classes, I take it, have been doing very well indeed of late, especially those connected with the gold-mining industry, and the new gold of the past four or five years must be having its effect. But are all classes equally prosperous; and if not, why not? I doubt if there ever was a time in the history of the country before this where you had such inequality of wealth and earning power among the different sections of the community. But is not this just what bimetallists have been preaching? There has been no destruction of wealth in the world, but only a great disturbance in its distribution. One class of men have gained largely where they had no expectation of gaining and no equitable right to gain, and another class have lost where they had done nothing to merit losing. The creditor class have gained and the debtor class have lost. The rich have become richer and the poor poorer. I do not mean absolutely, but relatively. Those who have debts to pay find the burden made heavier, and those who have money to receive find it goes further than when they lent it.

So that, though you may have no falling off or even an increase in the board of trade returns, or in the income-tax receipts as a whole, you may still have all the inequality and injustice between one class and another that bimetallists complain of. Even if it could be shown that the industry and productive power of the country had not been affected in the aggregate, it is no less a legitimate grievance that one man should be ruined in order that another man might prosper.

THE END NOT IN SIGHT.

And as to the ultimate effect of all this on Lancashire manufacturers, I have a very strong feeling that you have not got to the end of it yet. You gentlemen know better than I do how far manufacturing has been a money-making industry in the last eight or ten years. And when one observes the amount of cotton spinning and weaving machinery that is now being exported to silver-using countries, a conviction forces itself on the mind that a change is going on which will in the end have grave consequences. According to the board of trade returns, this export has increased since 1893 by 86 per cent as against a rise of 32 per cent to European countries. By the end of this year there will be running in China and Japan close on 2,000,000 cotton spindles. That is not a bad beginning, and when you consider the enormous size and capacity of the former country and the millions of willing hands whose very industry and readiness to work have caused them to be dreaded by white labor, it is not easy to predict what it may grow to. I have no hesitation in saying that but for the fall in silver you would have had no such Eastern competition—at all events, not at the present moment. But now that it has taken root, the industry, I anticipate, can not but grow, the more so as I see by recent China papers that the Chinese Government are adopting a fairly liberal policy in regard to taxation of the product. An excise duty equivalent to the import duty is to be charged, which will also free the yarn, etc., from all inland or transit duties.

The competition may be but little felt as yet, or for some years to come. Of course a great industry can not be built up in a day; it is transplanted slowly; but the important thing is to consider that economic forces have been set at work which are all tending in that direction. It would be a fatal mistake to conclude that because the results of this Eastern competition are not immediately apparent it therefore does not exist at all.

PROGRESS OF MANUFACTURES IN CHINA.

It will perhaps interest some of you if I go a little more into detail as to the progress of cotton mills and kindred industries in China, and give you my views as to the prospect of further development. As you are probably aware, the right to work cotton manufactures on Chinese soil was first acquired by foreigners by the Japanese treaty of Shimonoseki, at the conclusion of the late Japanese war. What particular object the Japanese statesmen who negotiated the treaty had in view it is difficult to say, for Japan herself having just launched on an industrial career, it would seem that it would have better suited her people to confine her demands to the free admission of Japanese manufactures, leaving China to put what obstacles her blindness or folly might dictate against the development of industrial works on her own soil. Whether it was some fancied benefit to her own subjects, or whether it was a mere vain desire to pose as the champions in the far East of progress, industrial and commercial, is immaterial; she asked for and obtained the concession for Japanese subjects to erect and carry on manufactures in any of the open ports of China. By reason of what is known as the most-favored-nation clause in the European treaties, the right to manufacture being granted to Japan immediately accrued for the benefit of all treaty powers.

Previous to the date of the Japanese treaty there had been working in China some five or six small mills, mostly owned by officials, and running about 150,000 spindles. Though nothing was published as to their earnings, it was generally understood that they were doing very well indeed; at all events, they sufficiently established the fact that it was possible to make excellent mill hands out of ordinary Chinese laborers, both men and women, and when you came to work out the average rate of wages for ordinary labor in China at the present low gold price of silver, all the conditions seemed favorable for the successful establishment of cotton industries. Accordingly, no sooner were the terms of the Japanese treaty made known than there was a rush to be first in the field. Only four companies, however, have so far actually got launched, three British and one German. The last newspapers from Shanghai contain accounts of the opening of two of them, and the other two are, I understand, all but ready. These four will contain an aggregate of 150,000 spindles, and they all contemplate running looms as well, though that will come later.

So that you have now at the present moment in Shanghai altogether ten mills in working order, with an aggregate of about 300,000 spindles and about 1,000 looms, though I have not exactly the latest figures. Besides these, there are native-owned mills working at Hankow and Ningpo with some 80,000 or 90,000 spindles, and others are in course of erection at the inland cities of Hangchow and Soochow, recently opened to foreign trade.

CHINA A MORE FORMIDABLE COMPETITOR THAN INDIA OR JAPAN.

We shall not, of course, be able to tell for certain how far these new foreign-owned mills are going to be a financial success till after a year or so, when they have had a fair trial. Upon the result of that will depend in great measure the future development. I may briefly run over, however, the points which seem to me to tell for and against them. First and foremost of course is the question of labor. In so far as wages depend on silver alone, it would seem that Shanghai will get the better both of India and Japan. The Indian Government have artificially enhanced the value of the rupee by some 2 or 3 pence, that is by some 16 or 20 per cent, above the market price of silver, and the Japanese Government, if they adhere to their programme, will be handicapping their manufacturers in like manner so long as silver is below the ratio which they have chosen to adopt for redemption of their silver. China alone, therefore, will benefit by the present further fall in silver. But on the other hand there is a feature peculiar to China herself which I must mention, because for the present it is, I fear, more than neutralizing all the benefit. The feature I refer to is the dearness of copper cash, which, as you probably know, is the retail coin throughout China, and the coin in which laborers' wages are paid. For a great number of years past a Mexican dollar changed for about 1,100 cash. Now it changes for no more than 850 or 900 at the most. So that if you paid your mill hand, say, 200 cash a day, that went down in your account as 18 cents, i. e., eighteen one-hundredths of a dollar. Now, if you pay 200 cash, which your cooly will expect as before, because all his outlay is in cash, that costs you 22 or 24 cents—a difference of some 18 or 20 per cent. That, of course, is a very serious matter, and unless it can speedily be remedied, must have an adverse influence on all Chinese industries. I am not prepared to say exactly what the reason of this is. Some ascribe it to the rise in the value of copper relatively to silver, and infer, therefore, that the dearness may be permanent. It has, however, to be remarked that, inasmuch as there is no open mint in China for the coinage of cash, it does not necessarily follow that the value of the coin keeps touch with the value of copper in the market. Moreover, copper only forms some 50 per cent of the substance of the coin, the rest being lead or iron.

THE CLOSING OF THE INDIAN MINTS.

I think the cause of the dearness is the same cause that is now enhancing the value of the rupee, viz, the stoppage of the mints. The supply of coinage is a prerogative or perquisite of the provincial officials, and there is no regular system by which the supply is kept up. Some years ago cash were so cheap that I imagine it did not pay to go on coining. The mints accordingly were allowed to fall into disuse, and now the opposite extreme has been reached. At all events, I observe that orders have been issued in various quarters to resume coining, and thus I imagine the present stress will gradually be relieved.

The attitude of the Chinese Government toward the new industries is another feature of first-class importance, and this, I observe, is likely to be benevolent. The result of the settlement, which, as I gather from the papers, has been arrived at, is that local manufactures will be put on the same footing as imported goods at the port of manufacture—that is to say, they will pay an excise duty equal to the import duty; but they will have an advantage over imported goods if sent into the interior to the extent of 2½ per cent ad valorem. They are, so it is said, to be exempted from all inland, likin or transit dues, which foreign imports can commute, as you know, for a half-tariff duty.

I doubt, however, whether this promise of the central government—for it is no more than a promise, and not a treaty right—can be entirely relied upon as against the rapacity or necessities of the provincial governments. We know what difficulty has arisen in enforcing upon the provincial governments respect for our treaty rights whenever their purses are concerned, and it may well be that notwithstanding the promise of the Pekin Government, the mill owners will have to compound in some way for transit or likin dues. But the present arrangement, at all events, guarantees an open market for their local manufacture at each of the open ports, and for the rest, Chinese purchasers must protect themselves as best they may.

I am afraid time will not permit me to go much further into this matter, but there are various points that one might discuss—such as the supply of raw cotton, the nature of the staple, how far it advantageously mixes with foreign cotton, and so forth. On the first, that is, the supply of raw cotton, there ought to be no difficulty. The whole of the region of the lower Yangtse, formed as it is from alluvial deposit, is well adapted to growing cotton, and the present cultivation, large as it is, might be indefinitely extended. In 1895 there was an export of raw cotton from China to foreign countries, chiefly Japan, of 120,000,000 pounds; on the other hand, China imported 140,000,000 pounds of yarn, mostly from Bombay; in 1895, and in 1896 over 200,000,000 pounds. Between this supply of raw cotton on the one hand, and the demand for yarn on the other, there would seem to be a very good field for the local spinning industry. The difference of value between the 120,000,000 pounds of cotton which she sold, and a corresponding amount of yarn which she bought, comes, I find, to about £600,000, a tolerably tidy fund for wages and profits, if China had worked up her own cotton and made her own yarn.

I may add that I see China imported yarn from the Japanese mills last year to the extent of 12,000,000 pounds, against only 2,500,000 in 1895, and I observe a very considerable, but not so great, increase in her imports of Japanese sheetings, handkerchiefs, towels, etc. All this will give you an idea of the very considerable movement that is now going on in the Far East, and, as I said, it is not so much the extent it has reached that is to be looked at, as the general trend of things in the direction of local industrial development and competition.

Although it does not particularly concern Manchester, I may mention that the reeling of silk cocoons by foreign machinery is another industry that has taken root in Shanghai. So rapidly has this grown that already the price of skilled labor suitable for this work has risen some 20 per cent.

No doubt that is a contingency that employers must in some measure expect to have to meet. At the same time, the field to draw from is so vast that I do not anticipate any great rise, even in large cities like Shanghai, still less in the small country towns, whither certain of the industries, especially silk reeling, are likely to migrate.

PROGRESS OF THE CHINESE COAL AND IRON TRADES.

In regard to coal and iron and the shipbuilding trades, less advance has been made than in the textile branch, and for this reason, that it has been impossible so far for foreigners to obtain mining concessions from the Chinese Government. But very large stores of both are known to exist, and but for the timidity and ignorance of the authorities the mining industry might be developing as fast and as successfully as the others. The only serious attempt at ironworks was a project set on foot some years ago at Hankow by the Viceroy Chang Chik Tung to supply material for Chinese future railways.

Very large sums of money were spent, or, I may say, squandered under official supervision, with the object of erecting a plant capable of making steel rails and other railway machinery. The result, I believe, has been disastrous. That, however, is no criterion of what might be done by private enterprise. In Japan, with far less natural advantages, they are now making their own locomotives and building their own steamers. The coal fields, too, of Japan now practically supply the whole of the demand for the Far East. It is extremely rare to find English coal nowadays east of Ceylon, and very little even of Australian coal, which not so long ago supplied the bulk of it, both for steamer and household use. Japan coal can be had in abundance at some $3 a ton, which means now 6s., but which at the old par would have meant 12s. 6d. China might, if she chose, be supplying coal in unlimited quantities, and possibly at even less cost. Given a continuance of the present low rate of exchange between silver and gold, I apprehend the time must come when China will undersell from her enormous natural stores both Japan and the rest of the world.

GROWTH OF JAPANESE MANUFACTURES.

The progress that Japan has made in the last decade illustrates better than any words what measure of success is possible under the influence of cheap silver. In 1888 she had 113,000 spindles working, producing 13,000,000 pounds of yarns per annum. In 1895 she had 883,000 spindles producing 150,000,000 pounds. I have not the exact figures up to date, but you may take it there are now at least 1,250,000 spindles at work in that country. So in weaving, the total estimated product of her looms, cotton and silk, all classes in 1883, was 25,000,000 yards; export nil. In 1893 the product was 605,000,000 yards, of which she exported as much as brought her in £3,000,000. The total volume of her foreign trade has grown from $86,000,000 in 1886 to $289,000,000 in 1896, and dollars be it remarked measure more accurately the volume than would sterling figures at the exchange of the day.

I think it is beyond dispute that Japan, as a nation, has been able to accomplish what she has done by reason of her having adhered to a silver currency at the time when the divergence between the two metals was taking place. It will, of course, be remarked, if that is so, why is she now resolved on a gold standard? A few observations on this change may fitly bring these remarks to a close.

I can best illustrate the advantages to Japan in the past by contrasting her policy with that of France. In 1873 both countries were bimetallic, that is to say, the mints of both were open to the unlimited coinage of gold and silver, and each metal was good legal tender at a fixed ratio to any extent. Japan, I believe, nominally called herself gold standard, but inasmuch as she kept open mints for silver linked to gold as it was in her case at a ratio of 16.17 to 1, the term is immaterial. She had the essentials of bimetalism; that is, open mints and unlimited legal tender. When the divergence of the two metals began to manifest itself one of two courses was open to either nation, viz, to leave things as they were or to close the mints to silver. Japan chose the former, France chose the latter. The necessary consequence followed. France retained her gold currency, with her silver already coined reduced to tokens. Japan parted with her gold under the operation of the natural law, but retained a sound silver currency. France having originally the option of paying all her national debts in silver, voluntarily elected to pay in gold. Japan, having the same option, elected to pay in silver; and when I say pay in silver, I mean in silver at market value. France excluded herself from this option when she closed her mints. Japan retained it simply by keeping hers open.

Each was strictly within her legal rights. The difference is this, that France comes ultimately to levy on her taxpayers for the benefit of the national creditor about double the amount as measured in real value, say, in commodities, of what Japan requires to levy. Suppose that 100 units represented the amount of commodities that were sufficient in 1873 to discharge a given national obligation, France, as things have gone, has had to demand from her taxpayers 164 units, while Japan has only to levy from her people 84 units. The figures are arrived at in this way: I take Sauerbeck's table of index numbers, where, gold being the standard, you have the index number of commodities standing at 61, and of silver at 50. Now rearrange these with commodities as the standard, and measure gold and silver up and down with relation thereto. Imagine commodities represented by a straight horizontal line, and starting from the year above mentioned, 1873; the appreciation or depreciation of either metal since then is represented by a line above or below. Gold at the present moment stands above at 164, and silver stands below at 82. In other words, if you pay in gold you require to provide 164 units of commodities to meet your given obligation (which in 1873 would have been discharged by finding 100), whereas if you pay in silver you have only to provide 82.

Relatively, therefore, to France, the burden of taxation has fallen lightly on the Japanese and, pro tanto, the springs of commerce have been lightened. It is not so much that the Japanese have had to pay too little as that France and others have had to pay too much.

JAPAN REDUCES HER DEBT ONE-HALF.

What Japan now proposes doing is, as I understand it, this: She says, having got the standard of all our obligations, public and private, down from 164 to 82, we propose to keep it there. They shall now be deemed gold obligations on that basis, and henceforth shall vary in gold and not in silver. The result is that the national debt of Japan, in so far as it was created before 1873, is in terms of gold reduced by this simple operation to just one-half of what it was, and the debt that may have been contracted subsequently, in like proportion to the fall in silver. In like manner had France gone through the same operation, her debt, in terms of gold, would have been reduced by one-half. Say that her national debt in 1873 was £1,000,000,000—that is, in francs 25,000,000,000, optional to her to pay in either. She keeps her mints open to silver, and thereby her silver currency keeps touch with the market value of silver in the world. Let us suppose, for the sake of argument (though I do not say it would necessarily have happened), that silver falls in terms of gold, as it has done, by one-half its value. The debt of France is still 25,000,000,000 francs, but the franc in English money is now, under the supposed conditions, only one-fiftieth of a sovereign instead of one twenty-fifth. France now says, as Japan says, I shall henceforth pay in gold at present rates. Her 25,000,000,000 francs of debt becomes 500,000,000 sterling.

Of course, if by contract any portion of the public debts of either country were payable abroad in gold, as part of the Japanese debt was, it would have to be so paid, and would be excluded from the above operation. But otherwise no legal complaint could be made whether the obligations were held internally or externally. Gentlemen would probably exclaim at this monstrous new way of paying old debts, but I really don't know that there is anything unfair about it. It is a question between the taxpayers and the national creditors. Is it more just to require the former to pay 164 units or measures in commodities, measures of grain or 82 measures for every 100 which the latter are really entitled to? The truth is that the Japanese national creditor gets in real value much more nearly the right thing than the French or other gold creditors. One gets 18 per cent too little; the other 64 per cent too much.

So much for the effect of the measure. As to the motives which may have dictated it, I can not presume to have any inside information, but I should suppose it was mainly prompted by the inconveniences of the want of a common standard in her international trade with Western nations, which a fixed par of exchange would give her, and the difficulty of adjusting her budget in case she had occasion to borrow on the European market, as she evidently contemplated doing. The troubles of the Indian exchequer have doubtless not been lost sight of by Japanese financiers. It was mainly, I take it, the desire to get in line with the European powers, and not a special love for gold, which has never been in use among the Japanese. There is no reason to doubt that she would have readily joined, or would even now be willing to join, any bimetallic union which was large enough to secure the permanence of the relative value of silver and gold.

The wisdom of her decision depends upon the future of silver. If it rises in terms of gold above the ratio which she has fixed for the redemption of her coins, she will be a gainer. Indeed, she will have gained both ways, for she has been paying in silver hitherto while gold was rising, and in the future she would be paying in gold while silver was rising. If, on the other hand, silver keeps so low as it is, or falls further, everything would be against her. She would have to redeem her silver coins at some 6 or 7 per cent above their bullion value, and she would have cut herself off from the industrial advantages which she has hitherto enjoyed in common with her silver neighbors. In that case I should expect China to progress much more rapidly.

This decision of the Japanese Government, though it has doubtless impressed the world, ought not, I think, to have any very lasting effect on the price of silver. The Japanese mint will, it is true, be no longer open to coin silver, but then it was principally employed in coining yen for exportation to Singapore and the Straits. The demand for silver in these settlements will continue as before—and a large and increasing demand it is—only it will be supplied by the new British dollar coined in Bombay. The yen will be withdrawn as it pleases the Japanese Government to redeem them, and will probably be sent to Bombay to be recoined. There never was any very great amount of silver in circulation in Japan itself, and even yet, of course, they will require a certain amount for subsidiary coinage as small change. In any case Japan can not very seriously affect the monetary balance of the world.

ARTIFICIAL CHEAPNESS THE CAUSE OF EASTERN COMPETITION.

I wish to add just one remark before sitting down. It will be said if they can manufacture yarn or cotton cloth out in the far East cheaper than you can why shouldn't they, and why should you endeavor to do anything to hinder them? Is it not one of the cardinal principles of free trade that every nation ought to devote itself to producing those things which it can produce most cheaply? It is best so for the whole world.

On that I would remark that the present relative cheapness of silver to gold which enables eastern mills to manufacture cheaply is not the result of the operation of any law of nature, but is the consequence of monetary legislation. If it were due to any natural law it would, of course, be the merest folly to contend against it. But as it is the result of the act of man the act of man may undo it.

We know that even if we in England were to sit still, an agitation is going on around us which may have the most far-reaching consequences. From those consequences we can in no wise escape. It is most desirable that we should know the end of it, and as soon as possible. There can be no stability until this question is settled, and there is no hope of settling it that I can see but by a wide international monetary union, which would guarantee both itself and the world against any further fluctuations between the two precious metals. Both East and West are equally interested in a settlement. The Eastern manufacturer knows that the advantage which he has at present is not stable and may be taken from him. It is his interest to have silver low. He would wish to see a low ratio fixed, and doubtless his claims will have to be considered when the time comes; but he, in common with the rest of the world, desires stability of some sort.

In conclusion, I would emphasize the importance of the silver question to the industries of Britain, and especially to the great manufacturing districts of which Manchester is the center; and speaking impartially, I believe that one of the greatest blessings which could be secured to them would be a stable par of exchange by international agreement. [Loud applause.]

LANCASHIRE'S INTEREST IN A SPEEDY SETTLEMENT.

Mr. W. R. Moss (Bolton) moved the following resolution: "That the best interests of the British Empire demand a stable par of exchange between the gold and silver moneys of the world by the remonetization of silver, and in view of the serious efforts now being made to secure an international agreement, this meeting calls upon all friends of monetary reform to redouble their efforts to promote an early and effective settlement of the monetary question." He moved the resolution with the greater pleasure because of the fact that he knew few arguments would be needed to make it acceptable to a Manchester audience, or, indeed, to a meeting in any part of Lancashire, composed, as that one was, of the employees of labor and the trusted representatives of the labor employed. [Hear! Hear!]

He appeared there as one interested in the great staple trade of that district—the cotton trade—and having for over twenty years watched the growth and development of the monetary revolution which began in 1873; having experienced the results of it and given what amount of study a business man could do to the subject during that time, he felt convinced, and more convinced that day than at any previous time, that ultimately, sooner or later, they would be forced by circumstances to return to the old standard of value, with silver and gold at a fixed ratio. ["Hear!" "Hear!"] As producers they could not consent to be forever handicapped in the commercial race by maintaining the burden of their present monetary standard. Gold having risen in relative value to other commodities, the burden had increased enormously, and was still appreciating in that relation. [Applause.] During the time he had mentioned bimetallists had had many ups and downs—times of encouragement and discouragement—but at no previous time did he think they had more reason for encouragement than at that moment. As there were three gentlemen sent over by the President of the United States, and now in Paris negotiating, if possible, to bring about an international agreement, it was time for the monetary reformers of this country to be up and doing, and at once to put their shoulders to the wheel and see if they could not give the whole question a push forward that would be to their everlasting advantage and a benefit to the whole world of commerce. [Applause.]

THE ECONOMIC VIEW.

Mr. L. L. Price, M. A. (Oxon), seconded the proposition. He said he appeared before them that day in the capacity of a political economist. The mover of the resolution had addressed the meeting as a practical man; he [the speaker] appeared before them somewhat as a theorist, but he should like to say that the warmth with which Mr. Moss supported the motion was unsurpassed by the enthusiasm which he [Mr. Price] felt for it. [Applause.] He was convinced in his own mind that this question was the most important on which economists had been privileged to exercise a voice in this generation. ["Hear!" "Hear!"] He was not sure, indeed, when they came to consider the magnitude of the question, when they considered the subtle and far-reaching nature of the effects which had been produced by the monetary disturbances of the last twenty years, he was not sure whether they could not say that the question was as important as the last great economic question upon which the opinion of professional economists was elicited; he meant the free-trade question. ["Hear!" Hear!"]

He ventured to think that during the course of the controversy, which has been going on for twenty years or so economists had had something to say of importance. He thought that many people, although they might not be convinced of the advantage of international bimetallism, yet had at least been convinced that there was something wrong. They had not known what it was, but they had been sure something was wrong, and he thought that conviction had been shared even by some most ardent monometallists. He took it that it was the business of economists to point out what that something wrong was, and he took it also that it was their business to penetrate below the surface of affairs and try to discover hidden causes.

THE NECESSITY FOR ECONOMIC KNOWLEDGE.

He did not think it was possible to get an adequate grasp of this question without some economic knowledge. He did not say whether that economic knowledge should be of the orthodox character to which Sir Edward Sassoon had alluded, but unless they had some economic knowledge they could not see how these monetary influences were working below the surface. In this particular question there had been a certain confusion of issues, and they had been told that the fall in prices had been due to different causes, that it had been due to credit influences and fluctuations, and that it had been due to overproduction. Now it might be possible that all these causes had been operating, but it was the business of economists to see that beneath these causes there had been this monetary disturbance working and until that disturbance was set right affairs would not move smoothly again. He thought that upon these points economists had been of some assistance in influencing the controversy.

Mr. Jamieson had said that he had approached the subject from an impartial standpoint, and he [Mr. Price] thought he might claim for economists that they also had approached the question from an impartial standpoint. He had no hesitation in asserting that the general opinion of economists was agreed that a proper system of international bimetallism—if it were accomplished—would result in a more scientific system than that prevailing today; that it would tend to secure the great end of a monetary system—the end of stability—and also that it would undoubtedly relieve, even if it did not put an end to, those difficulties of exchange to which Mr. Jamieson had alluded. [Applause.] He was talking the other day to a foreign professor who said to him, "I can not imagine why you bimetallists are so confident." But he did not think there would be any difficulty in answering that question in such a meeting as that assembled there. They were confident because they believed scientific truth was on their side, and because they knew that the truth was great and they believed it must prevail. [Applause.] It was in that spirit he cordially supported the resolution which had been moved. [Applause.]

Mr. R. L. Everett, late M. P. for Ipswich, supported the motion, and remarked at the outset that he esteemed it a great privilege to have the opportunity of saying a few words on this great question in that important center of the commerce, wealth, and influence of

England. He was described as lately M. P., and he might say that he had the honor in the last Parliament of representing a division of the county in which he lived, the county of Suffolk, and nothing had given him more thankfulness, whilst he was a Member of Parliament, than that he had a tongue to use to denounce that, as he believed, monstrously unrighteous change made by the late Government—he referred to the closing of the mints in India. ["Hear!" "Hear!"] He did not forget to remind Sir William Harcourt, who had often taunted bimetallists with wishing to tamper with the currency, that he himself had been a party to the most monstrous and unprincipled tampering with currency ever inflicted upon any nation; and that not in a small nation like ours, with a population of about 40,000,000 inhabitants, but in a nation approaching 300,000,000 inhabitants, and, too, without giving the inhabitants of the country an opportunity of speaking upon the question. Although what had been determined on was announced in the House of Commons at the time, the House of Commons never had any opportunity whatever of expressing its views upon that enormous change before the change was made.

THE CONDITION OF AGRICULTURE.

He was present that day in Manchester as a farmer from East Anglia, that part of these islands which in the not far distant past was the most famous for its agricultural skill and prosperity of any part of Great Britain. ["Hear!" "Hear!"] And he came there, he regretted to say, to tell them that they were, in that district, in a state of agricultural ruin which could only fitly be described by the word "collapse." The best way to give them an idea as to what had happened to the industry of agriculture in the east of England was to call attention to what had happend to the value of land. Agricultural land, which twenty-five years ago was bought eagerly at £40 to £50 per acre, to-day went begging at from £4 to £12; it was only with difficulty that purchasers were found even at those miserable figures.

Rents were wasting away almost to nothing, and, notwithstanding that, farmers were getting tired of continuing to follow a profitless occupation. A great deal of the land was mortgaged, and both mortgagor and mortgagee had the infinite pain of seeing their property vanish away like snow before the summer's sun. The loss of the annual agricultural income of the United Kingdom, comparing this year with the years 1873 or 1874, was no less than £100,000,000—an enormous reduction from the gross income of the greatest industry in the country, and once one of the most prosperous. The misery to individuals, to families, and to public institutions which had been created by this collapse in agricultural value passed the power of human speech to describe. The cause of all this misery was a perfectly simple one; it was the fall in prices. That fall, it was true, during the present year had had a check, but no doubt the check in the fall in the value of wheat and the rise which had taken place was due to a calamitous cause in which no one could rejoice—the famine in India, and the general shortage of the world's wheat crop. Of course they had been glad to take the higher prices, but they had recognized that they were the result of a calamity which they believed was happily but temporary. He was there to express his fullest conviction that directly the supply of wheat became normal again, down would come the price, and agricultural prices would continue to go on falling as they had been falling for many years past. He said this from the movement of the index numbers, which registered the general movement of price levels. They showed last year the lowest point they had reached yet as compared with the average prices for the period between 1865 and 1875. And, notwithstanding the temporary rise in wheat, the movement of the index numbers was downward still.

What was the explanation of this extraordinary fall in prices, which having paid some attention to the history of prices, and especially agricultural prices, he declared to be without parallel in modern centuries? The explanation was perfectly simple when they knew the facts. Money measured prices, and the price level, whether it was high or low, depended upon the relative quantities of money in circulation and of the commodities which were to be exchanged against money. All political economists were agreed upon that fact. They had seen a thing done which was without parallel in human history. They had seen one of the two precious metals struck out of the measuring mass, making the measure of price level depend upon one-half only of the old measuring material. The fall must continue to go on unless the old policy was reverted to, as the increase of commodities from year to year had now only the increase of one metal instead of two to balance it.

THE REMEDY FOR THE FALL IN PRICES.

The remedy for this state of things was perfectly obvious; it was to go back to the state of things which was good enough for our ancestors, good enough for John Locke and Sir Isaac Newton, and had been good enough for all time past in the history of the world. He had been glad to hear the note struck again and again that afternoon that the signs were most hopeful for expecting a return to the old and wiser state of things. ["Hear!" "Hear!"] He congratulated them in the city of Manchester upon having among their representatives a man who had been thought fit to be the leader of the party which had the majority in the House of Commons, and who was a convinced bimetallist, earnestly and sincerely desiring to see England assist in the return to the free use of both precious metals. [Applause.] With pleasure had he (Mr. Everett, though a Liberal) again and again sat at that statesman's feet to hear him expound his views on this question.

There was also on the front bench with him Mr. Goschen, who had made some very able speeches on the subject, and expressed opinions in favor of bimetallism, the importance of which subject he had said could not be overestimated. And there were other illustrious occupants of the ministerial front benches who were in favor of this great change. America, France, Holland, and Belgium were anxious for it, so that they might hope that the time had come for it to be made. What they wanted was simply to reunite the two precious metals together in that happy marriage union which so long prevailed between them, and not only that, but to reunite two old companions, which within their memory had for many years worked in most cordial harmony together—he meant those two kindred spirits, free trade and free mints. [Applause.] He hoped their meeting today might do something to cause free trade and free mints to be associated together, and so sweep away that wave of protection which had been invading the shores of so many countries in recent times. [Applause.]

A SCOTTISH FARMER'S EXPERIENCE.

Mr. Patrick L. Gray (Ratho, N. B.) said: Although he felt highly honored and privileged in being asked to take part in to-day's proceedings, it was with extreme diffidence that he ventured in that great city of Manchester to address that important and representative meeting of gentlemen of light, leading, and influence on the momentous question of the currency.

Nothing would have induced him to do so except a sense of duty, from being thoroughly convinced that in doing what he could to advance the cause of monetary reform he was furthering the truest and best interests of his country. As monetary reform, on the lines of international bimetallism, had been shown by scientific monetary experts, and proved by the monetary history and experiences of the past, to be the only remedy for the long-continued industrial depression, which was a matter of the very gravest import—a matter of life or death—not only to tenant farmers like himself, but to all those who were dependent upon land for a living, he was happy and gratified to think that he could congratulate the Bimetallic League on the fact that that annual meeting was held under much more favorable and hopeful auspices for a speedy settlement of the monetary question than on any former occasion; for, as they all knew, international negotiations were in progress to secure an international monetary agreement, concerning the desirability of which the popularly elected legislatures of Britain, France, Germany, and America had recently passed favorable resolutions. The brilliant reception that France was according to the American delegates was of the most happy and hopeful augury. ["Hear!" "Hear!"]

It was a particularly happy thought to hold the meeting in the great city of Manchester, which was one of, if not the, greatest center of industry in the world. That and the presence of representative labor leaders showed the falsity and worthlessness of the gold monopolists' statement that international bimetallism was opposed by the working classes as subversive of their interests.

Lancashire and Manchester had led the van in all the great reforms, such as free trade and the franchise. He ventured to predict that history would repeat itself in regard to monetary reform, and that what Lancashire and America said to-day Britain and Europe would say to-morrow.

A RETROSPECT OF FARMING CONDITIONS.

With regard to the economical position of the agricultural industry, the Duke of Richmond is reported to have said the other day that nothing during Her Majesty's long reign had shown more rapid progress than the science of agriculture; but, unfortunately, he [Mr. Gray] could say with equal truth that there has been so rapid a decline in the incomes of all those who depend upon agriculture for a living, that the financial position of agriculturists was never worse, and agriculture never in a more depressed condition. When he commenced farming some thirty years ago rents were very much higher, and the land laws were not so favorable to the tenantry as they are now, but, on the other hand, there was a higher level of prices for agricultural produce, and on this account skillful, industrious farmers were able to secure a fair return for their capital; but, nowadays, although rents were much reduced, and there have been several measures passed favorable to farmers, and there had taken place the progress spoken of by the Duke of Richmond in the science of agriculture, in the vast majority of cases it was impossible for a farmer to secure anything like a fair or adequate return. So much was this the case, that on the best land in the Lothians, where farming was under the most favorable circumstances, the economic situation was such that even although the tenantry had no rent to pay they would be in a much worse position financially than they were in twenty or thirty years ago with high rents. The cause of this was, of course, the great and continued fall in prices of agricultural produce, with no corresponding fall in the outgoings. He thought it was lamentable, and, at the same time, exasperating, that this national misfortune and tragedy which had ruined thousands, and was in process of impoverishing and ruining thousands of proprietors and tenants in Scotland, England, and Ireland, had been brought about by legislation, which could be, and would have been, remedied by legislation long before then if it had not been for the opposition of powerful and interested classes. At the same time a glance at the names of many of the supporters of the Bimetallic League showed that there was then, as there always had been in the history of Britain, large numbers of the wealthy classes who put national before class interest. Recent legislation had so far benefited tenant farmers that it had abolished laws like the law of hypothec, and given them the right to compensation for unexhausted improvements, but as those acts, and others like them, merely gave tenants what they took from proprietors, agriculture as an industry was not benefited. For example, yeomen farmers or occupying owners have not and can not benefit by such measures. It was true the rating bill benefits agriculture, but it was only an act of justice, and the benefit was so minute that, of itself, it will not and can not make agriculture any more prosperous.

THE PALLIATIVES OF THE GOVERNMENT.

The present Government have promised the tenantry an improved holdings act, a most excellent and desirable reform; but how could any holdings act improve the position of occupying owners, or the thousands of tenantry who can not, under the existing economic situation, make ends meet, and had no capital to invest in improvements? It was idle to expect that any mere holdings act, however favorable to the tenantry, would, as long as the present economic situation lasted, induce capital to be expended upon land. The only way to cause a flow of capital to the land was to abolish a law that prevented agriculture from being a prosperous industry; and if the Government really wished to do this, and while helping agriculture to benefit all other productive industries, let them, while they had such a splendid opportunity as the present international negotiations on the monetary question afforded, make haste to reverse the unfortunate and disastrous legislation of 1816 and 1873—and, he might add, 1893—which they had the authority of all economic experts and the evidence of their senses for knowing was the principal cause of the present low level of prices, which again was the cause of the disastrous depression in so many productive industries.

If the only result of the deliberations of the Royal Commission on Agricultural Depression should be to recommend an improved holdings act, the appointment of official arbiters and measures of that sort, and if the commission neglected to recommend monetary reform on the lines of international bimetallism, its action would have a strong resemblance to that of a crew of Highland boatmen he had heard of, who started one Saturday night to row from Greenock across the Firth of Clyde; after rowing the livelong night when Sunday morning dawned they found that they had forgotten to loose the rope that fastened their boat to the quay. [Laughter.]

BIMETALLISM PROGRESSING IN SCOTLAND.

In Scotland the belief that international bimetallism was the only remedy for the depression that existed in all productive industries was becoming better and more widely realized in spite of, with some honorable exceptions, the difficulties put in the way of doing so by the unprincipled opposition of the daily press. For example, one leading Scotch paper refuses any correspondence or news favorable to bimetallism, or correcting and criticising misleading monetary articles and notices; and during the American Presidential election, in articles, notices, and letters from its New York correspondent, it strove to make its readers believe that "sound-money" men were all gold monometallists.

Mr. McKinley's monetary policy, since his election, had rather disconcerted them. Further, in the same newspaper's report of the debate in the House of Commons on March 17, 1896, Mr. Balfour's great and powerful speech was allowed only a few lines, while that of the chancellor of the exchequer was not only fully reported, but taken notice of in most laudatory terms. Some Scotch agricultural journals were likewise opponents of bimetallism. Of one of them better things might be expected, as it was said to be partly controlled by one of their semi-agricultural magnates, the chairman of the National Agricultural Society; but one consolation was that from the arrant nonsense which the editors wrote on the subject of the currency, it was quite evident they were entirely ignorant of that subject, and therefore had no weight with their intelligent readers. For instance, the great ostensible objection of one of those editors to bimetallism was one that, coming from an agricultural editor, will amuse the labor leaders present—namely, that, although bimetallism might benefit agriculture and other productive industries, it would be against the interest of the working classes. The objection of another editor was, that if there were a rise in the price of agricultural produce the benefit would all go ultimately to the landlords, which was an objection which is contrary to the experience of the past, and would be fatal to any amelioration of the lot of occupying owners, the tenantry, and all connected with land, and was, he was glad to say, so far as his knowledge went, contrary to the opinion and sentiments of the majority of Scotch agriculturists. They would see that the education of public opinion on the monetary question in Scotland labored under very serious disadvantages, but nevertheless it was being gradually accomplished, for all who study, or can be induced to pay serious attention to the subject, must, sooner or later, take a favorable view. There was from the public practically no opposition; the great hindrance was apathy. During the last few years a number of meetings had been held in all parts of Scotland to impart sound views on the currency and advance the cause of bimetallism. Some chambers of commerce and the Scottish Chamber of Agriculture, of which he had the honor to be a director, had passed resolutions in favor of international bimetallism, and the latter have brought down to Scotland such able exponents of bimetallism as Mr. Chaplin and Mr. Everett.

THE HON. GEORGE PEEL'S VISIT TO EDINBURGH.

The visit the other day of Mr. Peel, the secretary of the Gold Defense Association, to Scotland gave the cause of monetary reform an immense lift (laughter), as it demonstrated the utter weakness and worthlessness of the monometallist defense. Mr. Peel's defense was simply a rehash of pamphlets issued by the Gold Standard Defense Association, and there was the strange and ridiculous spectacle of a young, inexperienced man—inexperienced in business affairs—uttering a string of platitudes in direct opposition to the experience of practical business men of mature years, who had gained their experience in various industries in all parts of the world. In conclusion, on behalf of the agriculturists of Scotland, he wished the Bimetallic League and their policy of monetary reform "God speed," and he had the opinion of economic experts and the intelligence of the country with him when he declared and maintained that the interests which the Bimetallic League were contending for embraced the interests of the great agricultural, textile, and other productive industries of Britain, and, as a consequence, the interests of the vast majority of the British working classes. [Applause.]

THE INTEREST OF LABOR.

Mr. James Mawdsley, general secretary of the Operative Cotton Spinners' Association (who was introduced by the chairman as one of the great labor leaders, a member of the royal commission on labor, and one of the most earnest friends of the bimetallic movement), also supported the resolution. He said that he could not at that moment call to mind how many years it was since the first annual meeting of the league was held in Manchester, but he was present then, and he had been at most of the meetings since. He could not call to mind any meeting at which the prospects of bimetallists were so bright as they appeared to be now. During the past year there had been two very important events, both of which had been referred to at the meeting. One was the passing by the House of Commons of a resolution instructing the Government to do all in their power to bring about an international agreement upon the currency question, and the other was the election of the President of the United States.

Both of these events were full of hope. His wonder was that the Government had taken such little notice of the resolution passed by the House of Commons. Whether they intended to take any notice of it or not it was difficult to say, but a great deal depended upon the people who were behind them as constituents. [Applause.] When they came to think who it was that was opposing them in this matter, the only wonder to him was that such opposition should be allowed to have any weight. On the side of the league they had everyone who belonged to the producing classes. On the other side they had the nonproducing classes—classes who always seemed to get the ear of the Government of the day—pensioners and others; in fact, everyone who lived by producing nothing. [Laughter.] It was to the interest of those classes to have commodities cheap, but it was not to the interest of the class that he represented. There was a well-known manufacturer and member of Parliament in Lancashire, who the other week was trying to enlighten them about the profitable state of the cotton trade. [Laughter.] He referred to Mr. Harwood. He (Mr. Mawdsley) saw a good many mill owners present, and he knew a great many more outside, and all of them were particularly anxious to get hold of Mr. Harwood to make him prove that they were making profits. [Laughter.] Speaking for the class of work people whom he represented, he might say they had not suffered very much in their wages, but they were desperately pinched to find work for those who were out of employment. There were any number of people walking about the streets looking for work, and it seemed to him that almost the whole of this state of things was due to the restrictive action of our currency laws. If the success of the movement depended upon the cotton operatives of Lancashire and adjoining counties, the matter would be settled next week, for they had made up their minds and knew what they wanted. [Applause.]

DESIRE FOR INFORMATION AMONG THE WORKING CLASS.

Mr. W. H. Drew, president of the Bradford Woolen Workers (who was spoken of by the chairman as having rendered great services to the movement), also spoke in favor of the resolution. He said he supported the resolution with the greatest possible pleasure, and he supported it as a trade unionist, who believed that at any rate bimetallism was one of the remedies which would place the class to which he belonged in a fit position to occupy that station in life they were entitled to. On behalf of the large number of persons with whom he had come into contact during the last three years, and as one who had spoken some little in favor of bimetallism, he desired to repudiate a statement which the defenders of the

Gold Standard Defense Association were making in connection with the working classes of Great Britain. He was honestly of opinion that the subject of bimetallism was not so very deep and intricate that the workingman could not be made to understand it. [Applause.]

His experience, taking the whole of the north of England, was that they were gathering strength every week and every month, and that the working men in the north of England especially, were taking a deep interest in this movement. [Applause.] He thought, indeed, he might venture to go even farther afield than that. A few weeks ago he was at Southampton, and he found the working men in the South of England were also taking a deep interest in this question. Not very long since he met at a public meeting the editor of a large and influential paper, who built up a splendid argument on the premises that money had no relation to prices or wages. [Laughter.] When he had made his speech the editor moved an amendment to the bimetallic resolution which had been submitted to the meeting. To show the effect of the editor's logic, he [Mr. Drew] might say that the amendment was only supported by its mover, its seconder, and a gentleman who was a well-known gold defender. That was the only support he got out of a large meeting of trade-unionists. ["Hear!" "Hear!"] The speaker went on to say that he knew the feeling of the class to which he belonged, and he unhesitatingly said, as Mr. Mawdsley had said, that to have low prices was not a good thing for them. ["Hear!" "Hear!"] He desired to make an appeal to the bimetallists present. They might depend upon it that the constituents to which Mr. Mawdsley had referred could only be moved by those who could go out and speak to them. Take the miners of Yorkshire for instance. When they were told of the evils—the accumulated evils—which had arisen from the present currency system, they were not slow to see the necessity of bimetallism. The criticism which the movement got on all sides was an educational force which they had not yet recognized. His last words to the meeting were that the time was not yet for putting off their armor, the time was only when the battle was lost or won—he believed they were going to win—it was not until then that they should put off their armor. The time for activity was now, and whether it was Lancashire, or Yorkshire, or the south of England, their forces must be rallied, and success would be in proportion to the amount of energy which each bimetallist had in the work. [Applause.]

VOTE OF THANKS TO CONSUL JAMIESON.

Mr. W. E. Dorrington moved a vote of thanks to Mr. Jamieson for the very able and interesting address which he had delivered. He was sure they were all very much obliged to Mr. Jamieson for the trouble he had taken in preparing his address and for the facts which he had brought out in it. He had also merited their thanks for the work he had previously done in the consular reports which he had issued from Shanghai, in which he had brought out facts bearing upon the situation. He [Mr. Dorrington] emphasized the word facts because he believed bimetallism throve on facts. They had seen a good many twists and turns of this question, but at the present moment they almost seemed to be within sight of port. From what they had heard that day, and from what they had seen in the papers, they knew there were negotiations going on between France and the United States of America in regard to the settlement of this question. He should like to urge the importance, as it appeared to him, of the league directing its efforts to pressing on the Government of this country the necessity of taking such a part in those negotiations as would not only tend to bring about the settlement, but which would give the British Government a voice in the terms of settlement. [Applause.] He had much pleasure in proposing the vote of thanks.

Mr. G. Handasyde Dick, Glasgow, had great pleasure in seconding the motion. He said their monometallist friends had been moving heaven and earth to find an explanation of the bad trade. They were unable to account for it on any intelligible hypothesis of their own. They had been very free to blame the foreign consuls of this country, who, they said, had not furnished the detailed information which other consuls had furnished to the nations they represented. Here they had the consul to the greatest and most populous nation in the world, viz, China, and he had given them a consular report, and was here in person to support it. It was not a report dealing with small details, or only with the relations of Lancashire trade to China, or agriculture, or anything else; it was an Imperial report Mr. Jamieson had given to them, and Mr. Dick handed it over to their monometallist opponents. In doing so he would say to them that as they wanted consular reports he would ask them to consider this one, and if they did so fairly and impartially he was sure it would prove the case for bimetallism.

Mr. Dick said there were many anxious men in Scotland, from which country he had come to attend this meeting, who were looking with great interest as to what was to be done. He hoped to convene a meeting of the west of Scotland branch of this association, and to communicate to it the cheering facts he had heard that afternoon. He hoped that the meeting would be fully reported in the Lancashire papers, and that it would be known in Scotland where those reports were to be found. In the address which he had just delivered, Mr. Jamieson had expressed great wisdom in an interesting and modest way, and everyone must feel grateful to him. He felt personally grateful to him as a Scotchman. Mr. Jamieson was earnestly engaged in doing what it was the aim of all good Scotchmen to promote, viz, to hasten the time when "Man to man, the world o'er, shall brithers be, an' a' that." [Applause.]

The resolution was carried, and

Mr. Jamieson, in replying, expressed his thanks for the cordial reception he met with. He came amongst them a total stranger, and therefore hardly expected the welcome he received. He had to apologize for the nature of his address. When he was reading it he felt that it was too stiff and too much fact, but the subject was one that must be dealt with in that way; no one could venture to speak lightly upon it without a good deal of material consideration. ["Hear!" "Hear!"] That was why he put the address in the form he did. It was only by carefully examining the historical aspect of this question from first to last that they could appreciate its widespread weight and gravity. He did not think there had been one question before the world of such absolutely wide importance to the whole world that this was. There was no part of the world which did not deal with one or other of the precious metals, therefore they were all interested and must all hang together until this question was settled. The only settlement there could possibly be was the one they advocated. [Applause.]

VOTE OF THANKS TO THE LORD MAYOR.

Mr. T. E. Powell, who was described by the chairman as one of the most conscientious workers on the London committee, moved a vote of thanks to the lord mayor of Manchester for granting the use of his parlor for the meeting. He said it was with peculiar pleasure that he moved the vote of thanks, because he had never been in Manchester before. [Laughter.] When a man wished well to others he ought to wish them what he wished for himself. He could not do that in regard to the lord mayor of Manchester. For they wished for themselves, not long life and prosperity, but that their work might quickly come to an end, and that they might go where all good bimetallists would go—to a place where, although there would be no marrying and giving in marriage of gold and silver, they knew the wicked would cease from troubling, and they knew who the wicked were. [Laughter.] While wishing long life to the lord mayor of Manchester, he wished, on the other hand, to the Bimetallic League a short shrift, a quick end of its labors, and a happy despatch. [Laughter and applause.]

Mr. Granville-Smith, of London, whose services in connection with the continental work of the league were acknowledged by the chairman in introducing him to the meeting, was invited to second the resolution. He said it was under the ægis of local institutions that all great causes of freedom had been known to flourish, and he thought they could not do better on this occasion, therefore, than to rejoice that it was in the center of the municipal institutions of Manchester, under the shadow of its splendid municipal palace, and under the hospitality of the lord mayor, that they held their annual meeting. They who came from the south were deeply grateful to his lordship for placing that noble room at their disposal, and further, devoting to them some of his valuable time. ["Hear!" "Hear!"] The chairman had alluded to his (the speaker's) dealings in connection with the league; he had done so in too kind terms, and he would not allude to the matter again, except for the purpose of emphasizing the intense earnestness of the French action.

M. MÉLINE'S VIEWS.

He asked that the meeting allow him to read a quotation from a speech delivered by a very great man in France, M. Méline, a man who enjoyed an extraordinary position at the head of affairs in his country, having been called to it as being essentially the one man who was prepared to cope with the agricultural distress prevailing there. In a speech delivered in Paris three days ago, and which he hoped they would all read,[1] M. Méline, alluding to the fixed ratio which existed between gold and silver for so long a time, said: "This fixed ratio has been in existence for three-quarters of a century, and during that time it imparted a sense of security to business which everywhere favored the development of industry and agriculture. From the day when it was destroyed—that is, in 1873—troubles set in from all directions, business became more and more difficult, and the world has fallen—I am not using too strong an expression—into a veritable commercial anarchy."

Those words were received with cheers in an assembly which contained the greatest leaders of the French agricultural and industrial world. M. Méline proceeded: "Hence these complaints, these groans, these lamentations which are heard throughout the whole world of labor. All those who toil and struggle, whether in agriculture or in industry, are suffering cruelly, and they implore their governments to put an end to their sufferings." [Applause.] It was because they at this meeting in Manchester implored our Government to join with other Governments in putting an end to these cruel sufferings that he had ventured to trouble them with that quotation. [Applause.]

The resolution was put to the meeting and carried.

VOTE OF THANKS TO THE CHAIRMAN.

Mr. F. J. Faraday, in moving a vote of thanks to the chairman, Mr. Robert Barclay, said the resolution was one which required no

[1] The full text of the speech to which Mr. Granville-Smith refers will be found in the report, which we give later in this issue, of the annual meeting of the French Bimetallic League.

comment. They were all delighted to see Mr. Barclay in his old position, carrying on this movement with the energy, and, what was more, the faith which had never deserted him.

Mr. G. D. Kelley, secretary of the Manchester and Salford Trades Council, said he had pleasure in seconding the resolution. Mr. Barclay appeared to be always ready and willing to help forward this work, and he had noticed on several occasions the energy displayed by him in trying to push to a satisfactory conclusion what they had in hand. He would content himself by saying this—that having had a long experience of this movement, having accurately gauged the feelings and opinions of the large majority of the workers throughout the United Kingdom, he could safely say that the workers of the country were far more alive to the importance of this question than they ever had been before, and if those who had the money—those who were in a higher position than the workers—would take the same interest that the workers had, bimetallism would soon be reestablished. [Applause.]

The resolution was carried.

The chairman, in replying, expressed his thanks for the kind reception they had accorded to him. He was only anxious to do the best he could in the service of this great cause. He had felt that day more responsibility in connection with their meeting than he ever did before. They were on the eve of great events, and he had felt that a great deal depended on the wisdom with which the work of that meeting was carried through. He thought the way was now clear for a further demonstration being made from Lancashire, if necessary, to carry their work to a conclusion. [Applause.]

The meeting then terminated.

ANNUAL MEETING OF THE FRENCH BIMETALLIC LEAGUE.

ENTHUSIASTIC WELCOME TO THE AMERICAN DELEGATES.

The second annual general meeting of the French Bimetallic League was held in Paris on May 29, under the chairmanship of M. Fougeirol, Senator, president of the league, 436 members being present or represented. The proceedings, which were most enthusiastic throughout, mainly consisted in an elaborate report by the general secretary, M. Ed. Théry, setting forth the great progress accomplished and the hopes of speedy success.

The participation of England was very fully discussed by M. Théry, but admitting her vast financial, commercial, industrial, and agricultural power, he did not think it could equal that of France and the United States combined. If France alone was strong enough to maintain for seventy years the par of exchange unbroken, who could doubt the sufficiency of Franco-American bimetallism? France and the United States take now the same view of the question; there is no doubt that they will easily come to an agreement. What will be the exact contribution of England remains to be seen. But, taking into account the declarations of Mr. Balfour and Sir Michael Hicks-Beach on March 17, 1896, M. Théry could but conclude that the share of England will be ample and efficient, and that Germany will follow England's example. The practical solution of the monetary problem was within reach.

At the banquet which followed there were present the prime minister, M. Méline, who is also minister of agriculture and vice-president of the Bimetallic League; M. Boucher, minister of commerce; M. Loubet, president of the Senate; M. Magnin, governor of the Bank of France; M. Ribot, ex-premier; also representatives of the ministers of foreign affairs and of public works; representatives of the great French agricultural societies, of the trades' councils, of the Paris stock brokers, and of the French press.

The three American delegates, Senator WOLCOTT, ex-Vice-President Stevenson, and General Payne, attended with the secretary of the mission as guests of the Bimetallic League.

M. Fougeirol, senator, president of the league, after proposing the health of the President of the Republic, thanked the members of the Government for their presence, and especially M. Méline, "whose energy and courage caused the admiration of his friends, while his straightforwardness and firm character made even his enemies respect him. [Cheers.]

"We are grateful to M. Méline because he has brought his great experience to bear upon the monetary situation, and has seen clearly the imminent danger which France and the world have been running in consequence of the triumph of monetary heresy in 1873. He has caused the whole world to know, by a speech the echoes of which reached far beyond our national frontiers, that no difficulties would be placed in the way by our country, when the nations of the world should be willing to remedy the present intolerable state of things."

After thanking the other eminent men present who represented every force and interest in the country, M. Fougeirol then turned toward the American delegates and eloquently thanked them for their presence in the name of every French bimetallist. "Their presence in France," he added, "the mission with which President McKinley has intrusted them, form the best proof that the recent victory at the Presidential elections was not the victory of the gold standard, as our enemies have persisted in stating, but the victory of international bimetallism, such as we have always advocated.

"M. Méline's Government affords a sure warrant that France will heartily meet the advances made by America, and that the union, loyal and sincere, between the two great sister Republics will restore monetary peace throughout the world.

"We are profoundly convinced that in presence of that union the Governments of the gold-standard nations of Europe, and specially those of England and Germany, will understand that the hour has come for them also to assume their share of responsibility in a work the success of which interests them even more perhaps than ourselves.

"We drink to the wisdom of the Governments of Europe, and to the speedy triumphs of the messengers of peace which America sends us. To our guests, thrice welcome." [Loud and prolonged cheers.]

STATISTICS.

*Mr. Sauerbeck's index numbers.**

[To which is added the annual average price of silver in London.]

Years.	Index number of 45 principal commodities.	Index number of silver. 100=60.84d.	Annual average price of silver in London.
			d.
1867 to 1877	100	100	....
1892	68	65.4	39 13/16
1893	68	58.6	35 5/8
1894	63	47.6	28 15/16
1895	62	49.1	29 7/8
1896	61	50.5	30 3/4
January, 1897	62	48.8	29 11/16
February, 1897	61.9	48.8	29 11/16
March, 1897	61.9	46.5	28 5/16
April, 1897	61.5	46.3	28 3/16
May, 1897	61.2	45.4	27 5/8

*Owing to the extreme pressure on our space this issue we have been obliged to omit the figures for the years 1878 to 1891, but these can be easily obtained on reference to preceding numbers. In our next we shall publish the table in full, as usual.

THE WORLD'S PRODUCTION OF GOLD AND SILVER.

TABLE 1.—*The world's production of gold and silver from 1493 to 1885.*

[Calculated from Soetbeer's figures.*]

Years.	Weight per annum.			Value per annum.			
	Gold, fine, ounces troy.	Silver, fine, ounces troy.	Proportion of gold to silver as 1 to—	Gold, £1 equal to 20 marks.	Silver, £1 equal to 20 marks.	Total of gold and silver.	Proportion of gold to silver as 1 to—
1493–1520	186,470	1,511,050	8.1	£809,100	£611,000	£1,420,100	0.76
1521–1544	230,194	2,899,930	12.6	998,800	1,118,500	2,117,300	1.12
1545–1560	273,596	10,017,940	36.6	1,187,100	3,848,250	5,035,350	3.24
1561–1580	220,195	9,628,925	43.9	954,150	3,638,950	4,593,100	3.81
1581–1600	237,267	13,467,635	57.2	1,029,500	4,943,000	5,972,500	4.81
1601–1620	273,918	13,596,235	49.6	1,188,550	4,821,050	6,009,600	4.06
1621–1640	266,845	12,654,240	47.4	1,157,850	3,916,300	5,074,150	3.38
1641–1660	281,955	11,776,545	41.8	1,223,400	3,516,500	4,739,900	2.87
1661–1680	297,709	10,834,550	36.4	1,291,750	3,134,100	4,425,850	2.43
1681–1700	346,094	10,992,085	31.7	1,501,700	3,179,650	4,681,350	2.12
1701–1720	412,163	11,432,540	27.7	1,788,400	3,253,750	5,042,150	1.82
1721–1740	613,422	13,863,080	22.6	2,661,650	3,988,650	6,650,250	1.49
1741–1760	791,211	17,140,611	21.7	3,433,100	5,038,200	8,471,300	1.46
1761–1780	675,665	20,985,591	31.5	2,888,350	6,201,000	9,089,400	2.14
1781–1800	571,948	28,261,779	49.4	2,481,700	8,131,300	10,613,000	3.28
1801–1810	571,562	28,775,858	50.7	2,480,000	8,002,650	10,482,650	3.23
1811–1820	367,957	17,385,756	47.2	1,596,600	4,866,950	6,463,550	3.05
1821–1830	457,045	14,807,005	32.4	1,983,150	4,075,950	6,059,100	2.05
1831–1840	652,292	19,175,868	29.4	2,830,300	5,278,600	8,108,900	1.87
1841–1850	1,760,502	25,090,342	14.2	7,638,850	6,867,650	14,506,500	0.90
1851–1855	6,410,325	28,488,598	4.4	27,815,400	8,019,350	35,834,750	0.29
1856–1860	6,485,863	30,252,829	4.7	28,144,950	8,235,450	36,380,400	0.29
1861–1865	5,949,583	35,401,973	5.9	25,816,300	9,965,400	35,781,700	0.38
1866–1870	6,270,086	43,051,583	6.9	27,206,950	11,984,800	39,191,750	0.44
1871–1875	5,591,014	63,317,014	11.3	24,260,350	17,232,450	41,492,800	0.71
1876–1880	5,543,111	78,775,602	14.2	24,052,250	19,103,100	43,155,350	0.79
1881–1885	4,794,755	92,003,944	19.2	20,804,900	21,438,000	42,242,900	1.03

* The whole of the figures of weight and value, and also the proportions, are calculated from kilograms and marks as given in the "Appendix to the Final Report of the Gold and Silver Commission," pp. 146–148.

Total production in weight.

Years.	Gold, fine.	Percentages of total.	Silver, fine.	Percentages of total.	Proportion by weight of gold and silver production.	
					Gold.	Silver.
	Ozs. troy.	*Per ct.*	*Ozs. troy.*	*Per ct.*	*Per ct.*	*Per ct.*
1493–1850 (358 years)	152,779,050	43	4,816,930,012	72	3	97
1851–85 (35 years)	205.225,924	57	1,850,670,736	28	10	90
Total	358,004,974	....	6,667,600,748	....	5	95

TABLE II.—*The world's production and coinage of gold and silver from 1873 to 1895.*

[From tables issued by the United States Mint.]

[Converted at £1=$5.]

Years.	Production.						Coinage.	
	Silver.			Gold.		Gold and silver (coining value).		
	Fine ounces, troy.	Commercial value.	Coining value 16 to 1.	Value.	Fine ounces, troy.		Gold.	Silver.
1873	63, 267, 000	£16, 424, 000	£16, 360, 000	£19, 240, 000	4, 654, 000	£35, 600, 000	£51, 526, 000	£26, 309, 000
1874	55, 300, 000	14, 135, 000	14, 300, 000	18, 150, 000	4, 390, 000	32, 450, 000	27, 156, 000	20, 586, 000
1875	62, 262, 000	15, 516, 000	16, 100, 000	19, 500, 000	4, 717, 000	35, 600, 000	41, 068, 000	24, 629, 000
1876	67, 753, 000	15, 664, 000	17, 520, 000	20, 740, 000	5, 016, 000	38, 260, 000	42, 624, 000	24, 715, 000
1877	62, 680, 000	15, 056, 000	16, 208, 000	22, 789, 000	5, 512, 000	38, 997, 000	34, 735, 000	15, 681, 000
1878	73, 385, 000	16, 908, 000	18, 976, 000	23, 818, 000	5, 761, 000	42, 794, 000	37, 677, 000	32, 238, 000
1879	74, 383, 000	16, 706, 000	19, 234, 000	21, 755, 000	5, 262, 000	40, 989, 000	18, 151, 000	20, 978, 000
1880	74, 795, 000	17, 128, 000	19, 341, 000	21, 287, 000	5, 149, 000	40, 628, 000	29, 945, 000	16, 922, 000
1881	79, 021, 000	17, 985, 000	20, 433, 000	20, 604, 000	4, 984, 000	41, 037, 000	29, 403, 000	21, 602, 000
1882	86, 472, 000	19, 646, 000	22, 360, 000	20, 399, 000	4, 934, 000	42, 759, 000	19, 939, 000	22, 157, 000
1883	89, 175, 000	19, 797, 000	23, 059, 000	19, 078, 000	4, 615, 000	42, 137, 000	20, 969, 000	21, 861, 000
1884	81, 568, 000	18, 157, 000	21, 092, 000	20, 345, 000	4, 921, 000	41, 437, 000	19, 887, 000	19, 166, 000
1885	91, 610, 000	19, 504, 000	23, 689, 000	21, 687, 000	5, 246, 000	45, 376, 000	19, 152, 000	25, 353, 000
1886	93, 297, 000	18, 558, 000	24, 125, 000	21, 232, 000	5, 136, 000	45, 357, 000	18, 928, 000	24, 971, 000
1887	96, 124, 000	18, 806, 000	24, 856, 000	21, 155, 000	5, 117, 000	46, 011, 000	24, 998, 000	32, 682, 000
1888	108, 828, 000	20, 437, 000	28, 141, 000	22, 039, 000	5, 331, 000	50, 180, 000	26, 966, 000	26, 984, 000
1889	120, 214, 000	22, 481, 000	31, 085, 000	24, 698, 000	5, 974, 000	55, 783, 000	33, 780, 000	27, 849, 000
1890	126, 095, 000	26, 387, 000	32, 606, 000	23, 769, 000	5, 749, 000	56, 375, 000	29, 819, 000	30, 207, 000
1891	137, 171, 000	27, 100, 000	35, 470, 000	26, 130, 000	6, 320, 000	61, 600, 000	23, 907, 000	27, 659, 000
1892	153, 152, 000	26, 681, 000	39, 603, 000	29, 330, 000	7, 094, 000	68, 933, 000	34, 495, 000	31, 103, 000
1893	165, 473, 000	25, 824, 000	42, 789, 000	31, 490, 000	7, 618, 000	74, 288, 000	46, 484, 000	27, 590, 000
1894	164, 610, 000	20, 899, 000	42, 566, 000	36, 313, 000	8, 783, 000	78, 879, 000	45, 584, 000	22, 619, 000
1895	169, 180, 000	22, 131, 000	43, 748, 000	40, 057, 000	9, 689, 000	83, 805, 000	46, 140, 000	24, 399, 000
Total	2, 295, 815, 000	451, 930, 000	593, 661, 000	545, 614, 000	131, 972, 000	1, 139, 275, 000	723, 343, 000	566, 260, 000
Yearly average	99, 818, 000	19, 649, 000	25, 811, 000	23, 722, 000	5, 738, 000	49, 533, 000	31, 449, 000	24, 620, 000

*Total production in value.**

[Converted at £1=20 marks.]

Years.	Gold.	Percentages of total.	Silver.	Percentages of total.	Proportion by value of gold and silver production.*		
					Gold.	Silver.	Total.
		Per ct.		*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*
1493-1850 (358 years)	£662, 900, 000	43	£1, 471, 650, 000	75	31	69	100
1851-1885 (35 years)	890, 500, 000	57	479, 850, 000	25	65	35	100
Total	1, 553, 400, 000	100	1, 951, 500, 000	100	44	56	100

*Dr. Soetbeer says: "If the value of the silver product were calculated on the plan formerly in use, by considering the ratio to have been 15½ to 1 throughout (that is, considering the kilogram of silver to have been worth 180 marks throughout), the proportions in the 358 years would be 33 per cent gold and 67 per cent silver; and in the 35 years 63 per cent gold and 37 per cent silver." (See Appendix XVI in the "Final Report of the Gold and Silver Commission," p. 148.)

Gold and silver imports and exports.

UNITED KINGDOM.

GOLD.

Year.	Imports.	Exports.	Net imports and exports.
1870	£18, 806, 728	£10, 013, 521	+£8, 793, 207
1871	21, 618, 924	20, 698, 275	+ 924, 649
1872	18, 469, 442	19, 748, 916	— 1, 279, 474
1873	20, 611, 165	19, 071, 220	+ 1, 539, 945
1874	18, 081, 019	10, 641, 636	+ 7, 439, 288
1875	23, 140, 834	18, 648, 296	+ 4, 492, 538
1876	23, 475, 975	16, 515, 748	+ 6, 960, 227
1877	15, 441, 985	20, 361, 386	— 4, 919, 401
1878	20, 871, 410	14, 968, 507	+ 5, 902, 903
1879	13, 368, 675	17, 578, 818	— 4, 210, 143
1880	9, 454, 861	11, 828, 822	— 2, 373, 961
1881	9, 963, 006	15, 498, 837	— 5, 535, 831
1882	14, 376, 559	12, 023, 804	+ 2, 352, 755
1883	7, 755, 800	7, 091, 365	+ 664, 435
1884	10, 744, 408	12, 012, 839	— 1, 268, 431
1885	12, 576, 561	11, 930, 818	+ 645, 743
1886	12, 950, 846	13, 783, 706	— 832, 860
1887	9, 955, 326	9, 323, 614	+ 631, 712
1888	15, 787, 588	14, 944, 143	+ 843, 445
1889	17, 914, 039	14, 455, 318	+ 3, 458, 721
1890	23, 568, 049	14, 306, 688	+ 9, 261, 361
1891	30, 275, 620	24, 167, 925	+ 6, 107, 695
1892	21, 583, 232	14, 832, 122	+ 6, 751, 110
1893	24, 834, 727	19, 502, 273	+ 5, 332, 454
1894	27, 580, 926	15, 647, 551	+ 11, 933, 375
1895	36, 006, 038	21, 269, 323	+ 14, 736, 715
1896	24, 468, 337	30, 123, 925	— 5, 655, 588
December, 1896	1, 481, 156	1, 675, 192	— 194, 036
January, 1897	2, 111, 761	1, 423, 458	+ 688, 303
February, 1897	1, 601, 417	1, 360, 962	+ 240, 455
March, 1897	2, 022, 728	1, 625, 712	— 397, 016
April, 1897	3, 821, 357	3, 240, 520	+ 580, 837
May, 1897	3, 527, 593	2, 291, 196	+ 1, 236, 403

Gold and silver imports and exports—Continued.

UNITED KINGDOM—Continued.

SILVER.

Year and month.	Imports.*	Exports.	Net imports (+) and exports (—).
1870	£10, 648, 940	£8, 906, 169	+ £1, 742, 771
1871	16, 521, 903	13, 062, 396	+ 3, 459, 507
1872	11, 138, 570	10, 586, 945	+ 551, 625
1873	12, 988, 066	9, 828, 065	+ 3, 160, 001
1874	12, 298, 169	12, 211, 957	+ 86, 212
1875	10, 123, 955	8, 979, 746	+ 1, 144, 209
1876	13, 578, 269	12, 948, 334	+ 629, 935
1877	21, 710, 814	19, 436, 733	+ 2, 274, 081
1878	11, 551, 545	1, 718, 039	— 166, 494
1879	10, 786, 863	11, 006, 094	— 219, 231
1880	6, 799, 022	7, 060, 681	— 261, 659
1881	6, 901, 402	7, 003, 982	— 102, 580
1882	9, 242, 925	8, 965, 454	+ 277, 471
1883	9, 468, 002	9, 322, 846	+ 145, 156
1884	9, 633, 495	9, 986, 383	— 352, 888
1885	9, 433, 605	9, 852, 287	— 418, 682
1886	7, 471, 639	7, 223, 699	+ 247, 940
1887	7, 819, 438	7, 807, 404	+ 12, 034
1888	6, 213, 940	7, 615, 428	— 1, 401, 488
1889	9, 185, 400	10, 666, 312	— 1, 480, 912
1890	10, 385, 659	10, 863, 384	— 477, 725
1891	9, 315, 598	13, 060, 866	— 3, 745, 268
1892	10, 746, 382	14, 078, 568	— 3, 332, 186
1893	11, 913, 395	13, 589, 745	— 1, 676, 350
1894	11, 005, 507	12, 171, 449	— 1, 165, 942
1895	10, 669, 682	10, 367, 436	+ 302, 246
1896	14, 329, 116	15, 048, 134	— 719, 018
December, 1896	1, 245, 334	911, 688	+ 333, 646
January, 1897	1, 307, 370	904, 718	+ 402, 652
February, 1897	1, 144, 590	1, 385, 897	— 241, 307
March, 1897	1, 366, 161	919, 467	+ 446, 694
April, 1897	1, 510, 748	1, 338, 521	+ 172, 227
May, 1897	1, 415, 008	1, 640, 918	— 225, 910

* The imports of silver do not include silver imported in ores.

Imports (less reexports of foreign and colonial produce) and exports of British and Irish produce.

UNITED KINGDOM.

Year and month.	Imports.	Exports.	Total trade.
1870	£258, 763, 738	£199, 586, 322	£458, 350, 060
1871	270, 506, 942	223, 066, 162	493, 573, 104
1872	296, 362, 137	256, 257, 347	552, 619, 484
1873	315, 447, 210	255, 164, 603	570, 611, 813
1874	311, 990, 358	239, 558, 121	551, 548, 479
1875	315, 793, 217	223, 465, 963	539, 259, 180
1876	319, 017, 305	200, 639, 204	519, 656, 509
1877	340, 966, 727	198, 893, 065	539, 859, 792
1878	316, 135, 798	192, 848, 914	508, 984, 712
1879	305, 740, 269	191, 531, 758	497, 272, 027
1880	347, 875, 545	223, 060, 446	570, 935, 991
1881	333, 962, 392	234, 022, 678	567, 985, 070
1882	347, 826, 056	241, 467, 162	589, 293, 218
1883	361, 253, 982	239, 799, 473	601, 053, 455
1884	327, 076, 228	233, 025, 242	560, 101, 470
1885	312, 608, 761	213, 115, 114	525, 723, 875
1886	293, 629, 209	212, 725, 200	506, 354, 409

Imports (less reexports of foreign and colonial produce) and exports of British and Irish produce—Continued.

UNITED KINGDOM—continued.

Year and month.	Imports.	Exports.	Total trade.
1887	£302, 878, 589	£221, 913, 910	£524, 792, 499
1888	323, 593, 114	234, 534, 912	558, 128, 026
1889	360, 980, 111	248, 935, 195	609, 915, 306
1890	355, 970, 464	263, 530, 585	619, 501, 049
1891	373, 562, 696	247, 235, 150	620, 797, 846
1892	359, 230, 769	227, 077, 053	586, 307, 822
1893	345, 644, 773	218, 094, 865	563, 739, 638
1894	340, 539, 234	216, 194, 239	556, 733, 073
1895	356, 716, 867	226, 169, 174	582, 886, 441
1896	385, 340, 870	239, 922, 209	625, 263, 079
December, 1896	37, 890, 783	20, 291, 206	58, 181, 989
January, 1897	35, 797, 843	19, 762, 378	55, 560, 221
February, 1897	32, 021, 026	17, 864, 682	49, 885, 708
March, 1897	35, 384, 261	21, 647, 269	57, 031, 530
April, 1897	27, 828, 374	19, 700, 122	47. 528, 496
May, 1897	31, 381, 656	19, 322, 146	50, 703, 802

"MONEY."

[ADDRESS BY HON. WILLIAM J. BRYAN AT CARNEGIE HALL, NEW YORK CITY, ON FRIDAY EVENING, FEBRUARY 26, 1897.]

Mr. Bryan was introduced to the audience by Mr. Henry M. McDonald, president of the New York Bimetallic Association, in the following words:

LADIES AND GENTLEMEN: There are times when words of descriptive introduction are superfluous. This is such an occasion. I, therefore, in behalf of the New York Bimetallic Association, take great pleasure in simply introducing to you the orator of the evening, the Honorable William J. Bryan, of Nebraska.

MR. BRYAN'S ADDRESS.

Mr. Bryan spoke as follows:

LADIES AND GENTLEMEN: In coming to New York at this time to speak upon the money question I miss the presence of that warm personal friend and heroic defender of the money of the Constitution who has so lately been called from among us—William P. St. John; and I feel that no commendation, however strongly expressed, can more than do justice to his labors. No martyr who ever burned at the stake manifested a higher order of moral courage than did William P. St. John. No person ever stood by his convictions amid surroundings more embarrassing, no person ever showed a stronger devotion to what he believed to be right, than did our friend. He was willing to risk anything; he was willing to stand almost alone among his associates, satisfied if he had the approval of his own conscience, even though he suffered the criticism of business associates whom he loved and with whom he had acted.

Our nation would be better if all our citizens were willing to do as St. John did; the world would be better if all the people who live upon God's footstool were willing, like he, to think, and then stand by their convictions, let come what would. There is one consolation which those have who fight for the truth—what they do is not done in vain, even if they do not live to see the victory for which they long. They know that when victory comes it will come because of the work which has been done, not by those living necessarily, but by all who have striven to advance that cause, and, thus believing, those who are convinced of the necessity for bimetallism are willing to struggle on and endure anything, confident that at last the American people and the world must understand its benefits.

RULES OF GOVERNMENT.

Before commencing the discussion of the money question I want to call your attention to certain questions of government, which you may well consider if you are interested in making government good. We must have certain rules to go by. If a person is to decide each question by itself, he is not only apt to decide wrongly, but he has great labor imposed upon him which is unnecessary. There are rules which can be applied, not to the money question only, but to all questions. There are rules so familiar that when you understand them you can use them in the solution of every problem presented to the people; and I would not be doing my duty to-night if I omitted to present to you what I believe to be the most fundamental of all rules to be used by a people who live under a form of government like ours. If a man learns to measure a single farm by metes and bounds, he learns a rule by which he can measure any farm of any size. If he learns to calculate the weight of a ton of coal, whether it be at its ordinary price or at its trust-fixed price, he can calculate the weight of any amount of any substance. When he understands the rule, then his work is easy.

I want to give you a rule which will help you to decide every question which comes before you—that is, every question which concerns government. It is not a new rule. The science of government is not a new science, and those who discuss it to-day simply reiterate what others have said thousands and thousands of times before; and yet this rule which I want to suggest to you is just as important as if it had never been stated before. I find it in the Declaration of Independence. It is, "All men are created equal."

Now that I lay down as the fundamental principle which underlies our form of government. Do not mistake me; do not confuse equality before the law with equality of possessions. There are some who insist that those who speak of equality before the law are trying to level society; there are those who insist that when we speak of equal rights we mean that we should hold our property in common. This is not it. Jackson well said in that famous veto message that it is the duty of every form of government to protect each citizen in the enjoyment of life, liberty, and property; he went further and said that under every just form of government there will be inequality, not only in merit, not only in character, but also in worldly goods. Not only did he declare that it was the duty of government to protect each individual in the enjoyment of life, liberty, and property, but he said that when the government went beyond that and began to exaggerate the natural inequalities which it found—began by legislation to make the rich richer and the potent more powerful—then the humbler members of society had a right to complain of the injustice of their government.

EQUAL RIGHTS BEFORE THE LAW.

Remember, then, that what we insist upon is equal rights before the law. We insist that the principle that all men are created equal is a principle of universal application so far as governmental affairs are concerned. We mean that whenever the Government comes in contact with the citizen, that wherever the citizen touches the Government, then all must stand equal, and that the legislative power, the executive power, and the judicial power shall know no difference between high and low, between rich and poor.

Out of that proposition—that all men are created equal—comes another: If all men are created equal, then no citizen has a natural right to injure any other citizen. You will not find anyone who will insist that he has; that is, you will not find anyone who will openly declare that he has; and yet you will find a great many who act as if they thought they had. No citizen has a natural right to injure any other citizen. You must accept that proposition, and if you accept that proposition then you must accept the next one that I shall state, namely, that if no citizen has a natural right to injure any other citizen, then a just government will neither enable nor permit one citizen to injure another.

Now, when you have stated those two propositions, you have about covered the subject of government.

If government will avoid acts of affirmative injustice, and then go far enough to restrain every arm uplifted for a neighbor's injury, it will be perfect. But it has always been the case that whenever a person had raised his voice against an abuse of government the people who profited by the abuse have hidden themselves behind government itself and tried to make out that the reformer was an enemy, not of the abuse, but of government itself. I say that has always been true. More than that, the injustice which has been done by government has been at the request of those who have least needed the aid of government.

Let me illustrate. Suppose one man is able to earn $10 a day, and by his side is a man who is able to earn only $2 a day. It is just as much the duty of government to protect the man who can earn $10 a day as it is to protect the man who can earn $2 a day; but history teaches us that, as a rule, it is the man who earns $10 who desires an advantage over the man who earns $2. He is not satisfied with being able to earn five times as much as the other man; the man who earns $10 is generally the man who goes to the government and asks for $1 of the other man's $2, so that he will have $11 while the other man has $1. When I assert this I am not asserting anything new, because, in the same veto message to which I have referred, Andrew Jackson speaks of the departure of government from the strict lines of duty; and when he speaks of the humbler members of society having a right to complain, he adds that they "are not able to secure like favors for themselves."

It is true, my friends, that the humbler members of society are not able to cope with the more powerful ones when it comes to class legislation and special privileges.

EQUALITY THE TEST OF TAXATION.

I want, just for a moment, to apply this principle of equal rights to one department of government, or, rather, of one phase of legislation. Take the subject of taxation. That is a subject that we always have with us. Other questions may be settled and pass out of public notice for a generation, but the tax question is always here. The city council, the county government, the State government, the National Government, all governments, must continually do something in regard to taxation. Is there any rule by which you can measure a tax law? The rule which I have given is the just rule. In what proportion should people pay taxes? In proportion to the advantages which they derive from the government which protects them. Nobody will dispute that. No man will insist that government ought to be conducted upon a per capita tax. No man will say that the man who earns $300 a year should contribute the same amount to support the Government as the man who earns $300,000; no one will insist upon it.

Everyone must admit that people should pay taxes in proportion to the protection which they receive from the Government. But do they? My friends, every unjust tax law is indirect larceny. Let me show you. Suppose we have two persons; one pays $10 toward the support of government when he ought only to pay $5; another pays $5 when he ought to pay $10. If you have a tax law under which that inequality exists, what is the effect of it? Simply to take $5 from one man and to give it to another. The man who pays $10 when he ought only to pay $5 is virtually forced to give $5 to the man who pays $5 only when he ought to pay $10. That is the effect of the law; and if those who profited by the law framed the law and intended that that should be the effect of it, they are just as much guilty of larceny as if they went upon the highway and took the money of the others.

You see that the principle of equality is the test of taxation. Every law that imposes upon one man more tax than he ought to pay and another man less tax than he ought to pay is an unjust law—a law which can not be defended. But your tax law may be right, it may be just, it may be well intended and well written, but the enforcement may be lax. It may be so enforced that the larceny will lie, not at the door of the man who made the law, but at the door of the man who administers the law.

Let me illustrate. Suppose you have two men living side by side, and they are both worth the same. Both have the same amount of property upon which taxes should be paid, and one man is assessed twice as much as the other. What is the result? The man whose assessment is double will pay double taxes. If, in the assessment of your taxes there is injustice, partiality, and favoritism, you simply, by the administration of the law, take from the man who is overassessed and give to the man who is underassessed.

I was reading only two or three days ago in the New York Journal of an indictment found against certain assessors in a county not far from here, where they were charged with not doing their duty in the collection of taxes—where they were accused of allowing personal property to escape taxation. I am glad that, if such wrong exists, the authorities are finding it out. I simply call your attention to it because I want to show you how widespread is the injustice which can be done through the instrumentalities of law. I want to show you how widespread can be the evil effects of bad government, and then I want you to be interested enough to take up this subject and do your part to correct it, whether you have been personally affected by that wrong or not. If we could make the people who are responsible for bad laws bear all the penalties, the good might be indifferent, but, my friends, we can not. If we permit bad laws to remain, although we may not have had a part in their enactment, we ourselves must share in the burden of those bad laws.

If you will pardon me, I will tell you a little story I heard the other day. Down in southern Illinois a man who was out of work called at the house of a friend of mine and told him he wanted something to eat. My friend replied that he found it quite difficult to get enough for his family, without dividing with those who came to the back door. The tramp said: "Do you think times are going to get any better?" "No," my friend said, "I don't believe they are," although in his voting he thought he had voted for a "revival of prosperity and a return of confidence." "Well," the tramp said, "how long do you think these hard times are going to last?" My friend said he thought they would last some time yet. After they had discussed the condition of the country and the times, my friend, who had thought that the gold standard would remedy all bad things, told the tramp that there was a silver man down the street, and that he thought if he would go down there and let it be known that he was for silver he would get something to eat. The tramp replied: "I am not going to do that. You fellows brought these times upon us, and you ought to feed us." If you could compel the people who make tramps to feed the tramps, they would quit making them. But you can't do that, and perhaps it is well for us that we must bear, to some extent, the sins of others, because if we bore only our own sins we might be too indifferent about the welfare of others. But, my friends, generally speaking, we must all rise or fall together.

EQUALITY APPLIED TO THE MONEY QUESTION.

But I must not dwell upon this phase of the question longer. I wanted to call your attention to this principle of equality because, having fixed it in your minds, and having shown you the manner in which it is applied to taxation (and I might apply it to other subjects as well, because it is universal), I want to apply it to the money question. I want to solve the money question by the application to that question of this principle of equality before the law.

Now, I have never claimed infallibility; I am as liable to be mistaken as anyone, but I am willing to let this money question be settled by the application of that principle written in the Declaration of Independence. I am willing that we shall adopt—whether it be the gold standard, the double standard, or any other standard—I am willing that we shall adopt, if we can agree upon it, that financial policy which makes the nearest approach to justice as between man and man.

MONEY QUESTION NOT INTRICATE.

There are a great many persons who imagine that the money question is too intricate for them to understand. A great many people push the money question away from them; they refuse to consider it, and assume that a certain class of people in each community, having studied the question or having dealt in money, must necessarily understand the subject. My friends, the Creator never intended that you should have other people do your thinking for you. If the Creator did not intend all people to think he would not have given brains to all people. The very fact that your brains are given to you is an evidence that it was intended that you should use them; and the fact that you have a right to vote on all questions is conclusive proof that those who framed our Government and made the laws intended that you should think for yourself on all questions upon which you are called upon to vote.

You can not have a person think for you safely unless that person's interests are identical with yours. You may go to a physician; you may put yourself in his hands; you may rely upon his treatment; but the interest of the physician is the same as yours. He is interested in curing you, as you are interested in being cured. You go to a lawyer; you put your case in his hands. His interests are the same as yours. He is interested in looking after your interests just as you are interested in having your interests looked after; but would you go to your opponent's attorney and put your case in his hands and trust him to look after your interests and your opponent's interests both? Would you try a case before a judge if he was a party to the suit? No, you would never do that. And yet, when you come to the money question, some of you are willing to turn over your financial interests to those whose interests are not identical with yours. In the discussion of the financial question some of you are willing to leave the responsibility to those whose interests, instead of being identical with, are directly antagonistic to yours.

I never hear a man talk of allowing the financiers to settle the money question without thinking of one of Æsop's fables: A farmer was working in the yard one day building a fence for the protection of his chickens, when a fox came along and said to him: "What are you worrying about that fence for? Why don't you go on about your plowing and leave the chickens to us? We foxes understand the chicken business." I want to show you before I am through that there are differences in interest on the money question, and that it is no more safe to leave the producers of wealth in the hands of the money changers than it is to let the foxes take care of the chicken business.

I repeat, the science of Government is not a difficult science. Neither is it difficult to understand the money question. But to understand it, one must begin at the bottom. To understand it, you should not discuss the details until you understand the principles, because it is principles and not details that enable you to solve any question.

THE PRINCIPLE UNDERLYING THE MONEY QUESTION.

I was out in one of the Territories where the irrigation of land is carried on to a large extent, and there I saw great canals winding along the valleys; and the thought came to me: What principle lies at the foundation of this work? And then the suggestion came immediately that the fundamental principle was this: That water runs down hill. A person who does not understand that can not irrigate. A person who does understand that knows that all you need to do is to dig a ditch with a little fall to it, and you carry water anywhere.

And so with the money question. You must understand the principle which underlies it. And what is the principle which underlies the money question—the fundamental principle? It is that the value of a dollar depends upon the number of dollars. You can change the value of a dollar by changing the number of dollars. You can make dollars dear by making them scarce, and you can make them cheap by making them plentiful. Whenever you control the volume of money, you control the value of money.

SYSTEMS OF MONEY.

There are three systems of money which have advocates. There are those who believe in monometallism; there are those who believe in bimetallism; there are those who believe in what is known as fiat money or no-metallism. The monometallist believes that your standard money should be made of one metal; the bimetallist believes that your standard money should be made of two metals; the fiatist or no-metallist believes that your standard money should be paper, not redeemable in any other kind of money. There are those three kinds of money—I am speaking of standard money.

Then we have credit money, which may be issued by the Government, as the greenbacks were issued, redeemable in another kind of money; or we may have bank currency, issued through the banks, redeemable in another kind of money by the banks. And then we have a third kind of money (if it may be called a different kind) which is but a certificate of deposit, which simply declares that a certain number of dollars of gold or silver have been deposited in the Treasury and will be given to the holder of the certificate on demand.

But I want to speak not of credit money, but of standard money; and I want to ask your consideration to a discussion of the relative merits of the two systems which are now prominently before the people. While there are those who advocate what is known as fiat money, or paper money that is not redeemable in any other kind of money, the great contest through which this nation is passing, the great contest through which other nations are to pass, is the contest between monometallism and bimetallism.

HONEST MONEY DEFINED.

Assuming, then, the advantages of a metallic base, I want to call your attention to monometallism and bimetallism, and I want to give you the reasons which lead us to believe that bimetallism is absolutely necessary. We ought to start with a definition upon which we can agree—a definition of good money, or a definition of the best money, or (if I may be allowed to infringe upon a trade-mark) honest money. If we could agree upon a definition of honest money it would be a great help to us in the discussion of this question. Is there any definition of honest money that all people can accept? Let me give you the definitions given by two classes—the definition given by the advocates of the gold standard and the definition given by bimetallists.

If you ask the advocate of the gold standard what he means by an honest dollar—if he is a friend of yours don't ask him; it is embarrassing—ordinarily he will tell you that it means "sound money;" if you ask him what he means by "sound money" he will tell you he means "honest money." It is hard to get him out of the circle; but if you get him out, and he gives you a definition, here is the definition: "An honest dollar is a dollar which loses nothing by melting; an honest dollar is a dollar which, in the form of bullion, is worth just as much as in the form of coin." That is the definition which is usually given by the advocates of the gold standard. But that phrase, "advocates of the gold standard" is too long; there are too many words in it. I want to use it several times. I think I will use a briefer phrase, and I will explain that I do not use it in any offensive sense. When I say "gold bug" instead of "advocate of the gold standard," I do not mean to criticise the man to whom it applies, because I recognize his right to his opinion. I simply use it as a descriptive term, and use it with all the kindly feeling that the gold bug exhibits when he speaks of me as a lunatic. It never makes me feel badly to be called hard names, and it has been a great relief to me not to feel badly under such circumstances. My philosophy is like this: If a man calls me something and I am it, he has a right to call me that; if he call me something and I am not it, his calling me that does not make me it.

THE MELTING-POT TEST.

Did you ever hear a gold bug give any other definition of honest money than the one I have given you? I think I can safely say that that is the ordinary definition given. Now, I want to show you how absurd it is. Remember it is the melting-pot test—that that is an honest dollar which, when melted, loses none of its value. According to that test the Mexican dollar is an honest dollar. Melt the Mexican dollar and it does not lose anything. According to the gold-bug definition the Mexican dollar is an honest dollar; and if we ever come to the Mexican standard what a consolation it will be to know that we will still have honest money according to the gold-bug definition.

But that is not the worst part of the definition. Not only does it include the dollar of Mexico, but that definition overlooks the most important thing in a dollar. What is the most important thing in a dollar? It is its purchasing power. And where is the test of honesty to be found? In the purchasing power of the dollar. And yet the gold bug never mentions purchasing power. You may read the speeches made in defense of the gold standard, and you will find one subject always avoided, and that is the effect of an appreciating dollar upon the human race. You will find that the subject of purchasing power, when they treat of gold, is ignored. They sometimes mention it in connection with what they call the "50-cent dollar," but purchasing power is the test of honesty, and yet they do not mention it in their definition.

Let me show you what is possible under that definition. Suppose all the nations in the world should agree upon the gold standard and agree upon our dollar as the unit, and then suppose the next day they should meet and decide that we had too much money in the world, and decide to gather up ninety-nine one-hundredths of all the gold in the world and sink it in the ocean. What would be the result? Where we now have $100 we would then have one, but it would be honest money, according to their definition, because if we melted a dollar of it it would not lose anything.

Suppose that instead of contracting the currency it is expanded. Suppose that, after the nations agree upon the gold standard, someone discovers gold—enough to make one hundred times as much money as we have now. The result would be that where we have $1 now we would then have $100; but it would be honest money according to the gold-bug definition, because if you melted a dollar of it it would not lose anything.

I have taken one hundred to multiply and divide by. I might as well take a thousand or a million, because the gold-bug definition of honest money ignores the amount of money and the purchasing power of a dollar—whether you have one dollar or one million or one billion—just so you can melt the dollar without loss, it is honest. I say that the definition is absurd. You can not find support for it in any reputable writer on political economy who wrote before 1873. I do not mean to apply the statement to the last few months, because there have been so many things written within the last few months that I would not attempt to say what you could or could not find. But I am speaking of the writers upon political economy who discussed the subject before it became necessary to prove that black was white in order to prove that wrong was right.

What is the proper definition of an honest dollar? It is this: An honest dollar would be a dollar whose purchasing power—not the purchasing power when measured by any particular article at any particular time—but a dollar whose general average purchasing power would be the same, yesterday, to-day, and forever. A dollar which rises in purchasing power is just as dishonest as a dollar which falls in purchasing power. The only difference is they hurt different people. A dollar which rises in purchasing power helps the creditor and hurts the debtor. A dollar which falls in purchasing power helps the debtor and hurts the creditor. The one is just as dishonest as the other.

BIMETALLISM MEANS HONEST MONEY.

I do not insist upon an absolutely honest dollar. I feel as one of the Mississippi Congressmen said one of his constituents felt: A man was a candidate for office down there, and he prepared a petition in which he described himself as a fit man for the place; he took the petition around to his friends to sign, and one of them said he would sign it if he could change one word; and the candidate said: "All right; what word do you want to change?" He says: "You describe yourself as strictly honest. Let me strike out 'strictly' and write 'tolerably,' and I will sign it." I would like to have an absolutely honest dollar; but if I can get a tolerably honest dollar it will be so much better than the one we have been having that I am willing to put up with it for a while, until we can make an improvement.

We want bimetallism, not because it makes an absolutely honest dollar, but because it makes a nearer approach to honesty than you can make under the gold standard. That is why we advocate bimetallism, and when this question is finally determined that financial system will at last be adopted which brings us nearest to absolute honesty in the dollar. The fact that we can not reach absolute honesty ought not to discourage us, because we can not reach absolute perfection in anything in this life; and yet, because we can not reach absolute perfection there is no reason why we should not strive for it. Because we can not secure an absolutely honest dollar is no reason why we should not come as near to absolute honesty as we can.

Now, how can we get the nearest approach? By having a money sufficient in volume to keep pace with the demand for money. There are two things necessary in selecting our standard money. One is quality, the other is quantity; and quantity is as important as quality. I feel about money as I do about food. You tell me of a certain food that is excellent in quality, describe its qualities, praise its qualities, until I am very hungry, and then tell me that there is not enough of such food. It does not satisfy my hunger. If you describe the beauties of gold, praise its quality as money, and then say that you don't know where the gold is coming from, you have not defended gold as a standard. You must have a sufficient quantity to keep pace with the demand for money. Where are you going to get it if you have only gold? Has anyone attempted to show where there is in existence, or where there is probably in production a sufficient amount of gold to furnish a standard that will give us an amount sufficient to keep pace with population and industry? No, my friends; they have not attempted to show that. They simply praise gold as a standard of civilization. They simply point to Mexico as a silver country, and to European countries as gold countries, and then say that we must stand with the European countries for fear that we will fall to the level of Mexico.

I always feel like suggesting Turkey as an ideal gold-standard country to which we can approach by degrees if we maintain the gold standard long enough. There is just as much sense in speaking of our coming to the level of Turkey if we stick to the gold standard as to say that we will come to the level of Mexico if we use silver as a standard money.

EFFECT OF DESTROYING ONE-HALF OUR MONEY.

I have often used the illustration, and it is so applicable to this case that I am going to use it again at the risk of repetition. Suppose we could imagine ourselves walled in, and suppose we had wheat enough in the inclosure to last us for one year, and suppose that wheat was worth $1 a bushel. Suppose the wheat was in two piles, one pile owned by one man and the other by another man; and suppose some night one pile should burn, so that the people would have to be fed entirely from the other pile of wheat. What would be the result? I want to call your attention to three things. In the first place, every bushel of wheat would rise in value. The demand for wheat would remain the same, the supply of wheat would be cut half in two, and every bushel of wheat would buy more money. That is the first thing. The second is that the man who owned the wheat which was not burned would profit by the rise; and the third is that he would be glad that it was the other man's wheat that burned instead of his.

Are not those lessons natural ones? Is not the illustration an accurate one? Let me apply it to the money question. We have two piles of money in the world; we have about four billions of silver and about four billions of gold. These two metals have been used from time immemorial as the standard money of the world. Suppose you destroy silver as a standard money. Suppose you make gold the only measure of the values of the world. What is the result? Just the same as in the case of the destruction of one-half of the supply of wheat. Every dollar of money will rise in value. When wheat rose, a bushel of wheat bought more money. When money rises, a dollar in money buys more wheat.

What is the second lesson you learn? The man who owns the money profits by the rise. Not only the man who owns the money but the man who owns a contract which calls for money. In the case of the wheat, if the man, instead of having the wheat had a contract calling for the delivery of a certain number of bushels of wheat, he would profit by the rise in wheat. He could collect his wheat—the same number of bushels—and then he could sell the wheat at a higher price. And so, if he owns a contract payable in dollars he collects the dollars, and if money rises in value he profits by the rise.

What is the third? He is glad that money rises. Is not that fair to assume? Can you say that the farmer who has wheat is glad to have wheat go up and that the man who owns the money is sorry when money rises? My friend, the Creator never made those differences between men in different occupations. We are much alike. We are too selfish to be sorry when an advantage comes to us, and rejoice in our suffering. My friends, the man who owns money not only profits when money rises in value but he is very apt to be glad that the money rises.

Out in our country they raise hogs. They keep their hogs in pens. They go down and look in and watch the hogs grow fat, and our farmers are just selfish enough to rejoice when the hogs grow fat. Not only that, but I have known them to be so selfish that they would actually feed the hogs in order to make them grow fat. Some of your people down here do not invest their dollars in hogs; they invest their hogs in dollars. They keep their dollars in pens. They go in and look at their dollars. They watch them grow fat. Don't you believe they rejoice? My friends, if the farmer will feed corn to his hogs to make his hogs grow fat, may not the owner of money favor legislation which will make his dollars grow fat? Is it not possible?

SELFISHNESS IN LEGISLATION.

And while on the subject of selfishness, I want to say to you that you can not ignore selfishness in legislation; you can not ignore selfish interests. We had a little illustration of this down in Illinois once. We had an election, and the question submitted was whether cows should run at large. I don't know whether any of you have ever lived in a town where such a question was submitted to the people, but if you have you will recognize the truth of what I am going to say. It was an exciting time. People gathered on the streets and discussed it, and you would hear arguments about like this: One man would say, "The cows ought to be allowed to run at large; they will eat the grass up; the grass is getting too high in the streets; it is better to have the cows run at large." That man owned a cow. Another man would say, "The cows ought to be shut up; if a gate is left open they may ruin the garden; it is better for the town not to have the cows run at large." That man did not have any cows. And when the men came to vote they voted largely according to whether they had cows to run at large or not.

Do you believe that a man will be influenced by the cost of keeping cows in a town election, and not be influenced by larger interests on larger questions? There is one thing I like about the bimetallist. He is a selfish man, and not only that, but he admits it. I am not only glad to see a selfish man, but I am still happier when I find one who will admit that he is selfish. Then I find a man whom I can reach whenever I can show him that any proposition is good for him; but when I find an unselfish man, I don't know how to approach him. You speak to a laboring man, and ask him why he wants bimetallism. He says, "I want it because it is good for me." The laboring man is not worried about others; he is worried about himself; he has trouble enough of his own. He tells you that the gold standard throws men out of employment, and that the menace that hangs over the man employed is the man unemployed, and as the gold standard increases the number of idle men, by making it more profitable to hoard money than to invest it in enterprises, he knows that the gold standard is hurting him as a laboring man, and he tells you that bimetallism helps him as a laboring man, and he believes it helps others also.

BIMETALLISTS ARE SELFISH.

Ask the farmer why he wants bimetallism. He says "Because it helps me." He has found that his debts and taxes do not go down, but that his income went down, and he wants bimetallism to restore the parity between money and property. You ask the business man why he wants bimetallism. He says he knows it is good for him. The business man has found that he can not prosper unless the people who buy also prosper. The business man has found that his prosperity comes from those who purchase—not from those from whom he borrows money. The business man understands that unless there is money in the country it can not come into his store, and he knows that the sheriff has more interest than he in business run on sixteen parts confidence to one part money.

All these people want bimetallism because it is good for themselves, and they believe for others also. But you ask one of the gold-standard financiers why he wants the gold standard. Will he say, "Because it is good for me?" You never heard one of them say it; he wants it because it is good for somebody else; he wants it because it is good for the laboring man. I am told that, down here in New York, whenever a financier is troubled with insomnia and goes to his doctor about it, the doctor never asks any questions, but says: "Quit worrying about the laboring man and then you can sleep." He says: "I want the gold standard because it is good for the farmer." He says he wants the gold standard because it is good for the business man. You tell him that all these people are willing to risk bimetallism, and then what? Then he rises to the full height of his moral stature, and says: "But shall I let them hurt themselves?" And he would ram the gold standard down their throats whether they want it or not, and tell them he does it because he loves them better than he loves himself. Do you believe it, my friends? I don't. Whenever I find a man who says he wants a thing because it is good for him, I find a natural sort of a man. When I find a man who wants something because it is good for me, and wants it the more when I don't want it at all; whenever he insists that he is always feeling for me, I watch to see that he does not reach me.

Why, if I ever had any doubt about the merits of bimetallism, all doubt was removed when I found that the financiers down here said that bimetallism would be good for them. We have been told that the free coinage of silver would be a great thing for these financiers, if their consciences would only allow them to advocate a thing good for themselves.

I will tell you how I feel about it. I have been reading somewhat, and I find that the financiers have been making the laws for something like twenty years or more, and that every law that has been made, according to their report, has been made for the advantage of the people. They have refused to consider themselves at all in the making of the laws. I find that for twenty years they have sacrificed (if you will take their own words for it) for the benefit of the rest of the people; I have been brought up in a portion of this country where they teach that you should not let a man do something for you always and never try to pay him back. It seems to me our time has come to even up this debt that has been growing for twenty years. When the financiers say that free coinage of silver will be good for them, I say let them have it, and get all the benefit out of it they can; and if we suffer we will bear our sufferings with that fortitude with which they have borne their sufferings for twenty years under the gold standard.

I say we must recognize the selfishness of the people; we are glad that our people admit that bimetallism is good for them. I want to admit that for myself. When I first studied it and took my position upon it, I convinced myself that bimetallism was good for me, that bimetallism was good for my family, that bimetallism was good for my county, for my State, and for my nation, for my children, and for my children's children. If I thought that bimetallism was going to hurt me and hurt my children and their children after them, I am afraid that I would not advocate bimetallism. But, my friends, according to my understanding of the subject, bimetallism helps every person who is satisfied to have what he ought to have, and does not insist on having what everybody else has besides.

PEOPLE DIFFER IN INTEREST.

When I tell you that people differ in their interests—when I tell you that some people are benefited by one system and some by another system, I want to confirm what I say by quoting authority. First, I want to bring as a witness Senator Sherman, of Ohio. Senator Sherman, in 1869, made a speech in the Senate in which he said that the contraction of the currency was a more serious thing than Senators supposed. He said that to every one except the capitalist out of debt, the salaried officer, and annuitant, it would result in loss, fall in wages, suspension of industry, bankruptcy, and disaster.

But there were certain ones exempt. Who? The capitalist out of debt, the salaried officer, and the annuitant. Why is the capitalist out of debt exempt? Because his wealth is in dollars, and as dollars rise in value his property rises in value. If I tell you that the man owning land profits when land rises, you don't doubt it. When I tell you that a man owning any of the ordinary kinds of property profits when it rises in value, you do not doubt it. Why do you doubt it when I tell you that the man who owns money profits when money rises? How about the salaried officer? There is no question about it, if a man has an office for life at a fixed salary, he is benefited by the rise in value of dollars. If a dollar will buy twice as much as it did when his salary was first fixed, then he doubles his salary in effect. If the dollar becomes ten times as much, he is in effect getting ten times as much salary as he did in the beginning. But the trouble is that very few people have fixed salaries. The trouble is that those who have salaries find them dependent upon conditions. Take, for instance, the traveling man. Suppose his salary is $1,000, or $2,000, or $3,000, or $5,000 a year. That salary is dependent upon his business. If his business falls off one-half, is his employer going to pay him that salary right along?

I know a great many men whose salaries have been reduced since the first of January. Traveling men must know, and all salaried officers must know that, if business goes down, their salaries must in the long run fall also. It is only for people whose salaries are so fixed as to be entirely independent of the uncertainties of business or of a prolonged fall in prices. I know official salaries do not fall as rapidly as the ability of the people to pay taxes sometimes falls. I have sometimes wondered whether the fact that the salaries have kept up may not explain why some people drawing salaries have seemed indifferent to the condition of the people who pay the salaries. If this prolonged depreciation, if this continuous fall in prices goes on, the time will come when we will have to bring the salaries of officers down to fit the condition of the people who pay the salaries.

We must do one of two things. We must bring the condition of the people up to the salaries, or we must bring the salaries down to the condition of the people. If our salaries were paid in products instead of in money, I believe our officeholders would be far more concerned about the fluctuations in the market than they are when they receive their pay in dollars. If, for instance, the President of the United States received 50,000 bushels of wheat a year instead of $50,000, how much more concerned he would be about the price of wheat.

DIVISIONS OF SOCIETY.

Mr. Sherman, I repeat, says that the capitalist out of debt, and the salaried officer and annuitant—who stands in the same position as the capitalist out of debt to the extent of their salary or annuity—that these would be exempt from the injury that follows a contraction of the currency.

Mr. Blaine uses similar language. Blaine said in 1878 that the destruction of silver as money and the establishing of gold as the sole unit of value would have a ruinous effect upon all forms of property except those investments which yield a fixed return in money. These, he said, would be enormously enhanced in value, and would gain a disproportionate and unfair advantage over other species of property. Mr. Blaine made the same division in society that Mr. Sherman did. Mr. Sherman called the men who profited, or rather did not suffer, the "capitalists out of debt," and those associated with them.

Mr. Blaine calls these people "the holders of investments which yield a fixed return in money." But those are merely different phrases for describing the same kind of people. They make the same division in society, and they both tell you that the great mass of people must suffer while a few people profit.

Mr. Carlisle made a similar division in society. Speaking of the Bland Act, he said that if its enforcement could be intrusted to a public official who was in sympathy with the struggling masses, who produce the wealth and pay the taxes of the country, rather than with the idle holders of idle capital, the amendment would be of little importance.

Now, note that Sherman, Blaine, and Carlisle all make the same divisions in society. They all speak of the same people as profiting by the destruction of a portion of the money. Mr. Sherman calls them "the capitalists out of debt;" Mr. Blaine calls them "the holders of investments which yield a fixed return in money," and Mr. Carlisle calls them "the idle holders of idle capital." On the other side Mr. Carlisle places the struggling masses and Mr. Blaine and Mr. Sherman put the rest of the people, among whom are included the struggling masses.

Now, I know there are people who call every man a demagogue who speaks of the struggling masses, or of the common people, or of the plain people; and yet I want to say to you that, when Mr. Carlisle described the struggling masses, and said of them that they produced the wealth and paid the taxes of the country, he did not praise them too highly. The struggling masses not only produce the wealth and pay the taxes of the country in time of peace, but the struggling masses are the only people who, in time of war, are ready and willing to offer themselves as a sacrifice in defense of their country.

STRUGGLE BETWEEN THE MASSES AND THE CLASSES.

I call your attention to a not very remote instance. You remember that it was not very many months ago that we had some discussion over what is known as the Monroe doctrine, and you will remember that the President's message on that subject aroused considerable hostility. Where did we find the hostility to the enforcement of the Monroe doctrine? Was it found among the struggling masses? No, my friends, the struggling masses stood as one man in defense of the enforcement of the Monroe doctrine, as they stand always in defense of the honor and of the integrity of the nation. Where did we find the critics of President Cleveland's foreign policy? We found them among the very people who had shaped his financial policy. My friends, the struggling masses are described by Carlisle and Sherman and Blaine as on the side which suffers from the appreciation of money; and I am willing to assert now what those men asserted then. I am willing to divide society now as they divided it then; or, rather, I am willing to describe a division which will exist whether you open your eyes to it or close your eyes to it. This division is not made by us. We simply speak of it. We are not creating the complaint; were are simply pointing out the cause of the complaint. On the money question, not only here, but everywhere, the contest is between the struggling masses and the capitalistic class. I say not here, but everywhere.

The gold standard has been tried. It has been tried in this country; it has been tried in England, in Germany, in France, and in other countries. Is it not strange that there is not a country in the world that has ever had the gold standard where it has been approved by the struggling masses of that country? Is it not strange that the gold standard has so concealed its blessings that it requires the financiers to point out to the struggling masses just how they profit by the gold standard? It is true. Will you say that the struggling masses are not able to understand what is good for them? My friends, our form of government is based upon the theory that the struggling masses are able to understand what is good for them. In this nation, where we have had the gold standard for twenty years, there is no party to-day that stands up and declares that it ought to be continued on its merits. They say that we ought to continue it until some other nation helps us to let go of it. That is the nearest approach that you can find to an indorsement of the gold standard as a policy. I have the right, in the discussion of this great question, to point to the fact that, in the experience of this nation and in the experience of other nations the struggling masses, the producers of wealth, have not given their approval to the gold standard. If I were to use my own language in describing what I believe will be the ultimate effect of the gold standard, if continued in, I am afraid you will accuse me of exaggeration. Therefore, when I want to describe what the gold standard means, when I want to tell you what it will ultimately bring, I take the language of Mr. Carlisle in 1878. Whenever you find a person speaking extravagantly, I want you to compare his extravagant language with Mr. Carlisle's language. Mr. Carlisle in 1878 says: "The conspiracy which seems to be formed here and in Europe (if we can not secure an international agreement to restore silver, he seemed to think we had an international agreement to destroy it) to destroy by legislation or otherwise from three-sevenths to one-half of the metallic money of the world"—is what? A mistake? No—"is the most gigantic crime of this or any other age."

Think, if you can, of all the crimes of history, and then think that this crime is the greatest of them all. But Mr. Carlisle—I do not think that anyone can surpass him in force and emphasis—was not satisfied with describing the destruction of silver as a gigantic crime. He was not satisfied with designating it as the most gigantic crime of all history, but he went on to state that, in his judgment, "the consummation of the scheme would ultimately cause more misery to the human race than all the wars, pestilences, and famines that ever occurred in the history of the world." Can you think of anything worse than that? Can you imagine all the misery caused by war, and all the misery caused by pestilence, and all the misery caused by famine? Can you add up in one great sum the misery caused by these three dread destroyers of the human race, and then think that the consummation of this scheme means more misery than them all?

But he does not stop there. As if he thought that somebody might still be unconvinced, he made another comparison. He said the instantaneous destruction of one-half of all the movable property of the world, including houses and ships and means of transportation, would not bring anything like the prolonged disaster that would follow the total annihilation of one-half of the metallic money of the world. Why, my friends, if I should organize a society and we started out to burn half the houses and destroy half the ships and half the railroads, they would put us in the penitentiary, as they ought to, and yet Mr. Carlisle says that would not produce anything like the prolonged disasters that would be caused by the total destruction of one-half the metallic money in the world.

I am not giving you my own language; I am giving you Mr. Carlisle's language. But I want to say that I think Mr. Carlisle spoke the truth. I want to say that I believe that when he speaks of a misery greater than you can imagine he don't overshoot the mark.

If you want to find out what the gold standard means, go to the people who have suffered, not to the people who have profited by it; go into the homes of the poor; go where forced economy has been compelling self-denial; go and see how the condition of the people has been lowered by this unjust legislation, and, my friends, you can then get some idea what it means to continue the gold standard indefinitely. If you defend the gold standard, you ought to do it knowing what it means. If you advocate it in this country, you ought to remember its effect on other countries. Remember that this is the greatest nation in the world; remember that it is the greatest silver-producing nation and the greatest debtor nation; and if this nation, freer than others to act, having more reason than any other nation to have both gold and silver as standard money, if this nation throws its influence on the side of the gold standard and makes the silver dollar not standard money, but token money, do you know of any place where the people of the world can fight this conspiracy with hope of success?

GOLD STANDARD DEPRECIATES THE VALUE OF PROPERTY.

Every nation that goes to the gold standard raises the value of gold, and every rise in the value of gold means a fall in the value of property. I have never claimed to be a precocious child; I have never boasted about knowing things earlier than other children; and yet I am willing to admit that I can not remember a time when I did not have sense enough to know that when one end of a teeter-board was up the other end was down. When you push the value of money up, you push the value of property down, and when you increase the demand for gold you must necessarily increase the purchasing power of every ounce of gold. If these influences which are combined to fasten the gold standard upon this country are able to accomplish their purpose here, will they not turn toward weaker nations? If they succeed here, may they not succeed in Mexico, Japan, and China?

The process is a very simple one. These gold-standard nations first make their loans, and then they insist that unless the laws of the nation are made to suit the people who have loaned the money the money will be withdrawn. And, my friends, if by the threat of bankruptcy they can control the financial policy of seventy millions of freemen, how do you know that they will not control the financial policy of every other nation and drive nation after nation to the gold standard and drive civilization further and further down? We are fighting the battle between mankind and money; we are fighting the battle between aggregated wealth and humanity; we are fighting the battle between the money power and the common people. And, my friends, I want to appeal to you when you study this money question to recognize not only the tremendous forces arrayed on either side; I want you to recognize the result as it will affect you and will affect your children. I told you that I thought bimetallism would be good for me and for my family. I want to tell you that I believe that bimetallism will be good for you and for your families. I know it is hard to make a person believe that any future good is better than a temporary advantage, yet I want to hold out to the advocates of the gold standard the greater advantages of a just system that does not give them so much now, but makes it safer for their children and their children's children after awhile. I want to ask them to sacrifice the temporary advantage which they can obtain from the appreciation of money, in order to secure something which money can not buy. Suppose we accumulate money. Suppose we leave it to our children. We do not know but it may do our children more harm than good. If we leave them too much they may become so tired of American ways and American customs that they will live abroad or prefer to ape royalty and run after the crowned heads of other countries. But if we could secure this money to our children, do we know that they can keep it? There is no way in which we can protect them in the enjoyment of it. And the man who to-day engrafts upon the Government a vicious system, the man who to-day defends vicious legislation because he gets a benefit from it, ought to have it burned into his memory that his children and his children's children may be robbed in the next and succeeding generations by the very law which he invokes to-day. There is nothing permanent but government, and good government is the best inheritance that a parent can leave to his child—good government that, instead of giving to one person an advantage over another person, protects every citizen in the enjoyment of equal rights. My friends, if we can give to our children high ideals, good principles, a good education, and then give them a government which will protect them in the enjoyment of that which they earn, it is a great deal better than to give them a fortune wrongfully earned.

MONEY QUESTION CONCERNS ALL.

This money question is one that concerns you all. Not one can escape. You ought not to ignore it or push it aside. You ought to come up and face it, and when you have made up your minds what is right, you ought to stand by your convictions. I do not mean to say that investigation will lead you to the same conclusion that I have reached, but I want to say to you that when you have investigated, I will have more respect for you if you stand up and oppose my views and are able to give a reason for your faith, than I will have for you if you take a position on my side, and do not know why you take that position. I am willing to trust any question with people who think, because people who think will some day arrive at the right conclusion; but people who won't think or do not think are always in danger of being misused by the people who do think.

I want you to think for yourselves; and I want you to understand that the city of New York can not afford to support a financial policy that makes beggars and paupers of the rest of the people of this country. I want you to understand that in a test of endurance, the farmers of Nebraska can last longer than the people of New York. We can stand the gold standard longer than you can. But there is no reason why we should enter into a contest to see who can suffer most. When it comes to a test of endurance, you may foreclose your mortgages upon the farms, but you will have to have renters, because those who hold the mortgages will not want to work the farms after they have foreclosed the mortgages, and the people who owned the farms can become tenants. They can raise enough to eat, and they can, if necessary, go back to the old times when the wife and daughters made the clothing. But, my friends, while the farmer can live, your streets will be full of idle and hungry men, and it will take all of your accumulated wealth to save from starvation the people whom you have made hungry.

You can not afford to do it. I said I believed people had a right to be selfish. But there are different kinds of selfishness. There is the selfishness of the man whose selfishness leads him to rise by trampling upon others, and there is the selfishness of the man who seeks to raise himself by raising the level of all the people, himself with them. That is laudable selfishness; and thus will I define the difference between the gold standard and bimetallism. The gold bug is selfish; he seeks to do that which is good for himself. The bimetallist is selfish; he seeks that which is good for him. But the gold standard advocate, if he really reaps a temporary benefit from the system, is raising himself upon the prostrate forms of his neighbors; while the bimetallist is raising the condition of society and raising himself with others.

I thank you for your attention.

"FREE COINAGE."

[ADDRESS BY HON. WILLIAM J. BRYAN AT CARNEGIE HALL, NEW YORK CITY, ON SATURDAY EVENING, FEBRUARY 27, 1897.]

Mr. Henry M. McDonald, president of the New York Bimetallic Association, introducing Mr. Bryan, spoke as follows:

LADIES AND GENTLEMEN: You will pardon me, I trust, in taking one or two moments of your time to very briefly state the object of this course of addresses which has just been instituted by the association of which I have the honor of being president.

We believe that the last campaign did not settle the money question. We believe that the question must be fought and will be fought over again in 1898 and 1900. We believe further, in the intelligence of the American people; and therefore we have arranged so that some of the most eminent exponents of bimetallism in this country shall, during the next few weeks, in addition to the speaker who has already addressed you, present to you the principles of the free and unlimited coinage of gold and silver by the United States.

It would seem that it was hardly necessary for American citizens to state that they believed that they were endeavoring to advance the interests of their country in arranging for such a course of addresses.

I will only say upon that point that we hold that we are as patriotic as the advocates of the single gold standard, and that we believe just as thoroughly in honest money as they do, except that we believe in a greater abundance of honest dollars than they. We further hold that, when the people of a country are in a condition in which the people of this country are to-day, it is necessary that a public question of the importance of this question should be discussed and settled.

Just upon that point let me say that, when the condition to which I have referred is such that the small trader year by year is being pressed more closely to the wall, and the farmers of this country—making up as they do, with those dependent upon them for the fruits of their labor, almost one-half of the population of the country—when the farmer, I say, for example, who fifteen years ago bought his farm and paid one-half cash and mortgaged it for one-half more, finds that to day he must raise more bushels of wheat and produce more pounds of pork or of beef to pay the mortgage upon his farm than he would have had to have raised or produced to have paid the original cost of the farm—when such a condition of affairs exists, the people can not rest; there must be agitation.

The capitalists and bankers of the country may say: "Peace, peace," but, in the words of the great orator of the American Revolution, Patrick Henry, "there can be no peace."

Again I have the honor to present you this evening the Hon. William J. Bryan, of Nebraska.

MR. BRYAN'S ADDRESS.

Mr. Bryan spoke as follows:

MR. CHAIRMAN, LADIES AND GENTLEMEN: A word in regard to agitation before I commence the discussion of free coinage. Sometimes you find people who oppose agitation. I remember that during the last summer several States, in convention assembled, denounced not only free coinage, but the agitation of the subject. It has always seemed strange to me that any person living in a land like this should denounce agitation. Agitation is the only means by which the people can remedy an evil, and those who denounce agitation really denounce the remedying of evils; and the very ones who are so opposed to agitation in behalf of free coinage are always willing to agitate upon other subjects until they get what they want. Take, for instance, those who recently have denounced our agitation, and you will find them divided into two classes, Gold Democrats and Gold Republicans. But did not the Gold Democrats agitate for tariff reform, and did not the Gold Republicans agitate for protection? And can it be said that agitation for one thing is right and agitation for another thing is wrong?

But, if you think that agitation of the money question is wrong, with what words will you visit your condemnation upon those patriots who, in this city, only a few days ago, organized a sound-money league to agitate for sound money? Are you not afraid that they will disturb confidence, or is it impossible to disturb confidence? Are you not afraid that their agitation will interfere with the return of prosperity, or have you given up all hope of a return of prosperity?

I am glad that our opponents have organized for agitation, because what has agitated me most is that they have not agitated. What has worried me most is that they seem worried so little about the condition of the country; and if they will organize and agitate we shall be delighted, because we believe that those who think can not help getting right sometime, while those who won't think never get right.

Truth is never afraid of agitation. Truth grows in the open field, not in seclusion, and I am so glad that our opponents have decided to organise and agitate that I hope our bimetallic league will furnish representatives to engage in joint debate whenever they want to have a real good agitation in this city of New York. If they want to continue a system which is wrong, they had better administer chloroform instead of stimulants, because the people will find out what the effect of any financial policy is if you but allow them to turn their attention to it; but people will not study anything until their attention is called to it. No one studies the subject of boils so intensely as the man who has boils. The trouble is that the boils have been on one part of the community; those who suffered complained, while those who did not have any boils denied that there was any such a disease as boils.

I say I am glad that our opponents have organized; but I want you to remember that our opponents have a great advantage when it comes to agitation. They have much better means of collecting money for the circulation of their literature than we have, because whenever we want to raise a campaign fund we have to collect a little bit from a large number of people in order to get any considerable sum, while they can collect a great deal from a few individuals and realize a magnificent sum. I want you to remember that; and if you are disposed to criticise our bimetallic league because, when they continue this work of discussion, they do it in the form of lectures and charge admission, I want you to remember that our people have not the money with which to hire halls and pay for advertising; if they attempted to do it, a few of the friends of bimetallism would be compelled to bear all the burden—a burden much more grievous when borne by those who favor bimetallism than when borne by those who have made large profits out of the gold standard.

FREE COINAGE.

Now, to-night I want to present to you that phase of the money question which is described by the term "free coinage," and I want to take up the objections that are made to free coinage, because I think that no objection can be made to free and unlimited coinage at 16 to 1 that can not be successfully answered. I am going to start with the proposition that people want to know what is best—that is, that they want to know what is best for themselves, and also what is best for others if it does not interfere with what is best for themselves. We reason from ourselves out. We had a man in our town named Brown, a merchant, and he came over to silver. I went around and asked him to explain why it was that he had changed his position. "Why," he said, "I studied this money question until I found that free coinage is a good thing for Brown, and what is good for Brown is good for Brown's neighbor."

I am going to try to convince you to-night that free coinage is good for you. I am going to try, if I can, to remove from your mind any doubts that you may have had as to the feasibility of free and unlimited coinage; but in order to be understood, we must understand the terms which we use. We desire the restoration of bimetallism. Restoration means bringing back; it does not mean inaugurating something new; it means reestablishing something which has been. And I want you to remember that in the advocacy of free and unlimited coinage at the rate of 16 to 1, and that, too, by this nation alone, we are not asking for anything new, because we have had free coinage; we have had unlimited coinage; we have had coinage at 16 to 1; and there was a time in this country when we legislated for ourselves, and did not ask other nations what we should do. So I say we want the restoration of something which was—the restoration of free coinage.

DEFINITION OF FREE COINAGE.

I have known people who did not understand what free coinage meant. A very intelligent man in our town—that is, intelligent on most subjects—who lived in one of the best houses on our street, was coming out home in the street car one evening, and turned to me and said: "Bryan, are you in favor of free coinage?" I said "Yes." "Now," he said, "don't you know that if we had free coinage of silver we would soon have more wild-cat money in circulation than we had before the war?" I said, "How do you make that out?" I could not understand what he meant by it. "Why," he said, "if every man had a mint of his own and coined his own silver, how could you tell whether the money would be good or not?" That was his idea of free coinage—that every man would have his own mint and coin his own silver, and that you could not tell, when you got a dollar, whether it was good or not.

That is not what free coinage means. That man didn't understand that we now have the free coinage of gold. Free coinage means gratuitous coinage. When we use the word "free" in connection with the word "unlimited," it means coinage without charge. The term free coinage has been used to mean both free and unlimited, but as we use it, the term "free" is understood to mean gratuitous coinage. Now, there are people who think that if you have free coinage of silver, you ought to have free coinage of everything else. For instance, you have heard this argument: "Why should the farmers favor the free coinage of silver? They don't produce silver. They ought to favor the free coinage of corn; they produce corn. We have had that argument out in our State. I had a man suggest that argument once. He said: "Bryan, I am very sorry to know you are wrong on this money question." I said: "How do you know that I am wrong?" He said: "You believe in free coinage. Don't you know that we produce more corn in Iowa than they produce silver in Colorado?" I said: "Don't you know that they produce more butter in the United States than they do gold?" "Why," he said, "what has that got to do with it?" I said: "Butter is yellow and so is gold." And then I asked him: "Do you know of any connection between silver and corn, except that both are white?" He replied: "As a matter of fact, I haven't studied this money question much anyhow."

It does not require a great many questions to bring the advocates of the gold standard to the confession that they don't understand much about the money question anyhow. My friends, there is just as much sense in insisting that we shall have the free coinage of butter because we have the free coinage of gold as there is in suggesting that we ought to have the free coinage of corn because we have the free coinage of silver.

Why do we coin gold? Because we need it as money. Because we need it as money, we take it out from the other articles and give to it rights and privileges which we deny to other things. Why should we have free coinage of silver? For the same reason that we have free coinage of gold, because we need silver for money as much as we need gold for money, and, therefore, we should treat silver as we treat gold.

I want you to remember that, from the beginning of the nation's history down to 1873, there never was a day when this nation discriminated between gold and silver in its treatment of them. You will find that the law of 1792 provided that gold and silver could be taken to the mint and kept on deposit there and could be converted into coin, and the gold and silver coins were alike a legal tender for all debts, public and private. And if you did not want to wait your turn you could make an allowance and receive your money at once, but if you would wait your turn there would be no charge for coinage, either of gold or silver.

SUSPENSION OF FREE COINAGE.

Now, you have heard people say that for years, from about 1806 to about 1836, the coinage of silver dollars was suspended. That is true. They tell you that Jefferson did it. It is true. But why did he do it? Because the bankers suggested to him that it would be more convenient and better for commerce if the Government would coin half dollars, quarters, and dimes instead of dollars. And I am glad that that mistake (if it was a mistake upon the part of Thomas Jefferson) was due to his following the advice of the financiers. But remember that, when he suspended the coinage of silver dollars, he left the coinage of half dollars, quarters, and dimes; and remember that at that time, the half dollar, quarter, and dime were as complete a legal tender for all debts, public and private, as the gold was, and that there never was a time, during that suspension, when the holder of silver bullion was not permitted to convert that bullion, without charge, into full legal-tender money, to be used as gold was used, in the payment of all debts, public and private.

But when, in 1853, a change was made and they converted the half dollars, quarters, and dimes into token money, they reduced the weight in order to keep them at home. They were so good that they went abroad, and they reduced the weight in order to keep them at home. When they did that, and suspended the free and unlimited coinage of half dollars, quarters, and dimes, they still left the free and unlimited coinage of the standard silver dollar. What I said was true, that never for a single day between 1792 and 1873 did this Government discriminate between these two metals in its treatment of them.

I say, then, that we want the free coinage of silver. It would be a sufficient reason to say that because we had the free coinage of gold we want the free coinage of silver; and the man who favors the free coinage of gold can not very well find fault with the free coinage of silver if he believes in bimetallism.

REASONS FOR FREE COINAGE.

But I am not going to stop there. You have been told that the Government ought not to go to the expense of coining silver; that it ought to be coined at the expense of the mine owner. Why is it, my friends, that the Government, in the beginning, assumed the expense of coinage? There must have been a reason for it. Let me give you two reasons. In the first place, the issue of money is a function of government. There are no dollars unless the Government creates those dollars; and it is just as much the duty of the Government to furnish the money needed by the people to do business with as it is the duty of the Government to protect the people while they do the business of the country. If a policeman arrests a burglar in front of your house, he does not charge you so much for the arrest; his services are paid for by general taxation; and the same defense that is given for the payment of these expenses by general taxation can be given in defense of the coinage of money by general taxation.

But I will give you another reason. Unless you have free coinage you can not apply the melting-pot test successfully. You hear people talk of the melting-pot test of which I spoke last night without understanding that that virtue in gold is a law-given virtue—that that characteristic is a law-given characteristic. Let me illustrate. Suppose that the Government charges 5 cents for converting 25.8 grains of standard gold into a dollar. What would be the result? Would the gold dollar be worth as much melted as coined? No; because it would cost 5 cents to recoin it if it were melted; and there could be no coinage of gold bullion into gold dollars except upon the theory that there was a difference between the coinage value and the bullion value sufficient to cover the expense of coinage. For instance: If you had a piece of gold bullion and could convert it into a dollar for 5 cents you would never have it converted into a dollar if you could sell it to somebody for 96 cents, or even 95½ cents. The very moment that you establish a charge for coinage you make a difference between the coinage and the bullion value of your money.

Now, you have heard the argument used here which we have had out in Nebraska. We had a dispute out there, and the gold bug said, "Gold is the only good money." He said: "If you put $1,000 in gold, $1,000 in silver, and $1,000 in paper into a house, and the house burns down, the gold is melted, but it is worth just as much as it was before. The silver is melted, but it is worth one-half as much as it was before; the paper is burned and it is worth nothing. Therefore gold is the only good money." The silver man in reply says: "That is true, under the present law, if you put your money in the house and the house burns down; but if you put your money in a boat and the boat turns over, then the gold goes to the bottom, the silver goes to the bottom, and the paper floats. Therefore, paper is the only good money." There is just as much sense in one proposition as in the other; just as much sense in saying that paper is the best money because it will float as in saying that gold is the best money because when melted it loses none of its value. But to show you that the men who use the argument do not believe what they say, I want to remind you that the very people who complain that silver when melted loses one-half of its value, want bank notes, which, when burned, lose all of their value.

LAW MAKES THE DIFFERENCE IN VALUE.

I say that this difference between the coinage value and the bullion value is a law-created difference—that there can be no successful application of the melting-pot test unless you have free and unlimited coinage. But there are people who imagine that this characteristic of gold which makes it worth as much melted as coined is a sort of divine characteristic. But did you ever consider the law? Did you ever notice how differently the law treats silver from the treatment accorded to gold? I will give you the law in substance—I can not quote it exactly, but I will give it as it applies to this illustration: "Be it enacted that, if any man has gold and silver in his house, and his house burns down, he can take the gold to the mint and have it recoined into just as many dollars, without charge for mintage; but he must take the silver out and find somebody who wants it to make spoons out of."

Now, that is the substance of the law. The law says: "If your gold melts you can recoin it for nothing." The law says: "If your silver melts you can't recoin it at all." Does not that make a difference? Has that law no effect? There are people who have an idea that if we had free coinage of silver you could go out and buy silver for 50 cents and coin it into 100 cents and make the difference. I have heard people calculate the amount of profit that they could make, and I have always wondered why it was that these people who were so sure of the enormous profit of free coinage, and who on all other occasions are so anxious to make whatever profit they could, are so indifferent to the possibilities of free coinage.

I want to tell you a story which I think will answer that argument. Whenever you hear a man making that argument, if you will just tell him the story I am going to tell you, he will never make that argument again. It is not often you find a sure cure; therefore I know you will appreciate this one. It is given by Ignatius Donnelly. He has two men discussing this question in a sleeping car. A farmer represented the silver side and a banker represented the gold side. But I may pause here long enough to suggest that, while it is sometimes considered necessary for the banker to favor the gold side, yet it is not really necessary at all, and there are a great many bankers who are going to see that their interests are upon the side of bimetallism rather than upon the side of the gold standard.

I remember a banker in Illinois—an intimate friend. He had been for gold, and I heard he was for silver, and I at once asked him what he had been reading. He said that first he read Coin's Financial School. He admitted that while he had been a banker for many years and knew whose name was good on a note; that while he was acquainted with the amount of reserve requiredby law and by good business methods, he had never studied money as a science; and that when he read Coin's Financial School there were certain things there which surprised him very much and set him to thinking. Then he went on and read other things, until finally he became a very enthusiastic advocate of bimetallism. I said to him, "Don't you know that as a holder of stock in the bank you will profit by the rise in the value of money?" "Yes," he says, "I know that; but I also know that the bank not only has capital stock, but has money loaned; and if we make property cheap and money dear the people who owe us can not pay us, and we will lose more in bad debts under the gold standard than we can gain on the appreciation of our capital stock."

That man did not say that he was for bimetallism because it would hurt him and help somebody else; he said he was for bimetallism because he found it was better for him. I know there are some bankers who do not stand in the same position as our Western bankers. Our Western bankers bank largely upon personal security and upon equities of redemption. That is, a man will come into the bank and explain that he has so much property, and that there is so much indebtedness or mortgage upon the property, and that the balance is so much, and that, therefore, he wants a loan upon his credit. Don't you understand that if money rises and property falls, that equity is extinguished first, and that if the bank is dependent upon that equity of redemption for security for its loans, when the equity is extinguished there is no security? Notwithstanding the immediate, spontaneous, and overwhelming return of confidence, a Michigan bank failed after the election; and one of the things in the paper that struck me as quite interesting was that it had put out a notice that the failure was due to the inability of the bank to realize upon its assets. Of course. That is everybody's trouble—inability to realize on the property they have. The bank had the notes. The notes were good when they were made. Proper caution was exercised, but hard times had driven out the value from the securities upon which those notes rested; and when they asked for the collection of the notes the men could not pay, and when the bank could not collect from those who owed it, it could not pay those whom it owed. The time will come in this country, the time is rapidly coming, when the bankers will find that their interests are tied up with the interests of their patrons, and not linked to a few financiers across the water.

But I have digressed. Donnelly had the banker and the farmer discussing the silver question, and as they discussed, others would come up and ask questions. Finally one man said to the silver advocate: "Don't you think that it is wrong for the Government to pass a law which will enable a man to buy my silver for 50 cents and have it coined into a hundred, and make the difference?" That is the question which you hear suggested often. The farmer stood up in the car, and, addressing those about him, explained what the effect of free coinage would be. He explained that under free coinage any man in the world could bring his silver to the mint and have it converted into money; that any holder of 412½ grains of standard silver could, at will and without charge, have that silver converted into a dollar, and having explained it, he said, "Is there anybody in this car who, under such a system, would sell his silver to somebody else for 50 cents and let the other man make the profit on it?" There was silence for a moment, and then some one said, "I would." He went to see where the voice came from, and found it came from a sallow-faced young man who was sitting by his mother, and his mother said, "Don't pay any attention to the boy; he is an idiot; I am just taking him to the asylum."

Now, apply the illustration to yourselves. If you had silver and could take it to the mint and have it converted into money at any time, would you sell it to somebody for less than its coinage value and let him make the profit? Now, this is a very common fallacy. I remember that up in Maine a man asked me two questions which, I think, brought out this point. He said to me, "Suppose I should buy so many ounces of silver at about 65 cents an ounce. How many dollars could I have made out of it?" I said, "None." "But," he said, "under free coinage how many?" I said, "Then you could not buy it at 65 cents an ounce." Don't you see the fallacy? He supposed silver bought under monometallism and coined under bimetallism, without distinguishing the difference between the systems of calculating the effect of the change from one system to another.

So I say, my friends, that this fallacy is one which ought to be understood by any person who studies the money question. Why, if under free coinage a man can buy silver for 50 cents and have it coined into 100 cents and make the difference, then you need not wait for free coinage. Everyone of you can get rich now. If that principle will enable you to make money under free coinage that principle exists to-day, and there is no reason why you should not all be rich. I am going to give you a plan by which you can all be rich, provided that principle will work under free coinage, as they say it will. I don't give this plan to everybody; it is just occasionally; but I have been reading in the paper about the distress that exists here, about the need that there is in your city, and I am going to give you this plan so that you can all get rich, and then I know you will subscribe liberally from your wealth to help these people who have been unfortunate.

Now, remember that my plan will not work unless under free coinage people can buy silver at 50 cents and coin it into 100 cents. If, under free coinage, you can buy silver for 50 cents and have it coined into 100 cents and make the difference, then adopt that principle now; go out among your friends and buy all the property they have at just half what it is worth and sell it for all that it is worth, and make the difference. There are millions in it. The only trouble is that the people will not sell you their property for half what they can get for it, and that unwillingness of people to sell what they have for half what they can get for it has stood in the way of the making of more fortunes in this world than any other one thing; and that will stand in the way of the making of fortunes under the free coinage of silver. Whenever any man can go to the mint and convert his silver into money, then you establish a mint price, and that mint price will be the market price of silver as well, just as you establish the market price of gold when you establish the mint price.

UNLIMITED COINAGE.

But I am dwelling too long upon free coinage—we also want unlimited coinage. By unlimited coinage we do not mean the coinage of the American product, nor do we mean that the amount of silver coined will be beyond calculation. By unlimited coinage of silver we mean just such a coinage of silver as we now have of gold. We have unlimited coinage of gold. Any man in the world can have gold coined at our mints, no matter how little he brings, no matter how much he brings. They simply take his gold and stamp it and hand it back to him. That is what we want for silver. To-day there is not an ounce of gold in all this world that is excluded from our mints. Any man in the world who has an ounce of gold can bring it to our mints and have it coined into money and use that money as he pleases. We want unlimited coinage of silver, so that there will not be one ounce of silver in all this world that will be excluded from the mints of the United States.

But I know that there are people who are afraid of a flood of money; I know that there are people who imagine that if we have unlimited coinage of silver this country will be made a dumping ground. There is nothing that excites my sympathy more than to find a man who never had too much money in his life, who does not know where his provisions are coming from for the next week, who is trembling in his boots for fear that there will be a flood of money, and that it will overwhelm him. And yet there are people who are actually afraid that, under free coinage, we would have a flood of money. A man to be afraid of free silver must be a very timid man. He must not only be afraid of a flood of money, but of a drought of money also. When the gold bugs can not scare a man sufficiently one way they will try the opposite plan. If they can't show him that there will be too much money, they are sure to convince him that there will be too little; and the effect upon him is just the same.

I remember that I was once in debate in a Southern State when this question was put to me: "Don't you know that if we had free coinage of silver, $600,000,000 of gold would go out of circulation, and that then it would take fifteen years with our mints running at their full capacity to coin enough silver to take the place of the gold, and don't you know that that would make money so scarce that a silver dollar would be actually worth more than a gold dollar is now?" Have you not heard that proposition? It had just been stated by an eminent financier and my opponent had heard it and was evidently impressed by it, and he asked the question of me. It was not fair—I was 1,500 miles away from home, and I had to answer without reflection. He says: "What would you do?" I said: "I would make more mints." He had talked about the people suffering for fifteen years, and had never thought about the possibility of making more mints.

GOLD IN CIRCULATION.

While I am on this subject I want to say to you that that statement is as full of contradiction, as full of absurdities, as any statement that was ever made in a discussion of any economic question. In the first place, $600,000,000 would go out of circulation. I deny it. I affirm that no more gold would go out of circulation than there is in circulation, and we haven't any $600,000,000 in circulation in this country. Do you believe that? If you do, I want you to investigate for a moment. I know people often accept vague statements. They often take the statements issued from the Treasury Department without understanding that they are merely estimates. You ask one of these advocates of the gold standard how much money there is in circulation, and he will tell you over $600,000,000. You ask him where it is, what will he say? He will tell you how much there is in the National Treasury, then how much there is in the national-bank vaults. Those two amounts can be found out accurately. Then he estimates how much there is in the State banks and in the trust vaults, and he will find something like one-half of the estimated amounts, possibly a little more than half; but to save his life he can't find the other half. You ask him, "Where is the rest of it?" He says, "That is what is known as the invisible supply of gold in the country." But there is no consolation in knowing that it is becoming more and more invisible every day.

Do you believe that we have anything like $300,000,000 worth of gold in actual circulation among the people—$300,000,000 of gold outside of the bank vaults and the Treasury vaults? My friends, let me suggest a way in which you can estimate it. We have in circulation, according to the Treasurer's report, something like $60,000,000 of silver dollars. I can not give you the exact figures, because I have not seen a recent statement, but I think it is not far one way or the other from 60,000,000 standard silver dollars. That means all the silver dollars in the bank vaults, in the drawers of the stores, and in the pockets of the people, and in hoarding. Do you believe that we have five times as much gold in the pockets of the people and in hoarding as we have silver dollars in the bank vaults and in the pockets of the people together? No, my friends, I don't believe you do.

Speaking of this gold in circulation, it makes me think of an experience in Illinois. In debate there with a man who was a very jovial sort of a fellow and with whom a debate was very pleasant, this occurred. He called me Brother Bryan and I called him Brother ——, and during the course of the debate he turned to me and said: "Brother Bryan, I want a silver dollar to illustrate my argument, and I haven't any. Will you let me have one?" I said "Certainly," and let him have one, and he proceeded to talk about silver, and when he was through he handed it back to me. And then it came my turn, and I thought I would try an experiment, and I said: "Brother ——, I want to use a gold coin to illustrate my argument. Will you let me have one?" He got red in the face. He didn't have any gold coin, and then I called attention to the fact that I was the advocate of silver, and that when he wanted to illustrate his argument I let him have a silver dollar, and that he had told them that gold was the only good money, but that he didn't have a dollar of it, and that they didn't have any of it either.

GOLD WILL NOT GO OUT OF CIRCULATION.

I repeat that it is impossible for $600,000,000 of gold to go out of circulation. But let me take another point—that then it would take fifteen years, with the mints running at their full capacity, to coin enough silver to take the place of gold. I have answered that by saying that we could make more mints if more mints were needed. But the most absurd thing is that this silver, because of the scarcity of money, would actually become dearer than gold. Think of it, my friends. They tell you that this cheap silver will come in and run the gold out. If that is true, is it not also true that whenever the silver dollar becomes dearer than the gold dollar the cheap gold dollar will then come back and run the silver dollar out? Is there any escape from that? Do you mean to say that silver will run gold out and become dearer than gold, and that then gold will not come back? The very moment the silver dollar becomes as dear as the gold dollar there will be no cheap dollar to run the other out. Absurd, my friends. And yet you will hear propositions like that.

NO DANGER IN FREE COINAGE.

Now, I want to show you that these dangers which people imagine from the free coinage of silver are not real dangers. Did you ever take a piece of silver and follow it through and inquire how it could hurt us under free coinage? Let me remove this fear from your minds. Let us suppose that we had free and unlimited coinage, so that every man in the world could come here with his silver and have it coined into money. How could he hurt us with it? We will take the meanest man in the world. Let us take some man who has been waiting all his life to get a chance to hurt the American people. He reads in the paper that the United States has adopted free coinage and says, "Now is my chance." He goes out and gets some silver. For instance, he has enough silver to make $1,000. He takes the first vessel he can find and brings that silver over here. He takes it to the mint. He does not tell the Government he comes to injure us, but, like the villain that he is, he just smiles and puts that silver in there and wants it coined into dollars. The Government hands him back the dollars and does not charge him anything for coinage. And this man, chuckling to himself, starts out on his mission of destruction. How will he hurt us? Have you ever tried to find out how? What can he do with that money to injure us? Let us suppose, first, he could take it back home with him. He could come and have the silver coined free of expense, and then take it back home. What would be the result? We would be out the cost of coinage. We would be taxing our people to coin his money, but he would be paying fare or freight both ways, and we could stand it longer than he could. He is not apt to do that.

What else could he do? He could just leave that money, give it to us, and wait for us to be injured by the use of it. We could stand that as long as he could.

What else could he do? I know what you are thinking about. If you are an advocate of the gold standard I can tell you what you are thinking about now. You think that he would bring his silver and have it coined into dollars, exchange his silver for gold dollars, and take his gold dollars away. That is the danger, isn't it? But where will he get the gold dollars; from the Government? No; under bimetallism he won't. It is under monometallism that they issue bonds and buy gold in order to give it to somebody to take across the water. Under bimetallism the Government does not agree to trade dollars; under bimetallism the Government does not agree to redeem silver dollars in gold or gold dollars in silver; under bimetallism the Government agrees to coin silver bullion into silver dollars; under bimetallism the Government agrees to coin gold bullion into gold dollars; under bimetallism the Government agrees to make silver dollars and gold dollars alike a legal tender for all debts, public and private; and I may add that in the opinion of most of the bimetallists, the Government should go further and not only say that gold and silver shall be alike a legal tender for all debts, public and private, but that the Government should say that that which the Government has made lawful money no man shall destroy by private contract. I repeat that the Government would not be compelled to furnish gold to the man who brought silver.

Then where would he get it? He would get it from some private individual. He would have to find somebody with gold. He could not hurt anybody with his cheap dollars until he found somebody who had gold, and you have no idea how many people that would relieve from all possibility of injury. Not only would it be necessary to find somebody with gold, but he would have to find somebody who was willing to let his gold go. Under bimetallism you can't compel a man to give you gold for silver. If the holders of gold let their gold go under bimetallism, it would be because they received for it something which they would rather have than gold. Don't you suppose the people who own gold would hold on to it until they found it profitable to let it go? If all the people who own gold find it profitable to let it go, how are you going to prove that it will be an injury to the country when everybody who surrenders his gold makes money by doing so?

Well, there is another way. You say that maybe he won't trade silver for gold; maybe he won't take his silver home, and maybe he won't give us his silver. What else can he do? He can buy property with his silver—bring his silver here, coin it into money and use the money to buy property. Does that frighten you? My friends, when you have something to sell, we are looking for the man who has the money to buy. If this man comes with his silver, coins it into dollars, and uses those dollars to buy property, he can not buy a dollar's worth until he finds somebody who wants his silver. Silver is not a wild animal; it does not come over to devour people. Silver can not come here unless somebody wants it enough to pay somebody to bring it here. Every ounce of silver that comes, comes at the solicitation of somebody in this country. Instead of being afraid of the man who comes over to invest, if he will let us know when he is coming, we will meet him with a reception committee and escort him over the town and show him the property.

My friends, there is one other thing you say: "If we have free and unlimited coinage and then make silver legal tender, these foreigners can bring their silver, coin it into money, and pay us what they owe us." That would be true if they owed us; but we owe them. The debt goes the other way. If anybody is going to be hurt by free coinage in the payment of debts, it is not going to be our people who will be hurt by the foreigners paying us; it will be the foreigners who will be hurt by our people paying them. I don't want you to rise up in indignation and say that we have no right to change our financial policy to the injury of foreigners. I want to say to you that the American people have as much right to legislate to keep the value of their property up as the foreign financier has to terrorize over 70,000,000 of people to make them raise the value of the dollar.

DIFFERENCE BETWEEN THE NATIONAL AND THE INTERNATIONAL BIMETALLIST.

And right on this point I want to call your attention to the difference between the independent bimetallist and the international bimetallist. The international bimetallist confesses that the gold standard is a failure. If the gold standard is good then why should we want to change it? If the gold standard brings satisfaction, why should we substitute bimetallism for it? If the gold standard is the standard of civilization, why shall we risk the danger of barbarism by restoring silver?

The international bimetallist must defend the principles of bimetallism. He can not say that those who want free coinage are adventurers or dishonest men. He can not say that they are mine owners who want to raise the value of their produce. The international bimetallist must defend the double standard. But the difference is that the international bimetallist wants other nations to join with us; the independent bimetallist wants this nation to act alone. Now, which is the wiser? We who favor independent bimetallism do not object to international bimetallism, but we object to keeping the gold standard until we can get international bimetallism, and we deny that we can get bimetallism by waiting as soon as we can get it by independent action.

Let me give you in simple language the difference between the two propositions. The international bimetallist goes to the financier of Europe and says to him: "We don't want the gold standard; we want bimetallism; but if you people will not help us to get bimetallism, then we are going to stand by you and support the gold standard." They go to the financier and say: "You are doing us an injustice; you are raising the value of money; but if you will not join with us in stopping the rise in the value of money, then we will join with you in making money rise faster still." Do you think that you can bring a man to your terms in that way? It is said of one of our eminent men that when a boy his father sent him to sell a horse, and told him to get $100 if he could, but to accept $75 if he must. The first man he met inquired what he wanted for the horse, and he very frankly told him that he wanted $100 if he could get it, but that he would take $75 if he must. You think it was absurd. I tell you, my friends, that that boy's answer was no more absurd and no more unbusinesslike than for us to say to the foreign nations, "If you don't help us we will help you."

We have waited twenty years and have tried to restore bimetallism by making it profitable for people who refused to help us. We now propose another plan. We propose that 70,000,000 of people shall act for themselves; we propose that 70,000,000 of people shall make their own laws, and then say to foreign financiers: "You who hold our notes are interested in maintaining the parity; if you succeed in destroying the parity, we will punish you by paying you in the metal which you yourselves make cheap."

DEBTOR SHOULD HAVE THE OPTION.

In discussing the principle of bimetallism there is one thing that should always be remembered, and that is that the debtor has the option. I have had men say to me that they agreed with me on nearly all of this subject, but that they did not think that the debtor ought to have the option. Why, my friends, there can be no bimetallism without it. And I want to call your attention to the necessity of giving the option to the debtor. Let us reason together. If we have two kinds of standard money somebody must have the option. Do you say that the creditor ought to have it? I want you to think it over and see if you can give any reason why the creditor should have any greater advantage than the debtor. If you ask me to show why the debtor should have any advantage over the creditor, I answer that I will not try to do it. I will put them on exactly the same footing. I will say that the creditor has exactly as much right to demand the option as the debtor—that is, as an abstract principle. How shall we determine, then, to whom the option shall be given? Find out the necessities of society. The necessities of society are higher than the necessities of the debtor or the creditor. Which is best for society, to let the creditor have the option, or to let the debtor have the option? Let me show you that the interests of society require that the debtor shall have the option.

Under free and unlimited coinage at 16 to 1 if a man has a debt he can pay it at the rate of 1 ounce of gold coined into money, or he can pay it at the rate of 16 ounce of silver coined into money. Suppose the creditor has the option, which will he demand? Well, I am safe in saying that if the creditor has the option he will demand the dearer metal; that is, if 1 ounce of gold is worth in the market more than 16 ounces of silver, he would demand the gold. Of course, I don't mean to say that there are no exceptions, but I mean that, as a rule, if the creditor has the option he will demand the dearer metal. What is the result? If the creditor demands the dearer metal, that increased demand raises the price of the dearer metal and decreases the demand for and lessens the price of the cheaper metal.

Suppose the debtor has the option. Is he selfish? Yes. But when I speak of the debtor, I don't have to make any exception; I will say that every debtor would pay in the cheaper metal. That is one advantage I have in talking about the debtor—I don't have to except anybody from the rule. And what is the result? If all the debtors demand the cheaper metal, the increased demand for that metal raises its price, and if nobody demands the dearer metal the decreased demand lessens its price. If the creditor has the option, he draws the metal apart; if the debtor has the option, he draws the metals together.

That is the theory which underlies bimetallism. You can not have bimetallism without giving the option to the debtor. Give the option to the creditor, and you only have one kind of money, and it will grow dearer all the time. I say that society requires that the debtor shall have the option; and I want the advocate of the gold standard, when he goes to his home, to answer that argument if he can.

But there is another reason for giving the option to the debtor. The financial classes are influential in society; the financial classes are potent in society. If you have any doubt about it, run for President on a free-coinage ticket. If you throw the influence of the financial classes against the maintenance of the parity you make the maintenance of the parity more difficult. Throw the influence of the financial classes on the side of maintaining the parity, and you make it far easier to maintain the parity. Say to the creditor that if he can destroy the parity and drive one metal to a premium he can then demand that premium and profit by it, and you offer to him a temptation to destroy the parity in order to make the profit. But tell the great financial classes that if they throw their influence against the maintenance of the parity they will be punished by receiving payment in the metal which they make cheap, and, my friends, every one of the financiers will be trying to maintain the parity at the ratio fixed by law.

Now, I am not applying new principles; I am applying to this money question the principles that you apply in everyday life. I am simply placing human nature upon the stand, and I am letting human nature testify upon our side of this question.

WHAT FREE COINAGE MEANS.

But, my friends, I must not dwell on that. We believe in free coinage and unlimited coinage, and we believe in coinage at 16 to 1. Now, what does that mean? I have found people who didn't know what 16 to 1 meant. I found a man who was worth over $1,000,000 who, within three weeks, stated that he didn't know what 16 to 1 meant; and I have had all sorts of suggestions about it. One of the gold-bug papers said that the people of a certain Southern State believed in 16 to 1 because they thought it meant that the Government would give $16 to each one person, and that in one county they had met and appointed a man to receive the money and divide it, because, they said, he was an honest man and would do the square thing. One of the papers advocating the gold standard said: "You can't please those silver people. They are advocating 16 to 1, and just as soon as they thought there was any likelihood of getting 16 to 1, they raised it to 32 to 1, and wanted the Government to give them 32 to 1.

Now, 16 to 1 simply means that a silver dollar weighs sixteen times as much as a gold dollar. That is all. Sixteen to 1 simply means that in debt-paying power 1 ounce of gold is equal to 16 ounces of silver. We had 15 to 1 once. When we had 15 to 1, then, in debt-paying power, 1 ounce of gold was equal to 15 ounces of silver. In some other nations they have 15½ to 1. The ratio is a matter of law. You can have any ratio you please. We have had 16 to 1, and we simply insist that the restoration of coinage shall be upon the same ratio that we used when we had the free and unlimited coinage of silver last. We mean that the silver dollar shall remain the same size that it is now. We mean that the gold dollar shall remain the same size that it is now; that we shall have the right to have coined gold and silver without limit and without charge into standard money at the present ratio.

FALL IN VALUES NOT FROM OVERPRODUCTION.

Now, I have tried to define these terms. I want now to answer two or three objections which you have heard raised against free coinage. You have heard it said that the fall in value of silver as measured by gold is due to overproduction. You have heard the fall in the value of wheat attributed to overproduction. You have heard the fall in the value of corn attributed to overproduction. Overproduction is the pet theory of all those who want to make the people satisfied with the present conditions. I heard a man make a speech, in the course of which he made these two arguments. He said: "Show me a man who is in favor of the free coinage of silver, and I will show you a man who, instead of working, sits under a tree, smokes his pipe, and talks politics." And in a little while he began to explain overproduction, and he said the trouble was that prices had fallen because there was too much of everything produced. And then the thought came to me: "If we have overproduction when so many people are sitting under the shade of trees, smoking and talking politics, what would be the result if they quit smoking and talking politics and went to work producing more?

It is not overproduction. It is underconsumption. It reminds me of what an Irish writer once said in speaking of Ireland. He said: "Our statisticians tell us that there are too many people in Ireland to the square mile. Is it not true; there are too many people in Ireland to the square meal." My friends, it is not overproduction; it is lack of ability to buy what is produced. We insist that a man must not only have appetite, but he must have the means of satisfying it before he becomes a consumer. We have separated the appetite from the power to satisfy it; we have taken the back too far away from the clothes that the back needs. We have let the people want without giving them the means of gratifying those wants. You hear people say: "Suppose we had more money; how could you get any of it unless you had something to sell." You can't ordinarily. Of course, there are exceptions to all rules, and there are exceptions to that rule.

If the Government decides to issue bonds that are unnecessary, and you have a good deal of credit that you don't need, you can loan your credit to the Government and get money without selling anything. But that is not usual. Ordinarily you have to have something to sell before you can get money. Let me ask you another question: "Suppose you have something to sell; how can you get anything for it unless people have money to buy what you have to sell?" That has been the difficulty. Reduce the quantity of money which the people have to pay for what you have to sell, and you reduce their power to buy, and thus reduce the price of what you have to sell.

FREE COINAGE HELPS THE PEOPLE.

You ask me how free coinage would help the people. I say by putting more standard money into circulation. You ask me how the people can get this money; I reply, by producing things and by selling them above the cost of production, which they can not do in many instances to-day. Let me give you a test. You ask one of those gold-standard financiers what he thinks should be the object of our financial policy. He tells us to shape our policy so as to invite foreign money into this country for investment. But if we have enough money in this country now, why do we need any more? If we have enough money in this country to-day, why do we want a single dollar to come over here. If we have enough now, any more would be too much, and I don't know that anybody wants too much money in this country. The very fact that we want money to come in from abroad is a confession that we have not enough; and if we have not enough, I submit it to your intelligence and to your patriotism, isn't it better to go to our mountains and bring out more money, and let it be our money, than to go abroad and borrow what we need to be paid back with interest, and that, too, in dearer dollars?

I never think of that argument about our having enough money without thinking of a very good thing that my father-in-law once said to me. It was just after I was married (and I have a good father-in-law, too; as good as any son-in-law ought to have), and I remember distinctly that, just after my marriage to his daughter, he laid his hand affectionately on my head and said: "Well, William, while I have, we shall not both of us want." His manner was mild and his tone was reassuring; but the more I thought about the words the less consolation I got out of it. He did not say that I would not want, but that while he had, we would not both of us want. And when I find one of these people who tells us that we have plenty of money I generally find it is one of those fellows who happens to have money and is satisfied that, while he has, everybody won't want. But you hear this argument—you hear it said that we are reaching a point where money is not so useful or necessary as it used to be. A banker in Oklahoma made this argument to his depositors. He said: "You put your money in my bank and give a check, and the check goes through various hands, and finally somebody deposits it, and I transfer the amount from one account to the other, and the money never changes hands at all. Money is not as important as it used to be." The depositor said: "I am glad to hear that; I have left money on deposit with the idea that it was just as important as ever; but now that you say it is not, I will just draw the money out and go on checking as I did before." "Well," he said, "in your case that won't work."

MONEY IMPORTANT TO ALL.

Now, my friends, you will find that money is just as important as ever; and to no person is it more important than to the man who tells you that it is not as important as it used to be. If you owe him, and he wants the money, just tell him about the substitutes for money, and see if he does not demand the money itself instead of the substitutes. Do you ask to know why we want free coinage—why the people of Nebraska, and the West and South, and the people of this whole country need free coinage? My friends it is not because we produce gold or silver. I would be in favor of the free coinage of silver if we didn't produce one ounce of silver in the United States. We want the free coinage of gold and silver, not because we produce either, but because we need both, and we can not have both unless the law provides a means by which both metals can go through the mints into the circulation of the country.

We raise our wheat, our corn, our cattle, and our hogs, but when we come to sell, we must find somebody with money to buy; and we know by sore experience that, if we give gold a monopoly and enhance the purchasing power of the dollar we by legislative decree reduce the value of what we produce upon the farm.

You may not have considered the matter yet; it may not have reached you. You may be holding your mortgages upon farm lands; but, my friends, if the gold standard goes on, if money gets dearer, if property gets cheaper, the time must come when you who hold the mortgage will hold the land. When that time comes, and you are farmers instead of money-lenders, you will know what the gold standard means to the farmer and to the farmer's wife.

NO FLOOD OF SILVER.

But they tell us that if we have free coinage of silver there will be a wonderful increase in production. My friends, increased production does not account for the fall in the value of silver when measured by gold. You ask me how that statement can be verified. I tell you that while it is true that silver has increased more rapidly than gold, if you take the last thirty years into consideration, yet if you take only the last six years into consideration gold has increased in production more rapidly than silver; and still silver has fallen more in the last six years than it ever fell in any other six years in the history of the world. You tell me that increased production of silver has caused the decline. I tell you that your theory is exploded by the fact that the greatest fall in silver has been occasioned in the last six years when gold was increasing more rapidly than silver. It is not production only; it is demand as well as production which must be considered; and during the last six years legislation has been destroying demand. In India they suspended the free coinage of silver and silver dropped. In this country they suspended the purchase of silver under the Sherman law, and silver dropped again. You legislate the demand out of existence and the price must fall. We complain that hostile legislation has driven up the value of gold by increasing the demand for it, and driven down the value of silver by decreasing the demand for it; and we insist that we can bring the metals together by repealing the laws that drove the metals apart.

One evening when I was discussing this phase of the subject, a gentleman asked if I would answer an inquiry. I told him yes, and he said: "Don't you think that, if we had free coinage of silver at 16 to 1, there might possibly be an enormous increase in production?" I had to admit that it was possible. You know, my friends, few things are absolutely impossible. Of course, an enormous increase in the production of silver is possible under free coinage, or without free coinage, just as an enormous increase in the production of gold is possible, under free coinage or without free coinage. But, my friends, everything is possible. Did you ever think that if it commenced to rain, it is possible it may never stop? And yet, I have known it to be so dry that people have actually prayed for rain, although they knew that, if it ever commenced, it might never quit. Why was it that they wanted it to rain? Because they love a flood? No; because they looked back through six thousand years of history, and they only saw one flood, and they decided to take their chances on another.

You ask me if there may be a flood of silver. I say it is possible, but not probable. And why not probable? Because we have used silver for six thousand years, and in all that time there has never been even one flood of silver. One chance more of the flood of rain than there is of a flood of silver, and yet people who claim to be reasonable insist upon framing future laws upon contingencies never known, and say that we are foolish because we insist upon judging the future by the past. If a time ever comes when there is a flood of silver, we will be able to take care of it. People who have been able to go through the drought as our people have will not be terrified at the prospect of a flood as remote as that prospect is. I know people who have suffered from a money drought so long that they are hoping that they may be here when the first drippings of the shower fall.

FACTS SUPPORT BIMETALLISM.

Now, my friends, we who advocate bimetallism are able to draw our authority and our arguments from every source. We can apply to this money question the principles of everyday life. We apply to it the law of supply and demand. We tell you that you may make it as dear as you like by legislation. We tell you that when you decrease the volume you increase the value of each dollar. We apply the law of supply and demand to silver, and we tell you that when you create a demand, you raise the price, and that when you destroy the demand you decrease the price. We bring to the support of our theory the authority of those who have spoken before us. We admit the benefits that are to come to those who are engaged in mining; we admit that the mine owner receives a profit from free coinage; but we tell you that free coinage can not give back to him any more than he had before demonetization began its deadly work.

We tell you that the mine owner will profit by the rise in the value of his silver, but we assert that the money owner profits by the rise in the value of his money if we have the gold standard, and we ask you to decide whether your interests are with the mine owner or with the money owner. If I had to choose between the two it would not take me long to choose, because, my friends, the mine owner who goes down into the ground and brings out gold or silver increases the volume of the world's money if you will but admit the metals to coinage, and every dollar that he makes at the risk of his life is a blessing to the entire race. But the money owner does not risk his life in the mine. In the back room of a bank he sits, and instead of adding to the world's money he tries to corner the money that there is.

You ask me whom I will help. I will help the man who helps mankind, and not the man who makes life harder for mankind. We admit that the mine owner will be benefited. You admit, if you dare, that the money owner will be benefited by the gold standard, and then ask the people to take their choice between the two. And yet it is just as sure that the gold standard raises the value of the money owned by the money owner as it is that free coinage raises the value of the silver owned by the silver miner. We admit the benefit that comes to the miner, the benefit that comes to the farmer, the benefit that comes to the laborer, the benefit that comes to the merchant. We challenge you to show that anyone except those who toady to him and hang about him profits by the advantage that the gold standard gives to the money owner.

We not only prove our position—we not only defend our course—by the application of every-day principles and by authority, but we defend it by analogies drawn from nature. The longer I live the better satisfied I am that He who is infinite in power is also infinite in love. The older I grow, the better satisfied I am with the wisdom of the great Mind that fashioned the universe. He never gave to mankind a need without giving the means of gratifying it. When He made food necessary to human existence, He covered the earth with His bounties, and there has always been enough for the children of men. When He made water necessary to human existence, He filled the earth with veins, and planted the living springs along the hillside; when He allowed weariness to creep over the limbs of the toiler, he sent sleep, tired nature's sweet restorer, to renew his strength; when He gave to mankind a mind capable of development and a thirst for knowledge, He filled the universe with His wonders which may well occupy the thoughts of man. And so when He placed man in society and fashioned the channels of trade, He stored away in the secret places of the mountains the gold and silver suitable for money. Mankind found the precious metals, dragged them from their hiding places, and for six thousand years they have come down to us side by side, ministering to the needs of man.

I may be in error, but in my judgment the person who would rob man of his food and yet leave his appetite; who would corrupt the fountains from which he drinks and yet leave the necessity for water; who would take from him his needed rest and yet allow weariness to come again, or condemn his mind to ignorance and gloom and superstition, is no more an enemy of his race than the man who, knowing what he does, deaf to the entreaties of the poor, and blinded to the suffering he would cause, would strike down one of the metals given by the Almighty himself for the use of man.

HISTORY SUPPORTS BIMETALLISM.

We who advocate bimetallism plant ourselves upon the history of the human race. Those who advocate the gold standard advocate an experiment that has nothing to commend it except the misery that has followed wherever it has been tried. And yet, my friends, they call us demagogues who advocate the restoration of the money of our Constitution, and they call those men statesmen and financiers who advocate the continuance of this financial policy which has never been commended by the producer of wealth. Those who preach the gold standard preach the gospel of despair; they hold out no hope to the human race; they set no time for alleviating the distress that is now enveloping the gold-using countries of the world. Ask us to maintain the gold standard; ask us to join in the demand for the universal use of gold, and you ask us to go out into a night illumined by no star, to embark upon an ocean whose further shore no mariner may find, to travel in a desert where the ever-retreating mirage only makes disappointment a thousand fold more keen.

My friends, I appeal to you to give to this great question the consideration which its importance demands. I appeal to you to give to the experiments of history the consideration which they demand. I appeal to you to find out what is best, and when you have found it out to stand up and fight for what you believe to be right; I appeal to you not to join those who can not think until they have cabled across the ocean to find out what is desired over there.

INTRODUCTORY ADDRESS OF MR. HENRY M. McDONALD, PRESIDENT OF THE NEW YORK BIMETALLIC ASSOCIATION.

The Hon. George Fred Williams was introduced to the audience by Mr. Henry M. McDonald, president of the New York Bimetallic Association, who spoke as follows:

LADIES AND GENTLEMEN: This lecture, as you well know, closes the series of five addresses relating to the subject of bimetallism which have been delivered in this hall during the past four or five weeks. It may be fitting for me, before introducing the orator of the evening, to dwell briefly upon one or two matters relating to the association which I represent.

You will find placed upon each of the chairs in the auditorium an envelope containing a slip of paper, indicating that the association intends to publish the addresses in pamphlet form. This will be done during the coming month. The association has ascertained that the cost of publishing this pamphlet, consisting of over 100 pages, will be about 15 cents a copy. These little notices, which have been left in the seats, simply furnish you an opportunity to send in your orders for such a number of the pamphlets as you may desire.

Referring to the New York Bimetallic Association, I wish to say that it is a State organization, and that its prime object is the advancement of the cause of bimetallism. As bearing on this point, I desire to read to you its articles of association in order that you may know exactly what the object of the organization is. The articles read as follows:

"We, the undersigned, citizens of the State of New York, do hereby associate ourselves together as the New York Bimetallic Association.

"The object of this association is to endeavor to bring about, by all legitimate means and methods, the free and unlimited coinage of silver and gold by the United States, upon such ratio and under such regulations as Congress shall deem expedient to adopt.

"We therefore pledge ourselves to use every reasonable effort to accomplish this object, and with that end in view do hereby agree to abide by the by-laws, rules, and regulations of the association."

We desire to extend the membership of this association as rapidly as may be consistent with giving it as high a character as possible in point of the personnel of its members. We desire to have associated with us men of education, of intelligence, and of character. The membership fee, in order that no one may be debarred, has been placed at $1, with annual dues of $1, the first of which is payable upon the 1st of January, 1898. You will find at the box office forms of application for membership, so also upon the stage, and anyone who desires to become a member of the association is invited to take one of those forms and send it in, properly filled out, as an application for membership.

We propose to make this association a live association, and with that end in view we intend to have frequent conferences of its members; to constantly distribute up-to-date literature bearing upon the money question, and to hold from time to time public meetings, to be addressed by the most eminent bimetallists. In other words, believing as we do that this is a live issue, we propose to use every legitimate method and to employ every lawful means to advance the cause of bimetallism in the United States until it shall prevail.

Now, it may be fitting for me, at the beginning of this closing lecture, to very briefly refer to one or two of the main objects of the course of lectures which have been here delivered. We have endeavored, through the medium of a series of addresses delivered by a few of the ablest and most eloquent bimetallists, to furnish the people of this metropolitan city information in an attractive form upon the money question. We have been in this effort, taking into consideration some adverse conditions and some uncalled-for opposition, reasonably successful. We have not, however, aimed alone to inform the people of New York with reference to the money question. That, to be sure, has been one of our objects, but we have had a further object. We have desired to call the attention of the people of the metropolis to the importance of the question at issue.

We have desired to press this question to the front, believing in its importance, and we have been stimulated in that effort by the fact that we had noted an effort on the part of the political leaders in this city to stifle this question and to shunt it off to one side. Now, let me read to you in that connection some remarks made recently in this city by the leader of the Democratic party. Referring to the attitude which the Democratic party should take toward the so-called Gold Democrats of the last campaign, Mr. Bryan said: "I have not a word of reproach for those who left us in the last campaign, not a word of criticism for the Democrat who honestly believed that the election of the Democratic candidate would injure the country, and who to prove his patriotism left his party; but I want it clearly understood that the man who left us in the fight between the moneyed power and the people must bring back a certificate that he is at last on the side of the people and is not a spy in the ranks."

This is the only doctrine upon which the integrity of the Democratic party can be preserved, otherwise the party has within itself political brigands who will on occasions attack the party from within or without, as may best advance their purpose. Self-respecting, persistent so-called Gold Democrats should either flock by themselves under the designation of a gold monometallic party or ally themselves with the Republican party, which is really a gold-standard party. The Democratic platform of 1896 is still in force and its principles must be maintained.

Now, as you have undoubtedly noted, it is proposed in the local campaign, in the first local campaign which occurs in the Greater New York, that the Democratic party shall have nothing to say upon national issues; and let me state right here in that connection—I don't care whether you call the party a Democratic party, a Silver party, or a Populist party—I refer to the party of the people, and the party of the people must stand against the opposition party, and the opposition party is the Republican party. Every element, every force which makes for the advancement of the interests of the people and is opposed to the interests of monopolies and of the moneyed class and of the trusts must be arrayed upon the one side and in opposition to the Republican party, which stands for the interests to which I have referred.

Now, a local campaign is of great importance in shaping the issues of State and national campaigns, because the men elected to office exercise a controlling influence in shaping the policy of any given party. The issues in the last campaign were clearly drawn. The most prominent issue was that of bimetallism. The next most prominent issue was that of the tariff. No party, and when I say party I mean the party of the people, could ever enter upon a local or any other campaign at a more fitting time to influence national politics than the present. Take, for example, the question of the tariff.

To-day there is presented to Congress, for adoption by the representatives of the American people, a bill which will undoubtedly be enacted into a law—the most iniquitous, the most unwise tariff bill which has ever been presented to a Congress of the United States. Take, for example, the proposed tariff upon wool and woolens. The woolen manufacturers of this country do not ask for the imposition of higher duties, but the Republicans of the House of Representatives, influenced by the woolgrowers of the country, especially those of Ohio, fix in the Dingley bill duties which add to the cost of all woolens used in this country from 50 to 100 per cent. In other words, every man, woman and child is to be taxed from $1 to $2 per year for the benefit of this favored wool-raising industry. What does it mean? It means that all of the people of this country, without the power to earn any more money, must from the money earned pay from $75,000,000 to $125,000,000 per year for the benefit of a comparatively small number of woolgrowers. Singularly enough the value of the sheep of the United States, as given by the Agricultural Report of 1894, is less than $90,000,000; in other words, the people of the United States had much better take up a contribution aggregating about $90,000,000, buy the sheep of the United States, and destroy them, rather than pay the enhanced tax which is to be levied through the medium of the Dingley bill upon them, in the way of increased prices for woolen clothing.

Now, this is only one illustration; the bill contains scores of such instances of oppressive taxation.

With such an issue before the people, what an opportunity there is for the party of the people, even in local politics, to make a most gallant campaign. We well know, here in the city of New York, that the greater portion of the thinking people of the city have come to the conclusion, and I think it is a just conclusion, that in local affairs it matters very little which of the leading political parties control the offices of this city. It simply means that the party that has its candidates for election before the people is pushing for success in order that through the election of its nominees its leaders may aggrandize themselves, and have plunder to distribute among their followers.

That being the case, as I have intimated, if a party, a people's party, a citizens' party, whatever you may term it, shall have the courage to adopt a platform affirming the two leading issues to which I have referred, what a vantage ground does it give that party, even in a local election? And let me say, not as a representative of anyone, but speaking personally for myself, possibly for others, that if the Democratic party of this city ignores the issues of the last campaign, if it calls to the seats of honor the men who then deserted the party and who did all they could to betray the party's principles and to defeat its nominees, never will we support the candidate of that party, even in a local campaign. We will never abnegate ourselves in that way; no, never!

Now, in conclusion, let me refer to one point further. The general impression is that it is an unfitting time to bring the silver question to the front, this question of bimetallism, which, by the way, as you well know, means "open mints to gold and silver without charge for coinage." But, supposing we are successful upon the tariff issue, and in 1898 or 1900 secure the repeal of the Dingley bill; what then?

We do not restore prosperity to this country by that thing alone; we must have something further, something that will bring about a greater reward for production and for labor in this country. The lowering of the tariff duties alone will not do that to any extent, but if, as we believe, by enacting the unlimited coinage of silver without charge for mintage, if by making that the policy of the Government and the law of the land, we add not less than fifty per cent to the exchangeable value of labor and products of this country—if, in other words, we give the farmer at least one-half more for his produce and all industrial labor one-half more for its efforts, then, not only millions, but billions of dollars go into new enterprises throughout this land.

The farmer from the surf-beaten coast of New England to the gently laved shore of the Pacific will receive an adequate reward for his labor; the open doors of the mills of the country will throng with well-paid workmen; the mines of the country, and there are no richer in the world, will respond to the efforts of the miner as never before, and we shall have that joy, that prosperity, that contentment of the people to which a nation with the unbounded resources of our country is justly and fully entitled.

Ladies and gentlemen, I perhaps have detained you too long at the opening of this lecture. You will recall that with respect to the different speakers during this course of addresses I have refrained from any laudatory remarks. I do so this evening, believing that every speaker in this course will have entitled himself to the full measure of credit by what he shall have said. I now have the pleasure of introducing to you the Hon. George Fred Williams, of Massachusetts.

"MONEY AND THE COMMONWEALTH."

[ADDRESS BY HON. GEORGE FRED WILLIAMS, AT NEW YORK CITY, ON FRIDAY EVENING, MARCH 19, 1897.]

THE CHRISTIAN COMMONWEALTH.

Eighteen centuries ago the star of human brotherhood and charity rose above the horizon of pagan selfishness and materialism.

"But when He saw the multitudes, He was moved with compassion on them, because they fainted, and were scattered abroad, as sheep having no shepherd."

"And seeing the multitudes, He went up into a mountain; and when He was set His disciples came unto Him: and He opened His mouth and taught them."

There upon the lonely mountain the foundation of our commonwealth was laid. Upon that foundation alone can the fabric of our civilization rest secure. And the only recorded act of violence on the part of Him who, with pity for the multitude in His heart, breathed new life and hope into humanity, was the casting out of them that sold and bought in the temple, and overthrowing the tables of the money changers; "and the scribes and chief priests heard it and sought how they might destroy him."

This was the first clash of money with the Christian commonwealth. At the end of nearly two thousand years, over darkness, pain, and death, the holy words of sympathy and love have never lost their light to man. If the money changers are now violating the sanctuary of our commonwealth, we shall not fear to drive them out because the scribes and chief priests are seeking how they may destroy us.

PROSPERITY AND DEPRESSION.

In progress of humanity, a period of prosperity has always been a period of development. Eras of depression have invariably scattered or set back the currents of human improvement. Industrial depression is, therefore, not to be regarded and studied from the narrow standpoint of the individual, but rather as involving an entire people, perhaps many peoples, and indeed Christian civilization itself. An era of depression is the curse of a fever, and like the ravage of disease it leaves its mark upon the face and form of man. Thus, what the business men in this presence are asking themselves at this moment, how they shall avert their own business misfortunes, is a question which concerns all of us, and what we do for them we do as well for those they have never seen, and can not see—the multitudes who are suffering with them. In but another form the merchant who is begging his bank for credit is the same factor as the starving man in search of work in the great social problem which confronts us.

THE DISTRIBUTION OF WEALTH.

What is each one of these seeking that he can not or fears he may not find? It is only this: He seeks as a reward for his labor a fair share of the product of his labor, and an equal chance with others in the race for success; and in his quest he represents the vital problem which political economists are wont to name "the distribution of wealth." When the terms are understood, the term "distribution of wealth" involves almost the entire field of economies and civilization. One man may seek, and indeed, need, but little; another may demand and strive for luxury. One may seek soul comfort, and another treasures of the mind. One may shun responsibility, while another yearns for power, and yet in all this competition fair, just, Christian equality is the goal which civilization should reach. In this ideal race nature makes no room for envy or malice. The poor should not think evil of the rich, nor the ignorant of the learned, nor the weak of the strong. So far as God has made conditions let no man dispute them; so far as man has made them, they may always be disputed. Here, then, is our social problem.

In the beneficence of nature it was never intended that man should suffer any more than the lily of the field for want of raiment and of sustenance. Only false laws and unjust practices could gather in the hands of a few thousands the greater part of the wealth which tens of millions have produced. In the disparity between starvation and monstrous wealth lies our question.

PROPERTY AGAINST HUMANITY.

In ancient times men gave their lives to resist the oppressor rather than to endure slavery and torture. When in modern times we find the bitterest contest we may fairly presume that the instincts of men have warned them of the importance of the fight. The last year witnessed the bitterest and most violent political battle which has taken place, with one exception, since our Republic was formed. Men endured the painful wounds of ridicule, of scorn, of misrepresentation, of social ostracism; they faced charges of dishonesty, ambitions were abandoned, and hopes broken. On the other hand, there was a mighty assembling of the material forces which drew unlimited contributions from wealth, which threatened the timid, coerced the weak, purchased the corrupt, and brought to bear upon their opponents all the engines of industrial force and political power.

Never since the Declaration of Independence was written has the struggle for equality of men been more centered or more violent. It was hardly denied to be a struggle between the masses and the classes. Extremists say it was a contest between the claims of property and the claims of humanity. No lover of our Commonwealth, no statesman, no student, can refuse the conclusion that, whether justifiable or not, there was a sense of oppression on the one side and a rally for defense on the other; it was a social and not a political contest.

MONEY THE NEW OPPRESSOR.

No one denies that the subject of this revolutionary contest was money, and money was claimed to be the new oppressor. No longer the sword of the invader or the tyranny of the king, but a thing called money was said to be wronging humanity.

Was this claim justified? If it was, mere defeat can not suppress it, and the wrong must be undone. A proper understanding of so great a question is the duty of every man who loves his country. A revolution such as has been described can have no other basis than that of human suffering—some great wrong to the masses of men.

Let us examine the claim thus forced upon us, that through the instrumentality of money men have been wronged. The debtor says that by process of law the creditor has been given such undue advantage that in the progress of years the debtor has grown poorer while the creditor has absorbed his substance. It is asserted that by an artificial process of cutting off from the use of mankind a portion of nature's supplies of the precious metals the instruments of exchange and the measures of value have been so reduced in quantity as as to make them more valuable; that without effort or labor the owners of these instruments have gained unjust profit, while the producers of wealth have been deprived of the just rewards of their toil. These claims would make it appear that, after mankind had accepted two precious metals as the value measure of the products of the earth and of human labor, laws were secured by which one of these metals was discarded from the system; that thereby the remaining metal became more valuable year by year; that year by year with increasing scarcity it measured out more and more of the products of industry to be taken from the debtor in payment of his obligations, and that these exactions have proceeded to such a point that human industry can no longer bear the increasing toil, and that in justice to industry these exactions must be stopped, even if the wrongs already suffered can not be undone.

THE DEBTOR'S TRIBUTE TO THE CREDITOR.

Let us examine in the first place the justice of the claim that the decrease in the volume of money takes from the debtor and gives to the creditor. The importance of this question must appear from the fact that for every creditor there is at least one debtor; that the creditor is favored by nature while the debtor is burdened, and that the process of extracting from the debtor the products of his toil can not go on without creating an ever-widening gap between the two classes and drawing the bounty of nature from the lap of one and heaping it upon the lap of the other. Clearly this process contains in its ultimate results the ruin of the debtor and the accumulation of the world's wealth into the hands of those who have the power to draw it to themselves. It must be conceded that "distribution of wealth," as statesmen and philanthropists understand it, must act in precisely the opposite direction if poverty is to disappear and the injustice of mighty fortunes is to be decreased.

EFFECTS OF MONEY SUPPLY ON HUMAN WELFARE.

The historian Allison uses these words: "The two greatest events which have occurred in the history of mankind have been directly brought about by a successive contraction and expansion of the circulating medium of society. The fall of the Roman Empire, so long ascribed in ignorance to slavery, ignorance, heathenism, and moral corruption, was in reality brought about by a decline in the gold and silver mines of Spain and Greece. * * * And as if Providence had intended to reveal in the clearest manner the influence of this mighty agent on human affairs, the resurrection of mankind from the ruin which these causes had produced was owing to the directly opposite set of agencies being put in operation. Columbus led the way in the career of renovation; when he spread his sails across the Atlantic be bore mankind and its fortunes in his bark. The mines of Mexico and Peru were opened to European enterprise."

Professor Cairnes, a distinguished gold monometallist of England, has demonstrated that the discoveries of silver in New America produced rising prices, set on foot a host of industrial and commercial enterprises, and wonderfully stimulated the productive activity of the whole world.

LIBERTY BORN OF PLENTEOUS MONEY.

The late lamented citizen and friend, Gen. Francis A. Walker, speaking of this new supply of precious metal in the sixteenth and seventeenth centuries, says: "We may say that to this cause is attributed by sound and conservative writers the hastening decay of the obsolete feudal system; a decline in the hereditary revenues of monarchs, which, in England at least, contributed greatly to promote popular liberties; a redistribution of wealth which, while it worked deep injury to many deserving persons living on income derived from the past, yet contributed greatly to forward the material and intellectual progress of mankind; a rapid growth of burgher populations, prompt to resent the encroachments of priests, king, and noble, and a rising spirit of self-assertion on the part of the mechanic and artisan class."

General Walker elsewhere asserts that "effects of similar character, but more extensive in their range, followed the gold discoveries of California and Australia."

It would thus appear, and, indeed, is undisputed among responsible historians and economists, that the increasing supply of the precious metals to the monetary system of the world has not only been important, but has broken the fetters of feudalism and monarchy and inspired men to assert their liberty.

UNFAIR DENIALS OF ADMITTED FACTS.

It seems astonishing that, in the face of admissions by the leading gold monometallists of the world, of the unanimous reports of English commissions of inquiry, and the consensus of economic opinion throughout the world, there should be any denial of the mighty influence upon civilization itself of the supply of precious metals from the mines. As General Walker once wrote concerning a similar proposition, "One has to go as far away from the centers of educated financial opinion as Boston, New York, and Chicago to find men of position who are capable of denying it."

John Stuart Mill, Ricardo, Adam Smith, Jevons, Cairnes, and Giffen, authorities upon whom gold monometallists rely, admit the undeniable fact that insufficiency in the supplies of gold and silver have always produced industrial depression, while liberal supplies have never failed to give an impetus to industry and cause prosperity to bloom. And upon the same authorities it appears as a fact and not an opinion that the falling off in the annual supply of the precious metals has invariably been attended with a general fall in the prices of products, and additional supplies of money metal have brought on periods of rising prices.

It would be almost an affront to state these plain facts in this presence were it not that there are many men, honest-minded and eager for the truth, who have been misled in the recent discussions by the almost unanimous and entirely brazen denials in the gold press of these well-established facts.

NATURAL AND ARTIFICIAL VARIATIONS.

It needs little argument to show that expansions and contractions in the supply of precious metals caused by nature are in no wise different in their effects from those caused by the will of man. But the natural fluctuations have been only periodical, and always measured by the utmost capacity of man to bring these precious instruments of prosperity out from the bowels of the earth. These fluctuations must be endured so long as nature fixes the limit, but no economist denies that a regular, increasing annual supply corresponding to the increase of population and production is for the best interests of man, and secures that one principle in monetary science which all admit as vital, viz, stability. In recorded history no instance appears in which a nation has suffered from an excessive supply of metallic money.

THE RUINOUS EXPERIMENT OF MONOMETALLISM.

But we came at last upon a wonderful innovation which set at naught the universal experience and practice of mankind. Since history began, man has searched eagerly the wilderness and braved its dangers that he might find the treasures of gold and silver, the one as well as the other, until at the end of thousands of years men have arisen who declare that one is precious and the other is base. Within the lifetime of those here assembled presumptuous man has discarded the teachings of history, of statesmanship, of philosophy, by his attempt to adjust the mighty mechanism of human transactions to one metal instead of two. Surely we are not mad who appeal to an experience so universal and invariable that it seems almost to have divine sanction.

What shall we say of a physician who studies the red drops in our viens and finding white cells floating with the red declares these latter harmful and applies a process to remove them? The patient weakens and sinks. In our industrial system, mayhap, some wise men have tried a like experiment. The body politic languishes and suffers. Oh, the wise man, the blood of industry is money. Give back the white corpuscle. But what shall be said further of this physician who answers our protest impatiently, then abusively, and at last with curses? "What do you know of medicine? You must have confidence." Alarmed and ashamed, you continue the doses, and the pangs increase. But what can his motive be? Poor patient! It is his fee. Show him the door and live.

MONOMETALLISM BEGINS ITS WORK.

From the great gold discoveries in the middle of this century down to the end of the third quarter the world was content with its progress. Huge strides were made in invention, which revolutionized the conduct of human affairs, but with the beginning of the fourth quarter of the century there were strange complaints. In 1876 there was a select committee appointed by Parliament in England and a similar one in the United States to inquire into the depreciation of silver. In 1878 and again in 1881 the nations conferred together upon the advisability of restoring silver to its ancient place. In 1885 there was appointed in England a commission on the depression of trade. In 1886 there was a gold and silver commission appointed in Great Britain. In 1892 another international conference was held. In 1895 England appointed a commission to inquire into the depression of agriculture. In 1896 an international congress of agriculture met at Budapest and declared that agricultural depression prevailed in the entire gold-using world.

What is this new symptom in the affairs of men? Why was there prosperity in the third quarter and depression in the last quarter of the same century? In answer we must consider one vital change which distinguishes the two periods. In the latter period, by the voluntary act of the civilized nations, practically all the new supply of precious metals has been cut off. One metal has been deposed from its debt-paying function, while of the other metal, gold, hardly enough has been produced each year to supply the arts and make up the wear and tear of the existing coins. Thus by one stroke the increase of metallic money of full debt-paying power was practically stopped and the inevitable result began. Population was increasing and production was swelling, while the existing monetary supply must suffice to do the added work. As such decreasing supply must measure also the increasing products it need not be said that those products measured in money became steadily cheaper.

FALLING PRICES AND THEIR EFFECT.

A period of falling prices began which has continued with comparative steadiness. It is not denied that the staple products of the world have fallen yearly in money value, until they are now about one-half as valuable as they were twenty-four years ago. This statement, to those who view it carelessly, may seem a harmless proposition, but indeed it involves civilization itself.

Without endeavoring to enter into extended argument it may not be without profit to ask every business man here present to put to himself some plain and simple questions concerning the force of falling prices, which will be found at the end, perhaps, of a still sadder experience to be mightier even than the cannon and the sword.

According to the chart of prices, which is universally accepted, the average of prices of the staple articles of commerce fell, during the year 1894, 10 per cent. Let it be assumed that you, at the beginning of 1894, were a producer of cloth at 100 cents per yard in the market, which fell to 90 cents at the end of the year. At the beginning of the year you borrowed $10,000, which would purchase, at 100 cents, 10,000 yards of your product. At the end of the year you pay your debt and must sell 11,111 yards at 90 cents for the purpose. Here, in some manner, there has been taken from you 1,111 yards of your goods, which, at 90 cents a yard, represented $1,000 of money. Who has gained this? Surely no one else than the money lender. With the fall in all goods your 10,000 yards will exchange for as many goods at the end of the year as at the beginning. In the exchange of goods, therefore, you suffer no loss, but when you pay your debt you find that money alone has not shared the fall. When you buy money to pay your debt you pay in goods 1,111 yards more than were due when the money was borrowed. Among your companions in industry you can exchange products on the same basis as before. Only one thing demands more at the end of the year, and that is money.

FALLING PRICES MEAN RISING MONEY.

Has there been, indeed, a great conspiracy of all the staple products to fall in price which money alone has not joined? It is, in fact, the banker from whom you borrow who alone requires more products in payment. By what right does he justify his gain? Has dead money any right which live labor does not possess? Its fair profit has already been paid in interest, why should the principal increase?

My friend, it is but a small bridge you have to cross betwen error and truth. You have only to learn that a general fall in prices is not a fall in the value of goods, but a rise in the price of money, a price which is paid in products. When silver is reduced to the level of a commodity it falls inch by inch with other goods; gold alone rises. Where you are deceived is in a name. You see a dollar still 100 cents and declare it immutable while everything else falls. The whole problem is easy and natural when once you realize the stability of products and the rise of money.

COMMODITIES AS PURCHASERS OF MONEY.

If you are disposed to give this question frank study depart for a moment from your practice of treating the dollar as a standard of comparison, and attempt honestly and in accordance with the universal practice of economists to treat gold, and the money which is composed of and based upon gold, as things that shift in value as all other properties in the world admittedly shift. The business man deals in the main with stocks in trade, with the products of industry, and as these are his wealth he ought not to refuse to consider the interests of his own wealth as compared with those of the money holder.

If you would solve the problem truly you will inquire, not how much gold it takes to buy a given amount of your product, but how much of your product it takes to buy a given amount of gold. If you will buy money with goods and not goods with money the difficulty disappears. In the year 1894, when there was a general fall of 10 per cent in the price of commodities, you bought a dollar with ten of your articles, while at the end of the year you must have given eleven to secure the same dollar. It need not be said that there are certain fluctuations of price which affect specific articles at various times, but it is impossible that the whole body of the world's goods should fall or rise simultaneously in actual exchangeable value; and we are dealing here with a fall of prices all along the line averaging 10 per cent in a single year.

PRICES STABLE IN FREE-COINAGE COUNTRIES.

It will bring this question, apparently so simple, but yet so difficult, closer to comprehension if you inquire simultaneously of two persons in this matter. Ask the East India merchant whether his goods have fallen and he will answer no, while the London or American merchant will answer yes; for where silver is the standard these fluctuations in price have not been appreciable, but for twenty years there has been substantial stability in the money price of all articles of domestic production. When all articles are stable in silver-using countries which trade with each other, is there not a conclusive demonstration that in the one case the money measure has been stable and in the other case it has risen in value, and thereby measures a larger amount of commodities in exchange than it did before?

But, whether this proposition be admitted or not, one thing must be apparent, that the Indian merchant who has borrowed money at the beginning of the year pays back only the same amount of products as his loan represented when it was made. If, therefore, the proportion of gain in manufacture has been during the year 10 per cent of the output, the Indian merchant retains his 10 per cent as profit, while you pay it to the banker. If your taxes are the same in amount you must sell 10 per cent more of your products to satisfy the same amount in taxes. The Indian merchant has experienced no change. If the banker has thus secured your year's profit the story is not yet ended, for with the general fall your plant, your real estate, machinery, stocks of goods, and all instruments of production have fallen in like measure, and you find yourself at the end of the year reduced 10 per cent in your capital, and even more, need it be said, in your borrowing capacity; for as your property depreciates your credit goes with it, and if your profits have been nothing your credit becomes more questionable.

FALLING PRICES MEAN BANKRUPTCY.

From your experience a broader lesson may be taught.

Credit is not determined by a currency, but by prosperity; and as with you so with the country. The only true financial policy is one which will permit honest labor to earn a sufficient surplus to pay debt and to retain something of the profit. Applying your experience of a year to the whole field of industry, let us consider how your experience of this year will affect your industry through a series of similar years of falling prices. Each year you will pay your tribute of money and each year treats you with a loss. How soon, with rising and all-absorbing money and with falling assets, you are loaded with debt and must go into liquidation is merely a question of time. No country, however wealthy, can bear this process. Sooner or later the time will come (as it came within your memories in the awful years from 1873 to 1877) when industrial properties seem worthless and ready money can buy almost anything at any price. That awful period followed a violent contraction in the money supply of the country, as you well know, while in 1896 the whole civilized world is suffering the same results. If, as no one can deny, steady contraction of the supply of gold money has been going on since 1873, need we look further for the cause which has brought not only the industries of the United States but those of Great Britain and Continental Europe into a state of dread and misery.

OUR INDUSTRIAL DEPRESSION NOT CAUSED BY SILVER COINAGE.

We were assured that the panic of 1893 was caused by the excessive coinage of silver, while we know as a fact that, with the collapse of the Argentine Republic in November, 1890, the great house of Barings had failed, and that the banks of Australia were in liquidation before we had felt even the first touch of panicky conditions. The general fall in prices in these two countries caused their prostration earlier than ours, because their debts were in larger ratio to their wealth than with us. Indeed, it was a gold monometallist, Mr. Giffen, who in 1888 predicted these troubles in Argentina and in Australia from the constant increase of the amount of commodities required to pay their debts. Is not his reason significant when attached to a prophecy that was so shortly fulfilled? Wool and wheat, the products of these countries, had year by year fallen in money price until the farmers of the Argentine and Australia were shipping to their English creditors nearly two bushels of wheat and 2 pounds of wool where one had formerly sufficed. Need it be said that in like manner foreign creditors have been drawing from us, the debtors, more and more each year of the products of our toil, and it is not surprising that Mr. Harcourt, representing a nation of creditors, should exclaim in derision, "Now, it is expected of us that we shall go around the world begging that we shall receive less merchandise for our gold."

TRIBUTE TO FOREIGN CREDITORS.

Last year we exported one hundred million dollars worth of merchandise in excess of imports. That $100,000,000 went toward the liquidation of our indebtedness, while upon the basis of the prices of 1873 it would have liquidated $200,000,000 of indebtedness. In the four years 1892 to 1895, inclusive, the excess of our exports over imports was $500,000,000, which in 1873 would have liquidated $1,000,000,000 of our foreign indebtedness. This process of falling prices has extracted 500,000,000 in four years from our industry and delivered it into the hands of foreign creditors, and while our debt-paying power is being cut down and our farmers impoverished, we wonder that there is a cry of distress, and that the debtor is at last claiming justice at the hands of the creditor. Each man or woman before me is paying his or her share of this tribute, and the end is not yet. Truly it would seem that Jefferson was wise when he said, "The bulk of mankind are schoolboys through life. These little perplexities in figures are always great to them."

SUPPLY AND DEMAND REGULATE VALUE OF MONEY.

These few moments to-night will not permit citation of authorities upon the crucial proposition which we have already considered—that money varies in its value, like any other human thing, according to demand and supply. Locke stated the fact to be that "the value of money in general is the quantity of all the money in the world in proportion to all the trade." John Stuart Mill, Ricardo, Adam Smith, Jevons, Bagehot, Giffen, Goschen, and, indeed, all the accepted authorities in political economy, have repeated and affirmed this law. It has remained only for the servants of a corrupt money power to deny before the American people the indisputable facts, facts which the great gold monometallists whom I have cited would blush to question. Hard words seldom help a cause, but, if ever temptation existed to use them, the gold press and advocates in the late campaign have given it. Yet this gathering would fail utterly were not some suggestions thrown out which may lead honest men to reverse opinions which were based upon dishonest statements, and, indeed, upon falsehoods which seem to be almost unchallenged in the East, because the metropolitan press reiterates and indorses them.

THE STRAIN OF DEMONETIZATION.

A few figures will prove the immense strain which has come upon the business of the world by the demonetization of silver and the throwing upon gold of the whole burden of commercial transactions. During the decade from 1850 to 1860 the annual average of the coinage of gold and silver was about $200,000,000. Between 1881 and 1890 the figures were not materially different, but in the mean time the whole burden of commerce had been thrown upon gold, while the production of gold had decreased one-quarter. To this situation let us apply the rule of Locke.

Statistics show that in this period while the supply of gold was diminishing, there has been a gain of 40 per cent in the population of the civilized world; that commerce has increased more than 300 per cent, and the banking power of the world has increased tenfold. The distinguished statistician, Mulhall, states that the deposits in the banks of the world in 1850 were $135,000,000, and in 1889 were $3,800,000,000. In other words, the bank deposits have increased twenty-eight fold during the period in which the annual coinage supply of commercial money has decreased nearly one-third. It would not seem extravagant to prophesy out of such conditions, not only depression, but possible ultimate collapse, which will shake the commercial world to its foundations.

It is true, you are assured that credit instruments have to a great extent supplanted the coins, but the business man well knows that the credit system is based upon the money supply and that any diminution of that supply is dangerous to the whole system. At the present time bankers and nations are holding to their gold with misers' hands, and business conditions grow worse day by day. This country, it is true, has suffered more than any other in the exhaustion of its gold, until, with wealth far exceeding that of any other nation in the world, its supply of gold per capita is probably smaller than in any civilized nation. Were this country to possess a gold supply equal per capita to that of France we should add a thousand millions to our present supply. Thus, in the gold war, and in the struggle against falling prices, we are more defenseless than the nations of Europe, which can also, under our ridiculous monetary system, sap us of our gold at any time, as they did with such injurious effect in the years 1894 and 1895.

BIMETALLISM WILL RESTORE PROSPERITY.

It is not proposed here to discuss in detail the merits of bimetallism, yet the facts of the perilous position of industry and finance ought to be thoroughly understood before our people are called upon again to face this question in a political campaign. What has been stated is not intended to alarm or discourage, but to prepare the business community to give to the bimetallic cause its final cooperation when this system of falling prices shall have wrought out its logical results. The present is a period of suspense and of hope, and while we may join in the hope, and long for a prosperity which we too shall share, we have not been surprised that the success of the gold standard in politics has only brought added misery to the business community and the world of labor. We have every motive to triumph over our opponents because they have so miserably failed to redeem their promises to the people, but, alas, we share with all in the misery, and ours is the greater hopelessness because we have no confidence in the proposed plan of restoring an impoverished people to prosperity by increasing its taxes. There are no enemies of prosperity in our ranks. We are content with our position in any event. If prosperity comes we shall welcome it with the rest. If it shall fail, then the truths of our doctrine will become brighter and our efforts will be crowned by a grateful people. We shall restore to the world the monetary basis upon which the world stood until twenty years ago.

EFFECT OF LEGISLATION UPON MONEY.

With one of the vital propositions in this question we have dealt, viz, the effect upon prices of a diminished supply of money. The second, which much confuses even the honest thinker, is the ability of legislation to restore the former value to a now depreciated metal. If the phrase were used, "a now demonetized metal," we might get the key to the question under discussion, for who can doubt that the abandonment of silver as a full legal-tender coin has brought about a depreciation of that metal, and that its remonetization by the same nations will restore it to its former place. Upon this question there is less doubt than there was four years ago. We have seen, after the demonetization of 1873, this metal fall steadily in value to be revived only and sustained for a time by the passage of the Bland law of 1878. We have seen it then fall again until the passage of the Sherman act in 1890, when it rose almost to its coinage value in the markets of the world. Again in the summer of 1893, between the months of May and August, we witnessed a sudden depreciation amounting to 15 per cent through the act of the Indian Government in excluding silver from coinage. Another fall of 15 per cent occurred within a few weeks after the passage of the law which repealed the coinage provisions of the Sherman act.

These experiences prove sufficiently that legislation does unmake the value of a coinage metal, and as the withdrawals of the law reduced its value so will the support of the law raise it again to the point where the commercial nations of the world choose to hold it. Should the law be withdrawn from gold it would fluctuate like silver, copper, or wheat and fall in price just like as silver has done.

SUSTAINING THE RATIO.

For seventy years France substantially held the ratio of $15\frac{1}{2}$ to 1 throughout the world. This can be done again. In wealth and population we are stronger now than was France when she held the ratio. Yet it was boldly denied during the late campaign that legislation could affect the value of coinage metals, and it was even brazenly insisted that the free coinage of silver by this wealthiest of all nations would still leave the silver dollar worth 53 cents in bullion. Indeed legislation alone gives value to money, as money is made by governments and the stamp gives the money value, whether it is silver, gold, or paper. It is because the nations agree to the conversion of metals into money at a fixed ratio between them that the price becomes conclusive upon the world. So, as in the middle of this century, unexpected millions may be drawn from mines, all convertible into money, and there is no change in the relative value of the metals. The arts, it is true, are large consumers, but their effect is trifling, and dominated by the monetary use.

THE GREAT DEBT-PAYING POWER.

It must be noted that the dominant use of metals as money is actually a use. The money is not idle, and if it were not valuable to Government the mint purchase would instantly cease. What is this use? It is not eaten; the arts can flourish without it; the wear and tear is but slight. What then is the work that has for centuries given the value and influence to these metals? In answer it may be said that the work of money is greater than that which any single commodity on earth has to perform. It is a universal liquidator of debts. The precious metals are commodities which, when stamped with the Government die, the commercial nations compel everyone to receive in payment of every obligation. It is not a question of billions but of trillions. If they be tendered and refused the debt can not be otherwise enforced. It is this great law of legal tender which fixes this mighty use. Because the stamped bullion of the world will do the supreme work of paying all the debts of the world it can not fall below the measure fixed by the world's tribunals. So many ounces of gold, so many pounds sterling, and all men shall receive it for debt. Such a law is clearly all controlling if the nations of the world unite to fix it upon all men. The debt-paying power is the greatest power given by human law to any finite thing. The demand for wheat may fail absolutely and corn may take its place, but when every commodity on earth is made by law convertible in sale into a given amount of gold, the gold must become the ruling commodity of the earth.

This single debt-paying function is one of insatiable, inevitable, and eternal demand. It is the regulation of the contract relations of the world. It rules commerce; it makes and unmakes exchanges and becomes indispensable to man. So mighty is this debt-paying capacity that paper endowed with it by law will perform the function of gold. There are limits to this power, it is true, but that redeemable Government paper, if given full debt-paying power, and limited in amount to the necessities of exchange, will perform the exchange function of gold history has repeatedly proved. It is because of this tremendous utility in the discharge of debts that a scrap of paper can become a mighty instrument. In short, a thing which will pay every debt in the world is the most powerful thing in the world. If the law undertakes to define the things which shall exercise this tremendous function the law should be framed to do justice to the people upon whom the instrument is imposed.

THE QUANTITATIVE THEORY OF MONEY.

Can anyone doubt that the quantity plays a great part in the operation? Clearly everyone who exchanges is in search of this instrument. The more the exchanges the more vital it becomes.

The struggle for money is not a figure of speech; it is an awful reality. I may have a palace, a mine, and a factory, but if I can not obtain money to satisfy my present debt I am a bankrupt. I must get it somehow, at any sacrifice, or commerce pronounces my failure. Every business is regulated so as to command money at the necessary time, and other assets will not answer the purpose. It is the food of industry which must be obtained or industry dies. To assert, then, that the amount and location of lawful money are not of importance, yes, of supreme importance, is to affront reason and to encourage a dangerous error. If there is not enough for me, or if it is where I can not get it, nothing else is able to rescue me from ruin. I must go down, as thousands have gone down, to failure and disgrace, though the fruits of my toil and sacrifice lie abundant about me.

At such a time what shall I say of the law which has forced me to this single method of paying my debts and then failed to supply the necessary amount at the necessary place to enable me fairly to obtain it? Would I not give any amount of my products to prevent this disaster? Assuredly. I would not ask the price, for necessity commands. I would sell cheap, cheaper, and yet cheaper, if you would give me this single instrument for the satisfaction of those who have a claim on all my assets. This is not extreme. These very occurrences were common in 1893 and 1894, when there was a general tendency to withhold money and to refuse it in exchange for products. It is admitted that $15,000,000 of gold, sent from France to London upon the failure of the Barings, averted a disaster which would have affected the whole world. If the Government allowed me to tender a piece of ground, or some mineral from the mine, or goods from my factory at a given rate, I should not be at the command of the money lender.

EXACTIONS OF THE MONEY LENDER.

To leave the debtor and consider the lender offers new developments. If he can lend me when money is plenty and limit the supply when I pay, it is clearly to his advantage, because I must sacrifice more goods to satisfy him. If he lends when money is scarce he gets high rates, and if he can keep money scarce he can also make me sacrifice in payment. Locally we can conceive of one man in control of all the loanable money, and it needs no detail to show how he could withhold his supply both to obtain a high rate and to exact unfair advantage in payment. We may make every allowance conceivable for generosity and fairness, the motive is all one way and the borrower is helpless. Extend this scene now to the national field, and the element of selfishness in motive increases with the size of the field. We may expect to find the wealthy and compact sections playing a money game without much consideration for the remote and poorer sections, which are, as it were, a sort of retail customer, hard to reach and small in trade. High rates and special returns are inevitable. In such case money is not a measure of value but of power.

But go beyond the sea into the whole world and motives of national and sectional good disappear. Here is the creditor with his bond, who feels no mercy. Clearly, if he can limit the money supply and get two bushels in payment where one sufficed when the loan was made, he will do it. If he can increase his annual return we must expect it. We ought to find the manipulation of currencies and debts on a grand scale when the world becomes the debtor; and this scene is not wanting. To say that the mass of mankind, which has need of money because it makes contracts, has no interest in maintaining a full and generous money supply and to curb the greed of the lender, is to make a farce of political economy. While the control of the majority is the accepted principle of government, it is not difficult to see how a few can be made to own the majority, if money, the great instrument for subjection, is under control. Behind stands the cannon to sweep the way through flesh to rescue property. In 1896 all the powers of capital flew to the defense of its control of money.

A DEPRECIATING DOLLAR HAS BECOME HONEST.

Now, let us be honest and bold in truth. At this moment what is called a depreciating dollar is the only honest dollar, because an appreciating dollar has wrought ruin to mankind, which must be reversed. There is no morality which can drag men down to suffering. There is no honesty which demands the lifeblood of an industrious people. Civilization shall not be wrecked on an ungodly falsehood. The wrong must be undone in the name of business, of labor, of humanity, of Christianity. The business man shall not longer pay back more than he borrowed; labor shall not be cut down to starvation; humanity shall not tramp a fertile land in search of work; Christianity will not turn this beautiful House of God into a temple of money changers. If you take from me more than you lent you rob me. If I pay you that share of my labor which your loan represented I am honest. What matters it if you rob me with a dollar or a slung shot? Much matter. If you rob me with a dollar I lose all and starve; the highwayman takes what is on my person, and I have been merely stunned. Yet the one seems to be honor, respectability, wealth, power, leadership, a crown of human glory, while the other is base, criminal, to be hunted down, imprisoned; yes, lawfully shot in the act.

UNPRINCIPLED WEALTH.

We will not charge to the wealthy, as a class, a deliberate purpose to do wrong, but there are those who know the truth and are thus responsible for the offense. Those newspapers, for example, which suppress the truth for gain; those leaders in finance and business who see their profit in the sufferings of men, and hatefully try to degrade and discredit us who plead for justice. These we put in the pillory. In the face of the awful bankruptcy which has hung over us for four years, it is not right for us to join in the cry of hope when there is no hope. Would to Heaven there were, and that we might join in the common rejoicing, for while we object to ruin we shall share in the common prosperity.

TARIFFS AND TRUSTS THE CREATIONS OF MONOMETALLISM.

And most pitiable is the misunderstanding out of which the cry for a protective tariff and a denunciation of trusts arises. There is nothing to be expected but tariffs and trusts till the world's experience of the last twenty years is reversed, and both the precious metals are brought to coinage. DeLaveleye long ago declared that monometallism had killed free trade. We can not blame men for seeking the protection of the law when each year is reducing their assets, increasing their debts, and cutting off their profits. With falling prices the time comes when competition is fierce, because men must keep out of bankruptcy. The first demand is that foreigners be excluded from the contest, and a tariff results. Then home competitors, groaning, bleeding, and fainting, call a truce, combine together to stop the fall of prices, to cut down duplicated expenses, to halt the deadly competition. That is the trust. We have recently heard that the sugar trust was formed after years of competition which yielded no profit. Most of the trusts can say the same. Do not be hasty, friends; Mr. Searles was not all wrong. How else shall this deadly conflict be averted? It is a union for defense continued until the great staples of trade stand combined. In success their methods, it is true, are wicked and their power abused, but it must not be ignored that the falling prices of twenty years are the main cause of these developments in our industrial life.

THE RICH RICHER, THE POOR POORER.

But, who pays the bills? "Aye, there's the rub!" It is they who must have these staples for life—the people at large—who can not combine, but must eat, drink, be fed and comforted, and while they still suffer, helplessly, the constant fall in the price of their products they are also the contributors of the profits, just and unjust, which the trusts and protected industries can exact. Thus the unprotected pour from their ever-scantier earnings into the coffers of those who are strong enough to resist the blows of falling prices. Thus have the people been drained of their wealth, and suffering pervades the mass of the workers. Their wealth has been collected by the powerful. The rich become richer and the poor poorer because the one can avert the drain of falling prices and the other can not. Great fortunes accumulate and men decay, and from this inequality, this injustice, this feebleness under extortion went up the cry of 1896 which must be answered with justice. They were seen issuing from the cave of Adullam, those in distress, in debt, and discontented; but they were the people, their leader was the King, and God knew that David was fleeing from the murderous javelin of Saul.

UNLAWFUL WEALTH.

We return at every point to the central issue of "the distribution of wealth." It will hardly be denied that it would be a gain to the Republic if the enormous fortunes of the wealthy few in our land had been distributed into competencies for the deserving and the industrious many. It is not proposed to accomplish such a result by communistic methods, but that we should shape our public policy to discourage monstrous accumulations in the present and the future is a healthy proposition. This appears with added force when the methods are studied by which great fortunes are accumulated; and here lies the spark of our policy which may kindle a forceful and productive fire beneath the boiler of politics rather than the wasteful and destructive conflagration of anarchistic fires.

It is not righteous that men should fatten upon their fellow-men under the protection of the law. Those fortunes are unchristian and hateful which are built upon stock jobbing, upon financial piracy and violation of law, fraudulent capitalization, railroad wrecking, suppression of honest competition, tax dodging and discrimination, unequal railroad rates, oppressive litigation, political jobbery, manipulations of money markets, oppressive monopolistic rates, exactions from the weak, judicial, legislative, administrative favoritism, and mighty conspiracies of the strong and wealthy. These are evils which the great arm of the Republic should cripple for its own safety; and each one of these evils has its root in selfishness and greed. Fortunes gained by these means are ungodly. If they are not unlawful, they must be made unlawful. Progress made with these instruments is toward the brink of dissolution for our Commonwealth.

DEMOCRACY MUST PROVIDE A REMEDY.

The forces of 1896 were gathered to contest with all these evils. The Democracy is not unequal to the task, nor should it fear that its doctrine of individualism will be perverted If all the evils are to array themselves in solid and stolid opposition how can man withstand unorganized? The socialistic tendency is one of protection and not of choice, and if assaulting forces are mighty in organization one of two courses is open—either to break their organization or organize more powerful than they. To regulate organized power is the problem with which we have been dealing. This failing, the combined power of the right must be utilized, and the only recourse now apparent is the government of the people. If such political method be called socialism it will not threaten unless the enemy can not be put down with the present system. To accomplish our ends it will not suffice to make laws. There must be an awakening of the public conscience. We must excite confidence in our purposes, in our methods, and our deeds. It is true that we have been misrepresented and

A DESPERATE CONTEST TO COME.

that we shall still be held up to scorn and derision, but all these forces of intimidation must find us strong and dutiful if the mighty work we have undertaken is to be carried out. We attack those who hold the great forces of civilization, who can indeed make us unhappy, who can degrade us in the eyes of men, and we must have the faith and courage of Christian men to make the sacrifices that are before us. Something was gained by our patience under abuse in the last campaign; something has been gained by our exhibition of loyalty in accepting the results of the late campaign, even though we believed that we had been juggled out of a victory. We have the sympathy of hundreds of thousands who were honestly alarmed in the late campaign by the false cries of our opponents. The business community is disgusted with the false prophecies of prosperity and is now more willing to give us an honest hearing. If our cause is just, time will not weaken it. We can afford to be reviled if we ultimately shall be justified. A glory born of suffering is the highest known to man.

RESCUE OF THE COMMONWEALTH.

The aim of our new civilization is not the special but the common wealth. This aim has been perverted and inverted by the processes of this generation. The many cry out to us for justice, and ask but the reversal of false laws, which heap up mountains of wealth while the multitudes starve in the valleys.

Let us stand as warriors for the rescue; a rescue to be accomplished at any price which nature demands. Selfishness and greed have triumphed long enough, and it is time that Christian sympathy found valiant champions. The contest will not be easy, but desperate and cruel. But if we prevail we shall subordinate money to humanity; we shall lift up the suffering, give a smile for tears. It is worth all sacrifice to bring back hope, goodness, charity into the hearts of men. We are enlisted for the cause, even though the scribes and chief priests seek how they may destroy us.

"THE GOLD FAMINE."

[ADDRESS BY HON. FRANCIS G. NEWLANDS, AT CARNEGIE HALL, NEW YORK CITY, ON FRIDAY EVENING, MARCH 5, 1897.]

Mr. Henry M. McDonald, president of the New York Bimetallic Association, in introducing Mr. Newlands, spoke as follows:

LADIES AND GENTLEMEN: The widely separated sections of this country represented by those who deliver the addresses making up this course indicates that the money question is not local, but national in interest and character.

Already two exceedingly able addresses have been given by our great leader, a resident of that State whose broad prairies merge themselves into the foothills of the Rockies. The speaker of this evening will be followed by one whose home is the "Zenith city of the great unsalted sea of the North; the course will be closed by one coming from the State upon whose bleak shores the Pilgrim Fathers landed well toward three centuries ago; while to-night we will be addressed by a resident of the far off Silver State, the Hon. Francis G. Newlands, whom I now take great pleasure in introducing to you.

Mr. Newlands spoke as follows:

ADDRESS OF MR. NEWLANDS.

LADIES AND GENTLEMEN: I have chosen as the subject of my address this evening, "The Gold Famine," and I propose to show the effect of the scarcity of gold upon the prosperity of this country. In order to avoid misunderstanding, let me say at the start that I do not contend that the quantity of gold in the world is diminishing. On the contrary, it has steadily increased and during the last two or three years its production has been greater than ever before in the history of the world. I simply contend that owing to the demonetization of silver the world's requirements for money have gradually been thrown upon gold alone, and that these increased requirements have so largely outstripped the increased production as to create a gold famine, with its concurrent results of the appreciation of the value of gold and the depreciation of the value of property measured in gold.

Throughout the ages gold and silver have stood side by side as the acknowledged money metals of the world. In 1816 Great Britain went to the gold standard and the only nations which followed her example prior to 1873 were Portugal and Turkey. I imagine that it will be difficult for those who contend that the gold standard was the cause of England's greatness to account for the feebleness and impoverishment of Portugal and Turkey. However this may be, I wish to call your attention to the fact that prior to 1873 almost all the nations of the world used gold and silver, and admitted both metals to coinage at a valuation of about 15½ ounces or 16 ounces of silver to 1 of gold, and the relative value of these metals was maintained by free coinage. In 1873 commenced the movement of the various nations of the world toward the gold standard, in which movement the United States unfortunately took the lead, her example being followed first by Germany, then by Sweden, Denmark, and Norway, then by France, and later on by Austria and Russia and other countries. The effect of this movement was accurately predicted by Dr. Linderman, the Director of Mints of the United States, in his report for the fiscal year ending June 30, 1873, and as it is really the basis of my remarks, you will indulge me while I read a few sentences. He says:

> The countries adopting gold as the sole measure of value have, as a necessary consequence, assigned a subsidiary position for silver. This system increases the use of gold as money and decreases that of silver for the same purpose, or, in other words, enhances the value of one and depreciates that of the other. While the demand for gold for coinage has materially increased, large quantities of silver hitherto in circulation as standard money in Germany, Denmark, and Sweden and Norway, and constituting treasury and bank reserves in those countries, will, by the substitution of the gold standard, be thrown on the markets as bullion and aid in its further depreciation.

And on page 21, under the head "Increasing demand for gold," he says:

> The gradual adoption of the gold standard and the consequent demonetization of silver will, of course, be followed by an increase in the value of gold, or, what is the same thing, a decrease in the price of articles measured by it. Indeed, it is quite certain that this effect is already perceptible in some portions of Europe. Be that as it may, however, it is safe to assume that Germany will soon have substituted three hundred millions of gold for silver hitherto used as standard money, and that Denmark, Sweden, and Norway will require nearly as much more in consequence of changing their standard from silver to gold. Now, add to the foregoing the requirements of France and the United States in the near future, and it will be readily understood that gold must appreciate in value.

This report is curious, for, though it was written in 1873 by a gold-standard man who approved of the demonetization of silver, it admits what has been so vigorously denied by the gold devotees of modern days, that the inevitable effect of denying silver free coinage is the appreciation of gold.

You will observe that the prediction of Dr. Linderman has been verified by events. There has been for many years a gradual decline in prices which has disastrously affected trade and business, and has injuriously affected the relations between the debtor and creditor classes and the debtor and creditor communities.

I shall not attempt to enter into any elaborate proof that prices have declined, for this is a matter that is in the knowledge of everybody. We all know that prices of products have seriously diminished, and that, on an average, the property of this country in its various forms has diminished from a third to a half in value.

Now, what do we mean when we say a thing has diminished in value. We mean, simply, that its money price has gone down, and, as the money movement of the world has tended to make gold the only money, we mean its gold price has gone down. In other words, a given amount of gold will buy more of products and property, and so, as compared with products and property, gold has gone up, and, as compared with gold, products and property have gone down. You will observe, therefore, that the terms are correlative. Depreciation of property means gold has gone up. Appreciation of gold means that property has gone down. We all recognize the fact that values are regulated by supply and demand. If the supply of a thing remains the same while the demand increases, then the thing will increase in value. If the supply of a thing increases and the demand increases in a still greater proportion the value of the thing will increase. And so it is with gold. While we admit that the supply of gold has increased we insist that the demand for it has increased in greater proportion, and consequently that gold has appreciated in value, which means that property, as compared with gold, has diminished in value.

In treating this question I wish to state that the silver men believe in sound and honest money. They do not believe in depreciated money or 50-cent dollars, but they do believe in maintaining the equal debt-paying power and the equal value of all dollars, whether gold, silver, or paper. We only differ with our opponents as to the methods by which this equality of value and power shall be maintained. Our opponents insist that gold shall be the only primary money and that silver shall be simply regarded as the material upon which a promise to pay gold is stamped. And they insist that no more silver dollars shall be coined. We insist, on the contrary, that both gold and silver shall be regarded as primary money, and the old relative value of silver to gold shall be restored and maintained by giving to silver equal privileges under the law.

The policy of our opponents tends to increase the value of gold and its control over labor, products, and property. Our policy tends to stop the appreciation of gold and to restore and maintain a stable standard of values, and thus stop the decline in prices of property and products.

ENLIGHTENED SELF-INTEREST.

We are told that all civilized nations have adopted, or are adopting, the gold standard; that the scarcity of gold will create no distress; that credit has largely taken the place of money in business transactions and exchanges, and that the sphere of credit is constantly enlarging; that what the world needs is not more silver or more gold, but more calls for gold in the shape of bank notes (miscalled money), checks, bills of exchange, promissory notes, bonds, all payable in gold, and necessarily by increasing the demand for gold in redemption increasing its value as compared with property and products.

I assume that all believe that an enlightened self-interest should govern nations, just as it does individuals, and that the interests of nations vary; that there is no fixed rule or policy that should govern all nations alike; and the first question we have to meet is this: Is it to the interest of the United States that gold should increase in value?

The nations of the world are divided into two classes—creditor nations and debtor nations. When I speak of a creditor nation I do not mean that the Government of such a nation occupies toward other nations or toward individuals the position of a creditor. I mean that the people of that nation in their relations with the people of other countries have the general relation of creditors. In this view England can be called a creditor nation, for almost all our enterprises and almost all the national Governments of the world owe the people of England vast sums of money. So, also, the United States may be called a debtor nation. It is a debtor nation in two respects—the Government itself owes large sums of money upon bonds, and our various enterprises, both individual and corporate, owe still larger sums abroad. So that the United States is justly called the greatest debtor nation in the world.

Now, what is the interest of a creditor nation which has its money loaned out to other countries on time? It is to make money more scarce and more valuable, so that it may increase every day and month and year in its value, in its purchasing power, and in that way command more of the products and more of the commodities with which the people of the debtor nations for the most part pay their debts.

What is the interest of a debtor nation? Not that money shall depreciate in value, for any policy that would bring that about might be termed dishonest, but to keep the money stable in value, so that the debtor nation or debtor enterprises will not be compelled to surrender more of products and more of commodities in order to pay the interest and principal debts.

These two classes of nations, then, are represented by England and the United States, and the question is whether the same monetary policy should govern both where their interests are so diverse.

CREDITOR NATIONS.

In reviewing the nations of the world we find that there are very few creditor nations, and they are principally England, Germany, and France, for Belgium and Holland do not figure largely in international transactions. France is not a creditor nation in the same degree as England and Germany, because she concerns herself chiefly with domestic affairs and engages little in international enterprise. The two great creditor nations of the world are England and Germany. Through their manufactures and commerce their people have derived profit from the whole world. They have sent their ships to every sea, their agents into every country and clime, to sell their manufactured goods. From their profits they have accumulated large sums of money, which they loan to enterprises of other nations upon bond and mortgage. There is hardly a people in the world that does not owe these two countries large sums of money. There is probably no people in the world that they owe money to. Whatever debt they owe is mainly held by their own people.

SCARCITY OF GOLD.

These people, then, have accumulated almost all of the gold of the world, and gold is very limited in quantity. Four billion dollars of gold constitute the accumulations of the world. That seems a large sum, but let us reduce it to cubic dimensions. It is an uncontested and incontestable fact that all of the gold coin of the world, if melted into a solid mass, would make a cube of 22 feet; in other words, would fill a space 22 feet long, 22 feet wide, and 22 feet high, a space little larger than the ordinary guest's chamber of one of our leading hotels.

Where is the gold located? We refer to the statistical report of our mint director, and we find that to-day $2,000,000,000, one-half of the accumulated supply, is located in England, France, and Germany, and the other $2,000,000,000 is scattered over the rest of the world, but is tied to these countries by the strings of bond and mortgage, so that it can be withdrawn at any time by the action of the creditor nations through the sale of securities in the country that has issued them.

THE GOLD TRUST.

This is the age of the trusts and combines. The prevailing idea is to control some product, limit its production, raise the price, and make a profit. The scarcer the thing monopolized, the more efficient is the trust or combination. Throughout the ages nature has only yielded enough of gold, in visible form to-day in the shape of money, to fill a cube of 22 feet. What more favorable subject could there be for a combine or trust than gold? And who would organize such a trust? The people who own the gold. And how would they make the combination effective? Not by limiting the production of gold, because that is limited enough, but by destroying the use of its only competitor, silver, which throughout the ages, until 1873, stood with gold as one of the acknowledged money metals. The production of money was to be limited by the destruction of the use of silver through legal enactment by denying it coinage and legal-tender quality; and this the United States, persuaded by some occult influence, proceeded to do in 1873.

At that time specie payments were suspended, as they had been during the war, and there was no accumulated stock of either gold or silver in the country. Yet our country led the crusade of the debtor nations against silver; and, though Providence has exposed her richest silver treasures as a means with which to pay our great debt contracted during the war, this country, owning no gold, having no interest in the gold trust, but the greatest producer of silver in the world, the greatest debtor in the world, owing debts which it had obligated itself to pay in coin, either gold or silver, absolutely denied itself—at a time, too, when the silver in the silver dollar was worth 3 cents more than the gold in the gold dollar—the power to use its silver mines, and not only destroyed the legal-tender quality of the existing silver coin, but denied silver bullion admission to its mints, so that not an ounce of silver could be turned into legal-tender coin. We thus became the greatest customer in the world of the gold trust, and the result has been the accumulation of a foreign debt unequaled in the history of the world.

EFFECT OF LIMITING MONEY SUPPLY.

What is the effect when you diminish the money supply of the world? The old rule of supply and demand applies. If you diminish the supply while the demand remains the same, you increase the value of every unit of the thing supplied. Recollect that there is a universal demand for money. Money is not only a measure of value, but it is a medium of exchange, and it differs from all other standards in that particular. It is the thing itself that is exchanged for all other commodities, products, and properties.

When you measure a yard of silk with a yardstick you never give a yardstick for a yard of silk. When you measure a bushel of potatoes in a bushel measure, you never give the bushel measure for the potatoes. Both are simply standards of measure. But the dollar is not only the standard of value, it is the thing itself that is exchanged for all other things, and it is the thing that everybody is seeking for as the universal solvent.

So a trust with reference to money involves not only the control of its value, but the value of every other thing in the world for which it is exchanged. Hence the effect of the limitation of quantity in money is to increase the value of every unit of that money and to diminish the value or price of everything for which it is exchanged.

And so in 1873 we entered upon an era of low prices. It is true that the force of our original action was broken by the passage of the Bland Act and later on the Sherman Act, both of which delayed the effects of monetary contraction by increasing the use of silver and thus staying the appreciation of gold. But with the repeal of the Sherman Act in 1893 came the final blow, and since then we have been enjoying the gold standard in all its perfection; high gold, low prices; increased debts, diminished values of the products and property with which we pay debts.

POWERS OF GOLD TRUST INCREASING.

Meanwhile, the gold trust is extending the area of its power. The single standard gives to creditor nations the control of almost all the credits of the world, and they impose upon almost every country that deals with them the gold standard as the price and the consideration of loans. They have imposed it on Brazil and Chile recently. What will this mean if carried out to its ultimate result? Why, that every unit of gold will go higher and higher, and every unit of property will go lower and lower. And, when the process of liquidation comes, you will find the ultimate ownership of the gold and the ultimate ownership of most of the enterprises of the world in England and Germany. A general liquidation of that kind is, of course, well-nigh impossible, for the victims of the gold trust would break the bonds that bind them. But the contemplation of such possibilities illustrates the force and tendency of this gold movement.

INCREASED PRODUCTION OF GOLD.

But we are told that the production of gold is largely increasing and will make up for the destruction of silver as money. It is true it has increased, for everybody is searching for it; but the production is by no means commensurate with the wants of the world. More than half of the current gold production is absorbed in dentistry and the arts, and the remaining portion, applicable for coinage, will not make up for the tremendous destruction in the value of silver caused by its disuse and the results occasioned by the dislocation in exchange between gold and silver standard countries.

The weak point in the contention of our adversaries is their assumption that the current production of gold goes into money. On the contrary, the most of it goes into ornamentation, the arts, and dentistry. It is true that gold has been increasing in production until it has now reached the large sum of $200,000,000 annually, but very little of this goes into coin. Most of it goes into other uses, and is, hence, as unavailable for money as are diamonds or pearls.

Over twenty years ago Senator Sherman calculated that the world's stock of gold coin was three billions and a half of dollars. The recent investigation of eminent statisticians, supplemented by the investigations of our own Mint Director, have established the fact that the present stock of gold coin in the world is only a little above four billions. In other words, in twenty years the total world's stock of gold coin has increased only $500,000,000, or about twenty-five millions a year, thus proving conclusively that the major part of the current production does not go into the shape of coin. Gold once used for ornamentation, in the arts, or in dentistry never goes back into coin, while millions of dollars of coin are melted and turned into these uses.

CREDIT VS. METALLIC MONEY.

Another weak point in the contention of our adversaries is their assumption that the use of credit has in a large measure driven out the use of metallic money. No greater mistake can be made. It is true that the use of credits and of credit devices has largely expanded, but this only proves that credit and credit devices are used more, not that metallic money is used less.

The form of the use has somewhat changed. Warehouse receipts for money in the shape of checks and drafts and bills of exchange are now used in effecting transfers instead of actual coin, but it must be recollected that these warehouse receipts are calls for actual coin, and you might as well say that the use of warehouse receipts for wheat does away with the use of the wheat as to say that the use of checks and drafts does away with the use of money. The form of the use has also varied in this, that instead of physically using coin in the exchanges it is now largely used as the basis of credit, and is held in our banking institutions as reserves. For instance, it is estimated that the total amount of deposits in all the banks and trust companies of this country amount to $5,000,000,000. These deposits are in the shape of gold demands, which the bank must respond to at any moment. To meet them the bank must maintain reserves varying in amount according to the conservatism of the particular bank. Such reserves ought to be at least 25 per cent of the deposits, and assuming that all legal-tender paper money, such as greenbacks, is retired, the metallic reserves, of the bank alone, outside of the money in the pockets of the people should amount to about $1,250,000,000.

This alone would require more metallic money than exists to-day in this country in the shape of both gold and silver, without taking into consideration the large amount of money that would be required for the pocket money of the people. The average man who reads of these large reserves in the bank vaults regards them as so much unutilized money awaiting investment, oblivious of the fact that they stand there as the representative of and the security for the deposits, aggregating many times their amount, already loaned out by the banks on time and demand paper. It is safe to say that the expanding system of credit requires more coin than the old system of ready money, for an expanding credit requires a constantly increasing reserve of coin.

OUR NATIONAL MONEY SYSTEM.

It is estimated that we have in this country about sixteen hundred million dollars, of which about one-third is gold, one-third silver, represented partly by silver certificates and Sherman notes, and one-third paper money, represented by national-bank notes and greenbacks. It seems to be generally conceded that some monetary legislation is required.

I do not propose to enter into the discussion of any particular measure urged by our opponents, but it is safe to say that the legislation suggested involves, in the main, that the Government should go out of the banking business, as it is called, or in other words, that it should retire its greenbacks. They are said to constitute the endless chain by means of which gold is drawn out of the Treasury of the United States, and it is insisted that so long as this system continues bond issues will also continue. This involves the determination at the very outset as to whether all the Government demand notes, as greenbacks are called, shall be redeemed in gold alone, and whether or not their retirement will put an end to the drain on the Treasury.

We find, upon inquiry, that it will not, for, according to the construction put by the Treasury Department, both under Mr. Harrison's and Mr. Cleveland's Administrations, upon the law imposing upon the Government the duty of maintaining the parity between the two metals, the redemption of the Sherman notes must be made in gold, and after they are retired we are told that the silver certificates must be redeemed in gold, and after they are retired we are also told that the silver coin itself must be redeemed in gold. It is not necessary to inquire into the methods by which gold redemption is to be made of all the various forms of alleged credit money, including silver. It is sufficient to say that under the construction placed upon the parity clause, by both the Democratic and Republican Administrations, the Government can never be taken out of the banking business until nearly $1,000,000,000 of money, represented by greenbacks, Treasury notes, and silver certificates, and silver itself, is redeemed in gold.

The pursuit of this policy, therefore, necessarily eliminates silver entirely from our currency, for if silver is once redeemed in gold it necessarily follows that it is not used as primary money in any sense. It must be disposed of, and we will, of course, realize the grave results following the placing of over $500,000,000 of silver as a commodity upon the world's market. If the silver is not to be used as money of redemption it is useless for any purpose, and might as well be gotten rid of. It makes no difference whether the redemption of these various forms of money is made by the Government itself, or current redemption is made by the banks as the result of some arrangement by which they are allowed to issue paper money, the result will be the same, silver will be eliminated from the currency of the country.

We will assume, however, that by some process greenbacks, Treasury notes, and silver certificates are retired, and that the banks of the country are allowed to issue one billion of paper money in their place. The question then arises as to the redemption of this paper money. I do not understand that anyone contends that they shall be allowed to issue fiat money. If this paper money is to be redeemed in gold alone the inquiry naturally arises as to whether the banks can stand the strain any better than the Federal Government has, and if it is to be redeemed in either silver or gold the inquiry also arises why should not a similar privilege be given to the Federal Government. Is the credit of the banks any better than that of the Government, and can they be expected to stand a strain which the Government itself has found it hard to endure?

GOLD REDEMPTION.

If the bank notes are to be redeemed in gold alone, as many contend, the inquiry naturally arises as to what reserves should be kept as a safety fund for their redemption. The prevailing idea of the friends of bank currency seems to be that a redemption fund of 5 per cent is ample, and yet in the case of the United States Government we have found that a redemption fund of 33⅓ per cent has melted away during the past four years. Will any sane man contend, in the light of such an experience, that a redemption fund of 5 per cent would be sufficient? How long would a redemption fund of $50,000,000 last for the redemption of one billion of bank currency in existing trade conditions? For years the balance of trade has been against us, principally because of the low prices of our farm products, which used to pay foreign demands against us and leave us a balance, and which now, because of reduced values, are insufficient for that purpose, causing the balance of trade to be against us. If an unfavorable balance continues to exist—and that must be the case so long as the agricultural depression lasts—gold will be demanded for export, and if the Government is out of the banking business, the banks will have to furnish it, and bank notes will be presented for redemption in gold just as greenbacks have been during the past three years.

Now, I contend that the banks have enough to do in meeting the claims of their depositors. The business of a bank consists in borrowing the money of its depositors on call and loaning it on time. This business is in itself a dangerous business except in times of extraordinary tranquillity. The bank gambles upon the prospect that its depositors will not all at the same time call for their money, and hence lends on time, of greater or less length, three-fourths of its depositors' money, retaining about one-fourth as a reserve. When you impose upon the bank the additional obligation of a lot of call notes for gold, redeemable on demand, do you not impose upon it a strain which it will be impossible for it to bear? Will not every depositor in the country be watching the gold reserve of his bank just as people generally have been watching the gold reserve of the Government, and if such gold reserve falls for a moment below what is regarded as the line of safety, will not the fall precipitate a run upon the bank by both depositor and note holder, and will not the danger of financial cyclones be thus increased?

When we review the history of the past three years, the numerous panics and semipanics which we have had, it is amazing that any proposition so certain to result in a sense of public insecurity should be advanced for a moment. I do not believe that any bank in good standing in the country will avail itself of this extraordinary privilege, and I believe that any bill that is passed providing for large issues of bank paper by banks will be totally inoperative because of the unwillingness of solvent banks to subject themselves to such a risk.

WHAT KIND OF MONEY WILL THIS BE?

Is the paper so issued to be a legal tender? No. Is it to be a debt satisfier? No. It is mere confidence money, useful for no other purpose save to expand the already largely expanded volume of credit. If a depositor deposits such bank paper, his deposit runs in dollars, and he can refuse to receive it when he withdraws his deposit. If a man borrows from a bank and is paid in such currency, and gives his promissory note for the amount loaned, the bank can refuse to receive such currency in payment of its loan. To call it money is a misnomer. A bank note is simply an engraved promissory note of a bank without interest.

WHERE WILL THE BANKS GET GOLD FOR REDEMPTION?

The next inquiry is where and how the banks will get gold for redemption. This involves an inquiry as to the probable needs of this country for gold in case it establishes irretrievably the gold standard and silver is eliminated from our currency.

As already said, the bank and trust company deposits of this country amount to about $5,000,000,000. These deposits are loaned out. It will hardly be contended that banks can safely get along with less reserve than 25 per cent of their deposits.

For the security of their depositors, therefore, the banks should hold $1,250,000,000 in gold, and for the security of their note issues, aggregating, according to present views, a possibility of $1,000,000,000 in issue, a redemption fund of 5 per cent, amounting to $50,000,000 more, would be needed, $1,300,000,000 in all gold, nearly one-third of the existing stock of gold coin in the world. Where will you get this gold? We now have, according to our Mint Director, about $600,000,000 of gold in this country. Where will we get $700,000,000 more?

The friends of the gold standard insist that gold can always be secured, but where shall we go? To England, France, and Germany? The answer comes that they already have one-half of the gold of the world. But they need $2,000,000,000 at least for reserves, and they view with alarm any exodus of gold which diminishes these reserves. The exports of a few millions of gold to this country, more than the usual amount immediately causes a rise in the rate of discount in the Bank of England so as to check the flow. And if England, France, and Germany require $2,000,000,000 of gold, and this country requires $1,300,000,000 of gold, how will the other seven hundred millions do for the rest of the world?

Will this be sufficient for all the other countries of Europe—for Russia, Austria, Italy, Spain, Portugal, and the other countries of Europe, as well as Asia, Africa, South America, Central America, Japan, and the islands of the ocean? And while we are struggling to get these other seven hundred millions of gold, what effect will it have upon Russia and Austria, both of which countries are now struggling to get upon the gold standard, both of which have accumulated large sums of gold in their treasuries, and both of which are afraid to make gold redemption of their uncovered paper money lest the gold should slip out of their boundaries like water out of a sieve.

What becomes of this great movement of civilization toward the gold standard; if England, France, and Germany, with a population of only one-tenth of the world's population, demands one-half of the gold of the world, and America, with a population of only one-twentieth of the world's population, demands one-third of the gold of the world? Take the Mint Director's report as to the gold stocks in the various countries of the world; look on the map of the world and view vast populations struggling for the possession of gold, then tell me where, when, and how the United States can add seven hundred millions to its existing stock of gold?

CRAZY INFLATION.

This suggestion of a bank currency which is to take the place of the paper issues of the Government involves the craziest inflation, an inflation which has no parallel in history, and which stands condemned by the experience of all mankind.

An examination of the world's stock of money, as shown by the Mint Director's report, discloses the fact that the world's money consists of about $4,000,000,000 of gold, $4,000,000,000 of silver, and $2,500,000,000 of uncovered paper money. Upon inquiry we find that the countries which issue the least uncovered paper money are the countries that have the best credit. The total uncovered paper issues of England, France, and Germany combined are less than the uncovered paper money of the United States; and an examination also discloses that the only debtor nation in the world which has been able to keep its paper money at a par with gold is the United States, and we have only been able to do so during the past few years by large bond issues.

Russia has over five hundred millions of paper money at a very heavy discount, and no redemption is made, though Russia has been attempting for years to get sufficient gold on hand to make a gold redemption. So also with Austria. Austria, according to the Mint Director's report, has over $294,000,000 of uncovered paper money, also at a heavy discount. So also, with Italy, Spain, and Portugal. There is not a single debtor nation in the world that is on the gold standard that is able to make gold redemption except the United States; and yet, in the face of this experience, with this large amount of uncovered paper money in circulation in the world, of which only a small proportion stands upon a parity with gold, we are told that we should add to the uncovered paper money of this country, and trust to the banks for the supply of sufficient paper currency.

REDEMPTION IN SILVER.

It is clear that this country can not expect to obtain sufficient gold for its bank reserves and note reserves, and we will therefore assume that by some process the Government issues are all retired, and that gold and silver coin are in actual circulation, or used as reserves by the banks, and that bank paper is also in circulation, of which redemption can be made either in silver or gold. What will be the effect of this upon the finances of the country? This assumes that no effort is made by increasing the coinage of silver to restore its parity with gold, but that the present dislocation between the market value of silver and its coinage value continues to exist.

I think it is safe to say that in that case you would find the banks of the country divided into two classes, one class composed of banks that make redemption of their paper money in gold, and others, less fortunate, compelled by the scarcity of gold to make their redemption in silver. If silver were restored to its parity with gold, no discredit would attach to the bank that paid silver, but so long as the present disparity exists, with the present education of the people tending to the discredit of silver, the most unfortunate results would follow. The gold reserves in the bank would be watched. Banks would endeavor to secure favor with depositors by securing as much gold as possible, and as there would not be enough to go round, some would fail in getting sufficient gold, and so the runs of note holders and depositors would be precipitated.

RESTORATION OF PARITY.

The restoration of the parity, then, between silver and gold is of supreme importance. It is doubtful whether a bimetallic system can be successful which does not maintain the market value of the two metals upon an equality with their coinage value. And inasmuch as we have at this day, according to the Mint Director's report, $416,000,000 of uncovered paper money, money not backed by either silver or gold, would it not be better, instead of legislating so as to increase the volume of this uncovered paper money, to diminish it and to substitute for it new silver taken from the mines, the very consumption of which would raise the market value of silver and tend to restore the old equality?

INTERNATIONAL BIMETALLISM.

The international bimetallists say that they would welcome bimetallism; that they would welcome any system which would maintain in this country and throughout the world the concurrent use of both metals at a ratio established by law. The fact that the vast majority of the people of this country favor bimetallism, favor the free and unlimited use of both metals, indicates that they recognize the evils which arise from the use of one metal alone; that they are opposed to gold monometallism; that they believe that the business of the world is too large to be transacted with gold alone; that the country's business and the world's business require a concurrent use of both these metals—not only the accumulated stock, but the current product of the mines of the world.

We then agree as to the desirability of bimetallism; we both agree that the amount of gold in the world is too limited, and that there is no more than enough of both metals to transact the monetary business of the world.

The only point of difference between us is as to the method of restoring silver. Our opponents insist that it shall be done only on the concurrent action of the powerful nations of the world. We agree with them as to the desirability of such concurrent action. But we insist that our experience ever since 1873—the experience of four international conferences, the action of the powerful creditor nations of the world to-day upon this subject—indicate that the concurrence of these nations is impossible. The only question is whether we shall submit to conditions which are at present intolerable in a debtor nation, or whether we shall do alone what we assert—it is important that other nations should aid us in doing.

PROSPECT OF INTERNATIONAL BIMETALLISM.

But what is the prospect of the concurrence of the leading commercial nations of the world, without whose assent it is claimed that the restoration of bimetallism is impracticable? What are the leading commercial nations? They are the great creditor nations of the world—England, Germany, and France; the latter occupied almost exclusively with domestic concerns, and cutting but little figure in international matters, England and Germany being the principal creditor nations. Look upon the map of the world and see how small a space those nations occupy. You could hardly distinguish those countries in the vast space which is covered by other nations of vast population, of vast possibilities, and almost infinite capacity for the absorption of new money.

The American Republic, suffering from scarcity of gold and yet boastful in her sufferings of her resources and power, with a population nearly two-thirds as great as the population of these three countries; with more miles of railroad than all the rest of the world combined; with a larger commerce on her lakes than that of all the oceans; with all the vast possibilities of undeveloped country, asserts that without the friendly aid of these three countries the gold famine must continue, and that silver must be denied its fruitful and energizing use. It becomes important, therefore, to ascertain what the attitude of these countries is to the question after twenty-three years of agitation and four international conferences. And what do we find? That France is friendly to bimetallism; that Germany, once hostile, is progressing toward friendliness; but that both declare positively that they will not act unless England joins. And what does England say? She declares to-day, as she has uniformly during these many years of agitation, her unalterable purpose of adhering to the gold standard.

ENGLAND'S POSITION.

And what arguments can we use to convince these leading commercial nations that it is to their interest to join us in an international adjustment which will restore the use of silver? We say that there is too little gold in the world for business purposes; that the disuse of silver has appreciated the value of gold and depreciated the value of all property which is measured in gold. What does Great Britain reply? She says: "We own the gold of the world, and yet you ask us to resist a movement which is rapidly appreciating the value of that very gold. You delude yourselves with the idea that you own five hundred millions of gold. It really belongs to us. We have temporarily deposited it in your country. We have loaned it to you on call or upon long-time bonds, which is substantially the same, because whenever we want to realize on them at any time we can call them in; we can sell them; we can recall our loans and recover our gold. We can do just as we did in 1890, at the time of the Barings failure. We wanted gold then, and we took $90,000,000 of your gold, and almost bankrupted you. You afterwards threatened war with us on the Venezuelan question. We took our gold away from you again, demoralized your stock markets, threatened your Treasury with bankruptcy and your banks with insolvency, and paralyzed the arm that was raised to strike us. And yet you ask us to abandon the position of strength which we occupy. And why? Because you say that the appreciation of gold has caused a decline in the value of all the products of your country—wheat, cotton, and wool, and all other natural products which you produce in competition with silver-standard countries. Do we sell these things? No. We buy them; and the less price we have to pay for them the better for us."

We then point to her manufacturing population, which is now suffering from competition with silver-standard countries, whose labor, always cheap, is now doubly so, measured in gold. We point to the land-owning class, the burdens of which in Great Britain have become absolutely intolerable.

A CLASS-GOVERNED COUNTRY.

What is the answer to our suggestion in that regard? That England always was a class-governed country. For centuries it was governed by the landowners. In the early part of this century the manufacturing class, under the aggressive leadership of Cobden, advanced into power, and raising the cry of cheap food for the operatives, repealed the corn laws, which gave protection to domestic farmers, and so the landowning interest became subservient to the manufacturing interest. And how is it to-day with the manufacturing class? Through her commerce England has swept the seas of the world, carried her manufactured products to all nations, taken their gold and heaped it up in her banks and treasure-houses, and then loaned out the gold so accumulated to other countries on bond and mortgage; and to-day the capitalistic class, the money-loaning class, the banking class, is the predominating class in England, and it will sacrifice the manufacturing class just as the manufacturing class did the landowning class in years gone by.

Some interests must suffer in pursuing a great national policy, and the people of England will stand, as they have heretofore stood, for the interest of the governing class of that country, a class which subordinates every consideration of domestic and economic policy to the desire of maintaining a constantly increasing control over the products of labor throughout the world by a cunningly devised system of credits based on the gold which England mainly owns, and which makes her the controlling power in peace and war, the partner without risk in all enterprise and production, the absorber of wealth, fastening her tentacles upon the energies, the hope, and the vitality of all peoples bound to her by the golden chains of financial dependence.

But what other arguments can we address to these countries? We say that there is not enough money in the world Their answer is, "We have enough for our purposes." We say that the per capita circulation of England and Germany is insufficient—that it is less than that of the United States. They answer, "That is true; but it is sufficient for our purposes, because we are creditor countries. The man who is not in debt needs no reserves. The man who is in debt and has hundreds of obligations that must always be met on demand must keep in bank some necessary fund to meet the requirement of any strain that may arise. So the creditor nations can reduce their reserves to the lowest limit without danger, and thus reduce their per capita circulation, while the debtor nation must always have a larger reserve and a larger per capita circulation to meet the constant calls which will arise. Besides that, if at any time our reserves fall below what is regarded as a safe limit, and our per capita circulation becomes too small, we have an easy remedy. We do not need to coin money, to coin silver, to replace it. All we have to do is to call upon the debtor nations who owe us to pay up, and we then immediately raise our reserves and our per capita circulation to the required amount." Was not that so at the time of the Barings failure? There was a state of panic caused by the withdrawals of gold by Russia; and how did England recoup her reserves? By coining more money? Oh, no. She called upon America for $90,000,000. She looked about the world for the nation that was best able to respond to her demand, fixed upon America, and put her, as I said, upon the verge of bankruptcy and recouped her reserve.

BALFOUR AND SALISBURY.

I ask, then, what appeal can we make to those creditor nations that will swerve them from the line they have steadily pursued? You have observed that there is a large bimetallic sentiment in both these countries. That is true. But it is confined to the landowning and the producing classes, and they are dominated by the creditor class, even more strongly dominated than in this country. We have had the evidence of it in England herself recently. We all hoped for a restoration to power of the Conservative party. Why? Not because we were in sympathy with the general policy of that party, but because we knew it was led by the landowning class of England, that Lord Salisbury and Balfour were at the head of that party, and we knew from the utterances of Balfour that he was as thorough and enthusiastic a bimetallist as the most pronounced and radical bimetallist in this country.

We hoped when that party was restored to power that, whatever its policy might be with reference to the Irish question and other questions with reference to which our sympathies were against it, its action upon the momentous question affecting the political economy of the entire world would be favorable to the interests of this country and of the world. But what do we find? When that party comes into power, it comes with shackles imposed upon it by the banking interests of England.

FRANCE.

And how is it with France? We go to France, and we say to her, "You have always been the friend of silver. You organized the Latin Union. You sustained silver for many years. You used the ratio of 15½ to 1, and by the free coinage of silver maintained it upon a parity with gold. You have to-day one-half of your currency in gold and one-half in silver. Stand with us for the restoration of silver."

What is her answer? Her answer is: "It is true that we sustained silver for a number of years, but it was your action in connection with that of Germany that forced us to suspend its use." What was that? In 1873 the United States of America was neither upon a gold nor a silver basis; that is to say, we had suspended specie payments. There was neither gold nor silver in the country. A resumption of specie payments was desirable. In 1875, I think it was, we passed an act declaring that we would resume specie payments. What did specie payment mean at that time? It meant payment in silver and gold. What was the interest of this country? To maintain both metals so that specie payments could be more easily made.

What was the interest of this country as a producing country? It was the interest of a country that produced more than one-half of the silver of the world—from every aspect, financial and industrial—to sustain silver. And what was our action? When our silver mines were opening up abundantly, we declared by law that these mines should be practically closed, so far as any benefit that we should receive was concerned. We not only deprived silver of its legal-tender quality, but we also declared by law that not an ounce of silver should be brought to our mints, and we gave notice to the world: "We regard this silver as worthless. We propose to throw it upon you for absorption."

Is it any wonder that the civilized world was alarmed? Just about that time Germany, having received a large subsidy from France, was able to go upon the gold basis as no other country could go. This large subsidy enabled her to make the turn without danger. So Germany's silver was thrown upon France, and the country to which we now appeal was made the victim of our action. For recollect that the United States of America was the first country to act in the demonetization of silver. The only action that Germany took prior to February, 1873, was the restoration of gold, not the demonetization of silver. She was upon a bimetallic basis when we took our action, and she did not go to the gold standard absolutely—though perhaps her action was threatened—until three months later. So this country, the greatest debtor nation, the greatest silver-producing nation in the world, more interested in this subject than any other, led the crusade against silver, and now begs France, the victim of her action, to help her restore it.

What else will France say in answer to our statement that the world has not sufficient money? She can say, "That may be so with reference to the rest of the world, but we have enough." The United States has a per capita circulation of $25, and France has a per capita circulation of about $40. France, having no interest in the production of silver, adhered to it loyally prior to and for many years subsequent to our demonetization act of 1873, absorbing it all at a higher price than this country—namely, 15½ to 1. She has to-day a per capita circulation of silver of $12 against our $8. Can she not with great propriety say that it would be more becoming to us to raise our per capita circulation at least to hers by increasing the use of silver before we ask her to join us in increasing the volume of the money of the world?

The mint statistics show that of the $4,000,000,000 of gold coin in the world one half is actually located in these three countries, England, Germany, and France, and we all know that the other half, though scattered around among the rest of the world, is really tied by bond and mortgage to these three countries, and can be called back at any time. Do they need more money? No. They have a plethora of money and loan the surplus to other countries. Do they have undeveloped areas to populate and build up? No.

DIFFERENCE IN INTERESTS.

Now, these are the three creditor nations to which the international bimetallists propose to appeal, to which we have appealed for twenty years without results. Have they any hope? They disclose none. And as they propose no remedy except with the concurrence of the leading commercial nations, what hope is there for relief from existing intolerable conditions? Do they recognize the difference between these countries and our own? The nations of Europe, the gold-owning nations of the world, are the gold-using nations of the world. Their communities are all built up; their populations are fixed; there is little need of development in any of these countries, and hence the accumulations of their citizens are invested in the development of other countries, in interest-bearing bonds and securities. As the owners of money, it is their interest to make money more valuable, and the only way they can make it more valuable is by limiting its quantity. The easiest way of limiting its quantity is to destroy the use of one of the money metals and to throw the burden of the world's exchanges upon the other.

Now, then, the creditor classes of these nations were and are the owners of gold, and they succeeded in forming the gold trust when three of the greatest nations of the world—the United States, Germany, and France—had just passed through exhausting wars and had contracted large war debts.

TRUSTS.

The effort of the wealth seekers of the world has been to accumulate some product, either natural or manufactured, which mankind universally needs or desires, and then, by limiting the production, to raise the price and clear a profit. Such have been the corners, trusts, and combines relative to sugar, iron, steel, oil, and wheat. All such combines have been successful where, the demand remaining the same, the production was limited. All have been unsuccessful where nature or man's energy has broken the corner by increasing production.

The evidence is indisputable that prior to 1873 the greatest combine trust and corner known to history was organized in Europe. Its purpose was not only to limit the production of metallic money in the future, but destroy the efficiency of half the money in the world by taking from silver its legal-tender quality, and thus increase the value of the other half in the shape of gold, of which, represented either by cash or by interest-bearing gold obligations, the members of the combine were the owners. The world was to be deprived not only of its annual crop of money from the silver mines, but one-half of its store collected through the ages was to be destroyed.

This combine has been successful. It has moved on year after year, and induced nation after nation to abandon the use of silver. We have been for years suffering under its oppression, and yet we say that the only way to obtain relief from it is to persuade those who are interested in the combine to relax their grasp, to enter into a national conference which will restore silver. How can we expect this, when there is no community of interest between us? The action of France and Germany is dependent upon the action of England; and how does her condition contrast with our own? We think we are a very wealthy nation, and we are—in everything but money.

England's wealth consists principally in money; England is a creditor nation; we are a debtor nation. England has money scattered all over the world, loaned out on interest-bearing bonds; we have no money whatever loaned to any other country. We not only utilize all the money which we own, but all we can borrow from other countries. Why should these three countries join us? Their positions are entirely different; they are creditor nations, and the United States is a debtor nation. They are interested in having money dear and products cheap. We rely upon good prices for our products to pay our debts. They have a call on us for all the money we have in our country, and have gained an advantage by our legislation which has largely enhanced the value of their gold.

Was it ever known that a debtor, by a mere conference with his creditor, induced him to forego his advantage? The only way a debtor can reduce his creditor to terms is by going into bankruptcy. Are we prepared to go into bankruptcy and to repudiate our obligations in order to bring about a successful conference with our creditors?

What reason can we give to England for urging her to join us in restoring silver—that it will take from gold its enhanced value? Her answer will be that of her royal commission:

> It must be remembered that this country is largely a country of debts payable in gold, and any change which involves a rise in price of commodities generally—that is to say, a diminution of the purchasing power of gold—would be to her disadvantage.

And yet they tell us that the best way of bringing these three countries to terms is for us to remain upon a gold basis. President Harrison in his annual message declared that he knew no more effectual way for promoting a more favorable sentiment to silver in Europe than by accumulating gold here; that a scarcity of gold in the European reserves would be the most persuasive argument for the use of silver there.

In other words, we are to distress Europe by borrowing more gold of her and borrowing it substantially on call, responsive to any demand that she may make in an emergency. One is at a loss to understand how a debtor can get a creditor under his control by borrowing more money of him. We had some experience of that when the Baring Bros. failed, and during the panic of 1893, and during the Venezuelan difficulty. We begin to realize that so long as we are upon a gold basis we suffer from any financial storm that occurs in the world, and that we can not take any independent action whatever in the way of maintaining the dignity of the country or its power without England's calling for gold and driving us on the shore of insolvency.

INTERNATIONAL UNION WITH DEBTOR NATIONS.

The folly of our position with reference to an international conference has been that we have thought international action unavailing unless the three great creditor nations of the world would consent, and yet their power in raising the value of silver is small as compared with that of the debtor and producing nations. What is our problem? It is to increase the use, and in that way increase the value, of silver, so as to restore the old parity. We find that the dislocation between silver and gold has given an advantage to countries that are not upon a gold basis; that they are able to produce more cheaply; that their farm products are driving our products out of foreign markets, and that their manufactured products are likely to seriously and disastrously affect the manufactures of gold-standard nations.

We have, therefore, a direct interest in increasing the value of silver. We have the interest of a debtor nation. We have the interest of a silver-producing nation. We have the interest of a nation that relies upon its exported farm products for the payment of its debts. We have a nation whose farm products have been driven down in gold price as silver has fallen, and whose manufactured products are menaced in our home markets by the products of the Orient, whose labor, always phenomenally cheap, is now twice as cheap in terms of gold. We wish to enlarge the use of silver in order to increase its value; and by the use of silver I mean the coinage of the current product of the mines, for the accumulated stock is in actual use in the various countries of the world as money, and will remain so.

Now, to what countries ought we to go to increase the use of silver? To England, France, and Germany, which have a plethora of metallic money—so much so that they all loan their surplus to other countries—or such countries as Russia, Austria, Italy, Spain, Portugal, and the South American countries, all of which have a deficiency of metallic money, and all of which are compelled to keep out large amounts of uncovered paper money because of the scarcity of metallic money? If we wished to increase the use of wheat, would we go to the countries that had their granaries full or to countries whose granaries were empty? Suppose England, France, and Germany should all open their mints to the free coinage of silver, how long would it remain in those countries? They have an abundance of metallic money. Would not this silver go speedily to other countries. Why not go directly to the countries to which it would ultimately go either by way of loans or in purchase of products and urge them to admit it to coinage?

UNCOVERED PAPER.

The financial history of the world proves that there never has been enough of either gold or silver to satisfy its requirements for money; and so we find, according to our Mint Director's report, that the debtor countries of the world have about two thousand five hundred million dollars of uncovered paper money—paper not backed by silver or gold. Russia has $540,000,000; Austria, $204,000,000; Italy, $191,000,000. The South American States have $550,000,000, and America has $450,000,000 of uncovered paper money, consisting of greenbacks and national-bank notes.

Do not the countries which have this large amount of uncovered paper money outstanding furnish the best market for silver, and would not an international conference with them, resulting in the coinage of silver and the gradual retirement of the uncovered paper money, so increase the use of silver in the world as to increase its value and restore the old equilibrium, and would not we then have throughout the world the soundest kind of money—namely, gold and silver—in the place of the depreciated paper which at present exists? For recollect that not a single debtor nation in the world except the United States has been able to keep its paper at a parity with gold.

The paper of Russia, Austria, Italy, Spain, Portugal, and South America is all depreciated paper. Russia has $450,000,000 of gold and Austria $140,000,000. Both are desirous of going upon a gold basis, and yet neither is able to do so. They are obliged to keep their gold locked up in their war chests, for they know if they should attempt specie resumption their gold would disappear. The United States is the only debtor nation that has been able to maintain its paper at a parity with gold, but how does it do it? Simply by grinding out gold bonds, and these really represent the premium that has been paid for gold redemption since 1893. Is not the argument conclusive that no producing and debtor nation can possibly keep out uncovered paper money and maintain it at a parity with gold without the issue of bonds, and thus constantly increasing its national debt? And would not this very argument, if presented to the debtor nations, induce them to see that it would be to their advantage to increase the metallic base throughout the world, to increase the use of silver, and to substitute silver coin for the depreciated paper which they now have, or for the Government paper which this country has, and which it maintains at a par with gold only by the issuance of gold bonds?

Had this kind of an international conference been called—a conference of the debtor and producing nations of the world as against the creditor nations of the world—there might have been some international results favorable to silver; but the fact is that international conference has simply been the club with which to beat down national adjustment of the silver question.

NATIONAL ACTION.

But, my friends, are we not exaggerating the difficulties of the task before us? Remember that in order to restore the price of silver throughout the world it is only necessary to absorb the current production of the mines of the world at the price of $1.29 per ounce as against the present price of 67 cents per ounce. The accumulated stock of silver is in actual use as coined money. There is no bullion collected anywhere in the world except here, where it is constructively coined, for silver certificates and Treasury notes have been issued against it and are in circulation as coin.

What, then, is the current production of the mines of the world? It is stated by our Mint Director to be about 150,000,000 ounces, of the actual value of about $100,000,000, and of a coinage value of about $200,000,000. All this product is at present absorbed at the existing price of 67 cents per ounce.

To what extent can this country use silver? At present it uses none of the current product of the mines, but throws its entire production of 50,000,000 ounces, being one-third of the total production, upon the markets of the world. It is clear that we can not get along without maintaining at least the present per capita of circulation—namely, about $25 per head, counting both the paper and metallic money. Our population is increasing at the rate of 2,000,000 per annum, and we therefore require $50,000,000 per annum of new money to maintain our present per capita. Of course our banks say they will supply this if we will give them the power, but it will not be given. If the Government can not keep its greenbacks at par with gold without issuing bonds, how can the banks keep their paper money at par without similar loss? For, if the greenbacks are retired, the strain of gold payments would fall upon the banks, and they would be subjected to a double strain—that of their note holders and that of their depositors. They could not possibly maintain gold redemption, and paper money would not be issued, or, if issued, would not be redeemed.

We certainly can not get enough gold, for England, France, and Germany require one half of the gold of the world for local use, and the rest of the world can only get the other half, and our proportional part is small and constantly diminishing. We are therefore compelled to use silver.

But $25 per capita is not sufficient. We ought to have at least $30 per capita, for we need more money than any other country in the world, as we have a great country to build up and enormous resources to develop. If we should conclude to gradually increase our per capita to $30, which is $10 less than that of France, we would have to coin $70,000,000 per annum for five years.

But the uncovered paper money of this country should also be retired. It consists of greenbacks and national-bank notes, and aggregates, after deducting the $100,000,000 of gold reserve in the Treasury, about $450,000,000. It will take $90,000,000 per annum for five years to take the place of these notes as they are gradually retired. We would thus have an annual demand for five years at least for $210,000,000 of new metallic money.

Will any man contend that with a present world production of silver aggregating $200,000,000 coinage value, which is entirely absorbed in current uses, an increased annual demand for $210,000,000 of new money will not restore the old value of $1.29 per ounce, and with it restore the value of our farm products and other property which, measured in gold, has depreciated nearly 50 per cent in the last decade? I insist that a demand for even one-third of this amount would restore the old value. Yet we can in this country alone, without inflation of our currency, create a demand equal to the entire present current product of the mines of the world, which product is now entirely absorbed by uses other than our own.

INCREASED PRODUCTION.

But the timid say production will increase as the price advances. No man can of course predict what the production will amount to. If the world, struggling through the ages in its search for silver, has been able to accumulate a cube of 66 feet, filling a space only half the size of this hall, it is safe to say that, though search be stimulated, effort will not always be attended by reward. The increased output of the mines has always resulted in the advance of civilization and prosperity, with the sole exception of the last twenty years, when its beneficent effects have been blocked by unwise legislation.

It should be remembered also that should production unduly increase, it would be entirely practical to restrain production either by laws imposing a tax upon it, which would increase its labor cost, or by withdrawing mineral lands from private entry. The existing silver mines in hands of private owners will soon be exhausted, as the deserted mining camps, once maintaining large populations, testify everywhere in the West. Two-thirds of the silver of the world is produced by the United States and Mexico. These two countries own all the ungranted mines of the future; and should production be unrestrained, as some, without any good reason, fear, they could unite in a policy which would maintain Government monopoly in mines with a view to limiting production. Thus the stores of the future would not be unduly drawn upon for the present, and a calm and equal production of silver commensurate with its use could be established and secured.

But, say our opponents, the existing silver coin of the world would drift to this country. The fear is absurd, and I will not waste time in arguing about it. I can only say that, if it has any lodgment in the popular mind, it is easy to provide against it by legislation admitting to our mints only the current product of the mines. A system of proof directly from the mine to the mint could be devised which would prevent fraud and which would compel foreign countries to retain the silver they now have in actual use as coin, instead of sending it to this country at a loss, as the promulgators of this absurd fear proclaim.

But my time is too limited to permit a thorough consideration of this subject. I can only call your attention to this fact, that whilst the party in power admits the evils of gold monometallism, it claims that bimetallism is impossible without the concurrence of the leading commercial powers. It thus closes the door to hope, for whilst I can conceive of a union of the debtor and producing nations of the world, I can conceive of no union into which the great nations owning all the gold of the world and interested in its appreciation will enter save upon terms that will be practically destructive of bimetallism as we understand it. During all these years had we an Executive who was an earnest and true friend of bimetallism, an international adjustment would have been secured through a union of the debtor and producing nations of the world. But as it is, we are asked to suffer until the creditor nations conclude to be generous and to yield an advantage never before secured in the history of the world.

IMMEDIATE ACTION.

Believing, therefore, that our difficulties are mainly due to the appreciation of gold, and that such appreciation can only be stopped by restoring its only competitor, silver; that this country is great and powerful enough to create such a use for silver as to restore its old value, and that with the restoration in value of every ounce of silver the value of every unit of property, whether it be a bushel of wheat or a pound of cotton or an acre of farm land, will be restored, the national bimetallists are for the immediate action of this country alone, without waiting for the action of any other country. We believe that the best way of preventing the export of gold is to obtain a favorable balance of trade, and we know of only one way of doing that, and that is to restore the value of our exportable products by raising the gold price of silver, and thus diminish the efficiency of the silver-standard countries which export in competition with us. Bond bills and bankruptcy bills are recognitions of the serious condition of our affairs. A silver bill presents the only radical cure for the evils of gold exports and the gold famine.

The people of New York have been singularly free until recently from the general distress that has afflicted the country. Being a creditor city, its people have suffered mainly through their investments in the West and South, as well as loss of trade resulting from the inability of the people of those sections to buy as formerly.

DISTRESS IN SOUTH AND WEST.

Take a railroad map of the country, mark the railroad lines in the hands of receivers, comprising about one-third of the railroad mileage of the country, railroads whose conditions sympathize with those of their patrons, and you will find the area of distress not in the New England or the Middle States, the seat of the protected industries of the country, but you will find it in the mining States, in the wheat-growing region, and in the cotton-growing region. And no better test of the prosperity or distress of a section can be found than the condition of its railroads, which transport the things produced and consumed by the communities through which they pass.

And what is the cause of the distress in this vast area? It is found in the destruction of the mining industry of the far West and the decline of the wheat-growing industry of the West and the cotton-growing industry of the South.

In six States and three Territories the silver-mining industry is the basic industry on which commerce, agriculture, banking, and transportation depend, just as coal mining and iron mining are the basic industries of Pennsylvania. That industry has been paralyzed by brutal legislation, and consequently all the dependent and correlated occupations and industries in that region suffer, and almost its entire railroad system is in the hands of receivers.

And so it is with the vast wheat-growing region. The price of the product has steadily declined from $1.25 a bushel to 65 cents a bushel. The price of that product has steadily fallen in the scale with the price of the ounce of silver, and so every dependent and correlated industry in that region suffers, and its railroads are in the hands of receivers. And so it is with the cotton-growing region, the price of whose products, on which all other values in that region depend, has also declined pari passu with the fall in the price of the ounce of silver.

CAUSED BY ORIENTAL COMPETITION.

And to what is it due? To competition with the oriental countries, to competition with the silver-standard countries, a competition from which the favored regions of this country, the New England and the Middle States, have thus far been protected by a tariff wall of from 50 to 60 per cent. Where domestic products are exported, the price of the exportable surplus fixes the price of the whole, and hence our wheat growers and cotton producers are compelled to accept for the domestic products the price of the exportable surplus. The price of wheat and cotton in the Liverpool market is the price here, differences in transportation being adjusted. What competitors have these wheat and cotton growing regions in the Liverpool market? The silver-standard countries, whose wages, always phenomenally low, are now doubly low in terms of gold, by the constant depreciation of silver, or, rather, appreciation of gold.

Silver there is worth as much as it ever was. In the silver-standard countries an ounce of silver will buy as much human labor or of the products of human labor as it ever would. So that you find this condition of things: That as the ounce of silver buys as much of wheat or of cotton in those silver-standard countries as it ever would, the price of the ounce of silver in terms of gold fixes the gold price of our wheat and cotton; and hence the gold prices of our wheat and cotton have steadily declined as the gold price of the ounce of silver has declined. And so it is that the wheat and cotton producing regions traversed by these railroads, which have been driven into the hands of receivers, have been struggling with adversity for twenty years, until entire communities are bankrupt, and attachments, sales, and foreclosures take the place of enterprise.

MENACE TO MANUFACTURING STATES.

And, fellow-citizens of the Eastern States, what danger threatens your region? Are you prepared to invite the competition of these silver-standard countries with the manufacturing industries of New England and the Middle States? Thus far the generosity of the country has given you a tariff law which has protected you against the cheap labor of Europe; but recollect you are about to contend with the oriental labor, always exceptionally cheap, and now constantly becoming cheaper and cheaper in gold as the gold price of silver falls. Do you not think that you are also interested in raising the price of silver so as to increase the labor cost of silver-standard countries, whose manufactured products are now threatening to invade the country and to displace your own?

And can you devise any way of increasing the price of silver except by increasing its use? So that you have not simply present conditions to meet—conditions brought about by the gradual paralysis of the wheat-growing, the cotton-growing, and the silver-mining industries of this country, covering a vast area, but you are about to meet a paralysis caused by the competition of those very countries in the production of manufactured goods. Your very financial policy, which refuses to use silver, which refuses to extend its use or to give it the value in relation to gold that it ought to have, is building up for the protected industries of New England and the Middle States a competitor whose products will slip in over any tariff wall which you may erect.

THE TRUE POLICY.

The policy of this country should be to maintain a reasonable tariff, which will protect the labor of this country against an invasion of the products of the cheap labor of Europe, for we realize that the unit of value of this country is the day's labor, that upon that every other value is built up. We can not diminish the value of a day's labor in this country without diminishing the value of every other unit of property throughout its vast area, whether it be the acre of the farm, the square foot of city real estate, or the measure of products. Realizing, then, that we have a high standard of value in this country, a high standard of value for labor, and a high standard of value for property produced or utilized by that labor; realizing that the intelligence and the courage and the energy of the people of this country are the products of our institutions, and not the cause; are the products of the industrial policies we have been pursuing, and not the cause, we should be for a reasonable protection against the cheap labor of Europe; the protection of the New England States, the protection of the Middle States, the protection of the States that are about to become manufacturing States.

But we also require a measure of protection for wheat-growing and silver-producing and cotton-growing regions of the country, for to-day these regions are producing their products in competition with silver-standard countries. They must export, and the value of the domestic product is determined by the value of the exported product, and just so surely as we can increase the labor cost in silver-standard countries in terms of gold, by raising the gold value of the ounce of silver, just so surely will we raise the value of our wheat and cotton, with which we mainly pay the principal and interest of our foreign debts, and, so far as the mining regions are concerned, restore the basic industry of six States and three Territories upon which our transcontinental railroads, with their branches, have relied for the profitable part of their business—railroads which, as the result of the legislation of 1893, have defaulted their interest and are now in the hands of receivers, making a desperate struggle for existence by processes of reorganization and scaling of debt and interest.

The legislation of this country should be applied to the removal of the causes, and not to palliative measures such as bankruptcy laws, which leave a man stripped of his fortune, relieved only of the mortgage which debt imposes on his courage, enterprise, and energy. Let us hope that in the future the protective policy will be so far expanded as to embrace the use of silver, and thus protect the mining region, the wheat region, and the cotton region. Let us hope that such an industrial and financial policy will be adopted as will protect not a section, but the entire country; not simply the New England and Middle States, which, through their manufacturing interests, have accumulated wealth and become the creditor States of the country, but also the Western and Southern States, which have been thus far compelled to submit to a competition infinitely more dangerous than the competition against which our tariff wall is now raised.

No one can fail to recognize the signs of the time, that the sentiment of this country is more steadily every day advancing toward the protective idea. The school of humanitarianism which seeks to regard the whole world as one people with universal free trade and universal brotherhood no longer has many disciples. We begin to realize that intelligent interest should control every nation as it does every individual or family. That man best discharges his duty to humanity who first considers the interest of his family, next the interest of his community, next the interest of his State, and next the interest of his nation, and then gives the balance of his love to the rest of the world.

But the policy which gives protection to a section and denies it to the nation at large, which passes laws in favor of protecting the labor of the manufacturers of the East and refuses to pass the only laws which can protect the wheat growers and cotton planters against destructive oriental competition, is not the enlightened self-interest which should control a nation.

AN ORIENTAL MENACE.

This question has not been fought out in New York, Pennsylvania, and Massachusetts, as it has been in the wheat fields, the cotton fields, and the silver-mining camps. The people of those States do not realize, protected as they have been by a high tariff wall against the cheap labor of Europe, that there is a power in the Orient which threatens their destruction; and when they do realize that fact, as they will during the coming months, they will learn that the interests of the manufacturers of New England and the Middle States are identical with the interests of the manufacturers of Manchester, of Birmingham, and of the German cities, who have lost their oriental trade through the promotion of domestic industries in those countries, owing to the premium on gold, and who find that the products which they have been accustomed to throw upon those countries are forced back upon them, producing a glut in their domestic markets, the effects of which we find here in these low-priced products that have slipped in over our tariff wall.

A UNION OF INTERESTS.

We may hope to see the wheat interest, the cotton interest, the mining interest, and the manufacturing interest organized against the banking interest, the railroad interest, and those great commercial bodies whose action beats responsive to their will. For recollect that it is the changers of money, the changers of the goods, and the transporters of goods that have made a union of forces against the productive energies of the country, whether those productive energies are manifested in cotton and wool manufactures in the New England and Middle States, in the iron and coal industries of Pennsylvania, in the production of wheat in the West and cotton in the South, or in the mining of silver in the great West, and you may rest assured that this country will in time pursue the policy of enlightened self-interest. It will realize that it is to its interest, as the producer of over one-third of the entire silver of the world, as the greatest debtor nation in the world, as the greatest producing nation in the world—it will realize that it is the policy of enlightened self-interest for such a nation to stop the appreciation of gold, to stop the building up in value of every unit of the billions of gold whose present home is in three countries—England, France, and Germany.

Think of it! One-half of the gold of the world in the banks in these three countries, occupying so small a space on the map, and having only one-fifteenth of the population of the world—one-half of the gold of the world in their possession, and the other half tied to strings by which they can easily draw it to themselves at any time. Shall we continue to place our interests, our industries, our property, our values, at the mercy of those people who have accumulated that gold, and who by their financial policy have compelled the debtor and producing nations to recognize it as the only money metal, to build up its value and increase its control over the value of the products of labor, and thus to reduce the world to industrial and financial servitude?

I must beg pardon for occupying your attention so long. My only excuse is that opportunity to speak upon this subject in New York, the center of gold monometallism, is rare; that the financial policy of this country has not been made the subject of thoughtful consideration here; that the intolerence of your press has shut out calm and impartial deliberation upon this subject, and makes it all the more necessary that those who believe in a true and robust Americanism should present their views freely. I trust that the work of the New York Bimetallic Association, began under conditions of such discouragement, will be vigorously conducted, and that the people of New York, now suffering from unprecedented depression of trade, will learn the lesson which suffering and distress have taught their brothers of the West and South; that a depreciating money means depreciating property and declining trade, and that the truest conservatism requires a return to the wisdom of our fathers.

"THE THEORY AND PRACTICE OF BIMETALLISM."

[ADDRESS BY HON. CHARLES A. TOWNE, AT NEW YORK CITY, ON THURSDAY EVENING, MARCH 11, 1897.]

Mr. Henry M. McDonald, president of the New York Bimetallic Association, in introducing Mr. Towne, spoke as follows:

Ladies and gentlemen, before introducing to you the speaker of the evening, I desire to make one or two preliminary remarks. The course of addresses which this association, the Bimetallic Association of New York, has initiated is composed of five addresses. Upon the delivery of the address this evening four will have been given. These lectures, as you well know, have thus far been paid lectures. The association has been under considerable expense. We have incurred some loss. We do not regret this. We are engaged, we believe, in a contest for principle; and when you are engaged in such a contest, and especially when, to a certain extent, you are pioneers, you must expect loss, and if people are made of the right kind of stuff, they will not mourn over such losses.

We have more regret in the direction to which I shall now refer than in any other, namely, that more of the people of New York have not been able to listen to these addresses, and in that connection I would say that I make the statement without the least idea of censure. On the other hand, we are very greatly obliged to those who have attended the addresses; but, in order that the remaining addresses of the course may be heard by the greatest number possible of the people of this city, it will be a free address. Admission will be by ticket—the first come, first served—entitling you to a reserved seat. I would also add that we ask your cooperation; we ask you to aid in this movement by disseminating, as far as possible, the information that the address to be delivered upon Friday evening next, the 19th instant, will be a free address, and we ask you to invite your friends to attend that address and to see that this hall is filled.

I will also state that those who have purchased reserved seats, if they desire a rebate on account of this remaining address being free, we shall be very glad, upon notification, to return you the excess of the amount paid.

Now, referring more particularly to the next lecture in the course, March 19, it will be delivered by the Hon. George Fred Williams, of Massachusetts. Mr. Williams is an exceedingly clear thinker, a vigorous speaker, a man of affairs, and thoroughly practical in every respect. What is more, he has the courage of his convictions. There is probably no man engaged in this movement for the people, or very few men, I will say, who have sacrificed more in taking the position than has Mr. Williams. You will recall that he was a delegate to the Chicago convention; that he went there with almost a solid gold-standard delegation from the State of Massachusetts, where, in a certain sense, it is worth a man's comfort, at least his personal comfort, to be known as a silver man. He seconded the nomination of our standard bearer in the last campaign, putting himself in that way in the brunt of the fight. Not content with that, when he was tendered the nomination for the governorship of Massachusetts, knowing that he was leading a forlorn hope, he came most gallantly to the front, and, with all the power he could muster and all the ability which he possessed, and at great self-sacrifice, conducted the campaign to the very end.

Therefore I ask you to fill this hall when Mr. Williams shall address you upon Friday evening of next week.

Now, ladies and gentlemen, I have the pleasure, the honor, of introducing to you the speaker of the evening. I shall not enter into any descriptive introduction of the speaker, because I know that his address will be so eloquent, so forcible, that it will speak for itself. I take pleasure in presenting to you the Hon. Charles A. Towne, of Minnesota.

ADDRESS OF MR. TOWNE.

MR. CHAIRMAN, LADIES AND GENTLEMEN: About nineteen hundred years ago the great Teacher of mankind, seeking, no doubt, to inspire His followers with some consolation for the fact that so few had attached themselves to His cause, comforted them with the saying: "Wheresoever two or three are gathered together in My name, there shall I be in the midst of you."

And so, wherever even six or seven hundred American citizens are gathered together in the name of this country to take counsel, there, in the midst of them, is the genius of liberty and of American institutions.

The meeting to-night may be like a small light in a dark place, but it is a light destined to grow; it is lighted from the very altar of the noblest hopes and the justest ambitions of patriotism in the United States.

A GOVERNMENT OF DISCUSSION.

For we are met to-night to discuss, for a little while only, since the question is too broad for anything like even a supposedly exhaustive treatment in one evening, a great political and economic question. We need no apology for meeting with this purpose, although some there are who seem inclined to deny the right, or, at any rate, to question the propriety of our doing so. We are here because we believe that the salvation of the institutions of American Government, and the ultimate welfare of the human race itself, are indissolubly wrapped up in the great cause of financial reform. It is absolutely necessary that we should meet together and take counsel. It is an obligation that the form of our Government thrusts upon us, and that every man born into the fellowship of American citizenship can not honorably avoid if he would.

In these days of combinations of secrecy and conspiracies of silence it is well, perhaps, to be reminded that mankind spent some thousands of years in the tedious and difficult process of evolution out from the despotism and darkness of silence and secrecy into the light and liberty of publicity and speech. In days when forces, vaunting themselves to be dominant in the state, are combining for the purpose of taking the currency and the tariff and other similar questions out of politics, let us remember the countless generations occupied in the struggle for political liberty whereby the human race vidicated for itself the right to put exactly that kind of questions into politics.

Discussions like these are the great high councils of the people. If the people are to govern, they must be informed; and if they are to be informed, they must inquire; they must investigate; they must examine; they must weigh; they must criticise and conclude, and then they must act. You can not destroy a great cause by simply trying to discourage people from talking about it. You can not build up confidence in any system by refusing to let it be talked about. Security is not builded upon deferred and postponed explanations. Prosperity is not subjective. If you can not see it, there isn't any. No man by "bare imagination of a feast" can fill a hungry stomach.

No amount of mere "whooping up," by press or otherwise, can make the mills appear to run and society to seem prosperous, when everybody knows that the mills are still and nearly every man is upon the brink of ruin. What man, by taking thought, can add a cubit to his stature? And what people can make itself prosperous by simply thinking that it is prosperous, in direct contravention and contradiction of its own harsh experiences day by day? The fact is, fellow-citizens, you and I know that there is something gravely amiss in the United States. You and I know that it is your business and mine to find out what it is, and that we have no constituted and appointed guardians to do either our thinking or our acting for us.

Our opponents have a great advantage over us in the discussion of this question. It is a maxim that possession is nine points of the law. The gold standard is in possession. Every presumption, therefore, in the ordinary course of political reasoning is in its favor. They must simply defend. That is all. We have the burden of the initiative. We are bound to establish that the gold standard is wrong; that it has produced and is producing great evils, and that our remedy, by every sanction of reason that we may bring to the question, and by all the support we can possibly find for our position in the experience of mankind, is likely to effect a cure.

BIMETALLISM DEFINED.

What is the remedy we propose? The first step in it is customarily called bimetallism. And thereby hangs a tale. The word is comparatively a new word, not a generation old. It is a many-syllabled word, and behind the sesquipedalian mystery of the term a great deal of cloudy thinking and a mighty sight more of acute political dodging have cloaked themselves. When the word "bimetallism" was made, there was no doubt about what it was made for and what it was meant to signify. The syllable "bi," from the Latin, meaning "two," explained easily that "two-metallism" was intended to designate a system employing upon the same level of dignity and power the two precious metals, gold and silver. There never was any other meaning assigned to that term until about two years ago, when it suited the exigency of certain men engaged, as I firmly believe, in an attempt to hoodwink the American people, and to take possession by indirection of one of the great political parties of this country, to make another definition of bimetallism, thus getting the people to follow the name in a temporary forgetfulness of the thing until they fetched up in the camp of an alien monetary system.

They interpreted the word bimetallism, in a certain specious reference to the etymology of the word, as a system wherein two metals are used as money. Of course that is "two-metallism" in one sense, and therefore, presto! it is "bimetallism." And so, they reason, if you have a monetary system where gold and silver are employed at all, without any reference as to how, without any reference to the fact that one of them may be a standard money and the other only a subsidiary money redeemable practically in it, or a mere token coinage, you have bimetallism; whereas the true meaning of bimetallism is that the two metals at a proper ratio shall stand exactly equal, with the same right at the mint, and with the same power and privileges under the law.

In a speech which I had the honor to make in the House of Representatives a year ago, I called attention to this juggling with the meaning of this word, and, because I deemed it of some importance that the design behind it should be known, I challenged anybody who might thereafter take part in that discussion to cite me an instance where a definition of that term had been employed inconsistent with the one I have here given and had there given, within the last preceding year and a half, by any economist of standing or any statesman of repute. That challenge remained unaccepted, save that Mr. FOWLER of New Jersey, unable to produce within the letter of the defiance any authority of an economic writer or a statesman of standing, had a recourse to the Century Dictionary, and produced the following definition from it:

> Bimetallic. This word and its derivatives are of recent origin, M. Cernuschi having been the first to use "bimetallique" in 1869, and "bimetallic" in 1876. Of or pertaining to two metals; specifically, pertaining to the use of a double metallic standard in currency. Bimetallism. The use of two metals as money at relative values set by legislative enactment; the union of two metals in circulation as money at a fixed rate. Specifically, that system of coinage which recognizes both coins of silver and coins of gold as legal tender to any amount, or the concurrent use of coins of two metals as a circulating medium at a fixed relative value.

This definition, properly interpreted, is wholly inconsistent with the construction sought to be placed upon it by the gentleman who brought it forward, and absolutely sustains the contention that we have made, namely, that bimetallism denotes a system where gold and silver are used under the same rights in the payment of debts, for the definition, you notice, says that both gold and silver coins shall be "legal tender to any amount," and that each shall have the same relation to the system as a basic money—notice the expression "a double metallic standard in money." So that even upon this basis of the Century Dictionary we are sustained.

LACK OF CANDOR.

Now, I spend this time upon this proposition for the purpose of calling to your mind the real meaning of that word. To-day it is being juggled with. To-day you are being deceived, or the attempt is being made to deceive you, as to what shall be done in pursuance of an attempt to secure, upon the part of the leading commercial nations of the world, cooperative action in respect to the establishment of bimetallism. Right in the city of New York, where the papers have shown no patience whatever with the suggestion of anything but an out-and-out gold standard, irrespective of party promises or anything else, the attempt is being made to carry the impression abroad and secure its firm fixture in the minds of the people that the promise in the platform at St. Louis, and the object professed on the part of a large number of public men to bring about bimetallism by international concert, will have been fulfilled if they succeeded in securing an agreement among the leading nations of the world which shall result in the adoption of a common unrestricted coinage of gold with a subsidiary coinage of silver based upon it.

That is not bimetallism, whether achieved by international agreement or in any other way. Let it be now and forever understood and remembered that what we are fighting for is not to have "something done for silver," as the expression is sometimes employed. We do not want you to do anything for silver. Silver as silver can take care of itself like any other product. We want the American people and the people of the world to do something for humanity. We do not want you to do something *for* silver, but want you to do something *with* silver.

The only thing that will content the advocates of bimetallism is the opening of the mint of some great nation, or of the mints of several associated nations, absolutely upon the same terms of access for coinage to both gold and silver bullion, with the same privilege under the law to both coins to pay every man's debt, with the choice between them to the man who has to pay it. The question never can be settled until it is settled upon that basis, and let it be remembered in all the discussions, both to-night and at any other time, upon the subject, that international bimetallism differs from independent bimetallism only in the means whereby the end shall be attempted to be secured.

The things aimed at by both are the same—the restoration of the broken par between gold and silver among the exchanges of the world, the stopping of the fall of prices, and an equitable adjustment of that which measures the products of human toil. Those are the objects sought, and when you hear a man who claims to be an international bimetallist declaring that there has been no appreciation of gold, or that prices have not fallen, put that man down as intentionally or unintentionally mistaken in his views. Let no man claim to be for bimetallism who thinks the gold standard is all right. The first great line of demarkation is between those who believe in the gold standard and those who do not. Then when you come to those who do not support the gold standard, they must be, if honestly divided, absolutely agreed upon the premise which has made anybody at all a bimetallist, namely, that the gold standard is wrong.

THE GOLD STANDARD WRONG.

Why is it wrong? What was the occasion which brought us to experience its results? For two thousand years mankind has used both gold and silver as final money, ultimate money, foundation money, basic money. These are some of the terms that are employed to designate that money which is final payment and never has to be redeemed; which, when it changes hands in consideration of service or property, ends the transaction. It is itself a payment, and upon it may be reared and is reared the structures of representative money, of paper money that has to be redeemed in it, and of credit, which also, like representative money, is stated in dollars, and for which, in the last analysis, real dollars must respond. That is ultimate money. And I say for over two thousand years the world so used both gold and silver. Why, the exigencies of the gold standard to-day have compelled its advocates to do what? They have invented a new morality, for one thing, the doctrine of which is that the creditor has a perfect moral right to take a 200-cent dollar from the debtor, but that the debtor is a most reprehensible villain and moral outcast if he objects to it. And they have also invented a new political economy.

EXPERIENCE OF MANKIND.

Is there anything difficult about that? And yet your friends of the gold standard say that is not a sound principle; they say, in the New York newspapers, in effect, that there is no distinguishable relation between the amount of money and the course of prices—a most marvelous discovery, if true. I say the instinct of mankind was always to the contrary; the experience of mankind was always to the contrary. Why, when gold and silver were coming in streams from the mines, mankind in all the past ages of its history found that it was a good thing for society; they found that it built up the waste places; they found that it extended civilization; that it encouraged every kind of investment; that it developed and strengthened the great producing classes. They found that it was always coextensive and concomitant with increased prosperity; and that, on the contrary, when the production of the mines fell off, the opposite effects were realized.

Civilization itself became stagnant and the Dark Ages swept over Europe because the great gold and silver mines that had been worked through the early days of the Roman Empire were exhausted or forgotten and no new ones were exploited. The result was, as Jacob, the great historian of the precious metals, tells us, that whereas in the reign of Augustus Cæsar there was something like eighteen hundred millions of dollars in the stock of the precious metals in the Roman Empire, by the year 806 it had fallen to about one hundred and sixty millions. Industry died. Civilization went backward. The "Dark Ages" engulfed the world.

Is it possible that men can dispute so simple a proposition, for example, as this: That when there is relatively a good deal of money, prices are higher, business is better, there is encouragement for men to put money into the making of things, because when things are made they will sell at a profit; and, per contra, that when money is scarce, and growing scarcer, it is a bad time for business; that as money grows scarcer, prices go lower; and people cease to invest money, for the reason that when you get the money in the thing, the thing, by falling in price, will let you take less money out than you put in. So, instead of putting money into making things or growing things, when there is a scarcity of money, the money is put into the bank.

Look at modern history. Go back to the time when, in the sixteenth century, Spanish conquest opened the silver mines of America and sent their great wealth across the seas in treasure galleons that were captured off the headlands by enterprising English buccaneers and their rich cargoes taken to England to form the basis of the marvelous expansion of English trade and commerce in that era. Come down to the beginning of the present century. We are told, for example, that prices fell greatly from 1809 to 1849, and that the purchasing power of gold rose enormously, which of course is only another way of saying the same thing; and that if prices have fallen since 1873, it can not be due to the demonetization of silver, because silver was not demonetized from 1809 to 1849.

I remember, when a student of logic, being told the story of the old sailor who, because the wind had blown the steeple off Tenterden church at about the time that a certain channel past the Goodwin Sands showed some improvement, whereas the Goodwin Sands had always been an unsafe and troublesome part of the coast during the very time when the steeple was standing, reached the conclusion that there was a casual connection between the state of the steeple and the condition of the channel. On a parity with this reasoning is that of those who use this argument. The fact is that the fall of prices between 1809 and 1849 and again from 1873 until now is chargeable to the same generic cause in each instance, namely, a falling off in the supply of the basic money of the world.

CLOSING THE MINES OR SHUTTING THE MINTS.

During all of these two thousand years of which I have spoken did you ever hear of mankind becoming convinced that there were too ample supplies of gold and silver, and that the mines therefore had better be closed? Why, the history of the time since we began to have any self-government in the world is replete with bizarre propositions and extraordinary conceits in the way of legislation; but in all that time nobody, so far as any record tells us, ever arose to say that the gold and silver mines ought to be shut up because the people were getting too much gold and silver as money. And yet, in the most enlightened century in all the history of the world, we have exactly duplicated the nonsense of which a man would have been guilty who should have made that contention. Gold and silver in the great treasure-house of nature as bullion are not money. They must first be raised from the mines, and then they must be put through the mint. Then only can they circulate in the channels of business. It makes no difference whether you stop the mines or stop the mints. In either case you have shut off from society and from the normal and legitimate demands of business one of the sources of supply of money which is its very lifeblood.

DEMONETIZATION.

Nobody ever proposed, I say, even in the barbarous ages, to shut up the mines, but it remained for this quarter of the nineteenth century for men to do just as foolish and just as destructive a thing, namely, to stop the mints to the access of one of these metals, which, with the other, had always enjoyed the privileges of paying the people's debts and measuring the volume of their transactions and their property. In the year 1873 or thereabouts—for I will not take the time to review in detail the successive acts of legislation among different nations whereby the result was finally achieved, but the year 1873 is commonly and properly taken as about the time—several of the nations of the world, some of them almost at the same time and others in rapid succession thereafter, took away from silver some or all of its money functions.

You do not have to take away all the money functions of a metal to demonetize it. If you take away from it any essential attribute of full money, depriving it of its basic, fundamental, measuring power or of its full ability to pay debts, you have demonetized it. Some governments, for example, suspended silver coinage, leaving the silver coin in existence to go on performing the money functions it previously performed. Some, as Germany, not only suspended the access of silver to the mint, but undertook to dispose of millions of pounds of silver for what it would bring in the markets of the world. Some, as England had done in 1816, limited the legal-tender capacity of silver money. After the first few nations had taken the step, others fell under the baneful example.

We are told that the gold standard, like the Pullman coach, is an evolution; that you might as well try to go back to the ox cart as back to the silver dollar; and there is something in the paradox of that assertion that has such a charm for certain minds that it passes with them for argument. But the fact is you are always to distrust an evolution that praises itself, particularly when the human agency of it can be clearly seen to have had a selfish object in accomplishing it. Unfortunately for the evolutionary theory, you can go to the statute books and find the laws that did it, and the laws did not just happen. They were put there by somebody when nine people in ten did not know anything about it, and had no reason for knowing about it, and when the minority, the small part of the people who succeeded in getting the legislation enacted, must have had some clear apprehension of the object of the legislation, and whom we know now to have profited most mightily by reason of it.

WHY GOLD WAS "NATURAL" MONEY AT TIMES.

About 1816 Lord Liverpool made up his mind—and he is quoted as if he were the the end of the law on this subject, whereas he was a man of rather mediocre ability and attainments, in spite of the position he occupies in the shrine of the gold-standard worshiper—that gold was the natural money of England, and that therefore they had best reform their coinage system and declare it so. Gold had evolved itself into an eternal fitness as full money for England, and the law must recognize it.

How had it evolved itself into fitness for money in England? Why, simply because there was a difference in ratio whereby silver was undervalued in terms of gold as compared with the prevailing ratios upon the Continent of Europe, and because, under a well-known and very common-sense law, that metal sought the mint where it was most desired and where its ratio to the other metal made it advantageous for it to go. The result was that England got less silver and more gold, and the countries of the Continent got more silver and less gold.

There is no mystery about this. It is the most natural thing in the world. The same phenomenon happened in the United States. From 1792 to 1834 we had a ratio of 15 to 1. The mints of France were open at 15½ to 1. From 1834 to 1873 we had a ratio of 16 to 1. The mints of France were still open at 15½ to 1. Thus at one time we were offering more inducement for silver at the mint than was France; and at another time more inducement for gold. The consequence was, very naturally and very properly and inevitably, that at one time she got more gold and less silver and we got more silver and less gold, and in the other era the positions were naturally reversed.

Did that demonstrate that gold was the natural money for England in 1816, and that gold was the natural money for the United States in 1873? It demonstrated simply this: That where the various mints were open at divergent ratios there was a difference of motive upon the parts of the two metals to go this way or that. But the great truth remains that under all those conditions the gold and silver of the world, wherever it was, somewhere was performing the function of full money, competing with gold, now without a rival, and restraining its power, which is now absolute.

LAW AND VALUE.

They tell us that you can not do anything by law. Well, they have done a great deal by law. It is very convenient to have mounted into power by this ladder of the law, and then contemptuously to kick it one side, so that your pursuer can not overtake you by the same route. Aristotle, the myriad-minded man of the ancients—sometimes it seems that he wrote equally well upon every subject of knowledge that anybody knew anything about in his time, and that, except so far as observed facts are concerned, he stated the limit of knowledge for all time—Aristotle thousands of years ago discovered and announced the fact that money is the creature of law. Gold and silver are gold and silver. Stamp one of them, give it a power to pay debts, receive it for government dues, and it is money, and it then becomes subject to the great demand for money. You can do little by law, say they; you can not create value by law.

Nobody contends that you can create value by law, but you can affect value by law through setting into operation certain economic forces which affect demand. And what is value? A relation between the demand for a thing and the supply there is of it. That is all. That is the only law of value, and Aristotle discovered that also. Why, our friends talk protection—and I am a protectionist, by the way. They say you can not do anything by law, and yet they are mightily afraid that the law will not allow them to raise the prices on some of their goods. Well, perhaps it is true that law can accomplish something in the direction of protection and is impotent to accomplish it in any other way. If that be conceded to be the force of the reasoning of our friends upon the other side, it is only one other instance of what absolute impossibilities and inconsistencies you are required to believe in order to accept the philosophy of the gold standard.

ONLY ONE SIDE FOR AMERICANS.

A certain banker in town to-day or yesterday having, strange to say, an opportunity of attending gratis the lecture to-night, declined with thanks, saying that he had no time to waste in listening to discussions of the money question; there was only one side to it. Whereupon, probably without any thought of the fact, he was agreeing with the speaker of the evening. There is only one side to this question of bimetallism. If you argue from the standpoint of the welfare of the majority, there is absolutely not one argument to be advanced, philosophical, historical, or practical, in behalf of a single gold standard that is not susceptible of instantaneous and triumphant refutation; not one.

The only defense for it is the defense that is made in England, where they say: "We admit that the gold standard causes an appreciating money unit; that it grows big while everything else grows little. That is the reason we want it." They say the rest of the world has to pay England $675,000,000, or thereabouts, tribute every year. How is it paid? In products. One hundred and forty-five millions of pounds sterling of adverse balance of trade in merchandise against Great Britain, offset by six millions, or thereabouts, of exported specie, leaves about a hundred and thirty-nine million pounds sterling every year that she must go abroad for, paid to her for interest on the public and private debts that nations, corporations, and individuals in the rest of the world are owing to her. Harcourt said in Parliament:

> These debts are paid to us in the product of those countries. Shall we therefore accept a policy that will pay us half as many products as now?

And you and I who furnish the products with which this debt is paid to England are asked to continue a policy which will constantly make us give more of everything that we raise to pay England the same nominal amount of money. If you argue, therefore, in behalf of the favored class who are out of debt and have debts in gold owing to them, or of a great creditor nation out of debt and having debts owing to it payable in gold or the equivalent of gold in products of labor, then you can defend the gold standard. But if you speak in behalf of the great masses of the people, in behalf of general prosperity, in behalf of the right of labor to be employed, in behalf of the right of the farmer to sell his product for enough to pay his expenses and make him a customer of somebody else, if you speak in behalf of all your country instead of a part of it, then there is no argument whatever for the single gold standard.

MEANING OF VALUE.

The phrase "standard of value" is an unfortunate expression. It has led, for example, to the amazing folly that I have heard confessed on many occasions upon the part of men who say, "Why, it does not make any difference how much gold there is in the world or how little gold there is in the world; you only use it as a measure of value." And then they tell you about the yardstick in the Tower of London; how that is just exactly so long, and that is the only place in all England where you can tell exactly how long a yard is, and that you do not need any other yardstick as a standard. You may take every yardstick in England to that place and measure it, and you need only that one standard. And so they say that if you just had one little piece of gold, 23.22 grains of pure gold, and that were all of it in the world, and you put it in a little glass case in the city of Washington, where it would be preserved and exhibited, it would answer every purpose as a standard of value. The words "standard" and "measure" imply to the mind by a natural suggestion many of the physical properties with which we are familiar in the case of ordinary measures of dimension and capacity. We think of a rod, or a yard, or a pound, and we have a concept of something that is absolute, that is fixed, definite, and ascertainable. In the case of value, however, you are confronted with an abstraction. You never saw a value in your life. You never felt it. You never weighed it, and you never measured it, in that sense.

Our friends talk about intrinsic value as if it were something tangible. There is not any such thing as intrinsic value. Value is a relation. If value were intrinsic and absolute, you could speak of it as of a foot or a pound. Being a relation, you have to speak of two things whenever you mention value, and the way you describe it is to compare one thing with another. Value is what something is worth. That book, for example, may be worth as much as this one. If so, they are of equal value. It may be worth more or less. If we had nothing in the world upon which mankind had agreed as a basis for measuring other things, then when you were comparing these two books, for example, you would be relegated from one to the other as, in turn, your standard of value; and if you started to value the things in this room, you would begin in such a way as this.

This book is worth one-fourth as much as this pitcher; the pitcher is worth four times as much as the book. The value of the book expressed in the pitcher would be one-fourth, and of the pitcher as expressed in the book, four. Mankind in a state of barter did that very thing. They traded one thing for another, and the supply and demand of those things in the market determined the rate at which they should exchange. And finally, for convenience sake, they adopted one certain thing with which they could go into the market and procure anything else, and for which they were willing to exchange any product of labor upon an equitable basis.

THE QUANTITATIVE THEORY.

Now, of course, when they had adopted one thing as the measure of the values of other things, they had gotten rid of none of the infirmities that attached to it when it was a commodity. What it would exchange for in other things still depended on the quantity there was of it compared with the demand there was for it. What they did was to add enormously to the demand for it by making it responsive to a demand equal to that for all the other things in the market. That is what a demand for money is; and that is the reason why the quantitative theory holds so thoroughly for money as of nothing else in the world. It is because the struggle is always and everywhere to get money; there is a constant demand for it not connected with its commodity uses at all, and therefore not connected with its cost of production to meet a commodity want.

The value of money is, to use the language of the great Nestor of money science in the United States, the Hon. JOHN P. JONES, of Nevada—I am not quoting him accurately, but substantially—"the value of a dollar is not what it costs to make the stuff out of which the dollar is stamped, but what you have to give for it after it is a dollar." Intrinsic value! Suppose I have a piece of gold as large as my hand. It is heavy and it is yellow, and so long as it is gold, it can not help being heavy and it can not help being yellow.

I may take it to a desert island and bury it in inaccessible regions of sand, and cover it up, and the palms may grow over it. How much is it worth? Not a cent. It will not be worth anything until somebody finds it, and then it will not be worth anything until the man who finds it has it with him where somebody else is that wants it. That is the reason why Robinson Crusoe, when he loaded his raft at the wreck, left the Spanish doubloons in the sacks behind and took some salt and butter and flour to the island. There was not any fellow on the island with whom he could trade the gold.

When a man gets a piece of gold under the supposed circumstances, he has, before it is worth anything, to take it where there are men who want the gold; and then how much the gold is worth depends not on its weight or its color, but on the number of people there are who want that gold and how badly they want it. And that determines how much they will give for it; and that determines the value of the gold. It did not make any difference when mankind, in the process of devising a medium of exchange, finally stamped a certain weight of gold as indicating a certain fineness of metal and a certain quantity. There was still only so much of it. It was no longer necessary to carry about a set of scales and a bottle of acid in order at each transaction to give an equivalent in grains of gold or pennyweights of silver of a certain fineness. The stamp settled that. But it still remained a weight of metal; and if you will think of the weight of the metal rather than the name of the coin when you think of a dollar piece, it is more easy to understand how it may be of different value at one time than at another.

Our friends sometimes carry the idea that a dollar because it is spelled the same means the same at all times and under all circumstances. "Isn't a dollar a dollar?" Very true. But what the value of a dollar is depends on what its equivalent is in other things, and this varies from time to time. A dollar is worth what you can get for it. It is worth what it will exchange for; and one dollar will exchange for less when there are more dollars to do the same exchanging than when there are less dollars to do it.

Other things remaining constant, a given quantity of business continuing to be done, more metal passes with each transaction when there is more of it in existence, and less when there is less of it in existence. When you have been for two thousand years using gold and silver interchangeably, suddenly to say, by law, "You shall no longer pay your debts with either of these at your option, but you shall use for the purpose one of them only; you shall no longer take from the almost exhaustless resources of nature and convert into money both of these metals, but you must leave one there and bring the other only," will cause you to get along with just twice the difficulty that you formerly did. To do that is to put a burden upon the shoulders of toil and a shackle on the energies of debtors that nothing else can equal in all the history of this wide world.

HOW A LENGTHENING MEASURE ROBS PRODUCERS.

You may exchange one commodity for another through the medium of an equivalent in gold or silver equally well, whether the supply of the metal is such as to cause that exchange to be done with 1 ounce or with 2. That is perfectly true, and if every transaction were a present transaction, if there were no debts in the world, if there were no fixed burdens in the world, your standard would be of comparatively no importance, and the function of money as a medium of exchange only would be of that almost exclusive significance which the argument of our gold-standard advocates so frequently assumes it to be.

But just as soon in the history of civilization as society had progressed to the extent that men had formed the habit of anticipating by present investment the results of future toil; just as soon as they burdened the property they now had for the purpose of some increased facility of production or enjoyment, expecting with the product of their labor to pay back that debt at some future time, then it became of the utmost importance to society that, when debts thus incurred came to be repaid, they should mean the same equivalent in commodities as at their inception.

If the farmer, for example, puts a mortgage of $1,000 upon his land when 5 bushels of wheat and a quarter of beef are exchanging as equivalent in value through the medium of five dollars in money, he has borrowed in effect a thousand bushels of wheat or 200 quarters of beef. It is of importance, assuming beef and wheat at this ratio to be representatives of the general market—it is of importance to him, when he comes to pay back that debt, that wheat and beef shall be worth, respectively, $1 a bushel and $5 a quarter. If on the contrary, between the time when the debt is incurred and the time when it is to be paid, some "evolution" or lawmaking has taken away half of the stuff out of which the dollars can be made with which he is to pay back the debt, then it is twice as difficult for him to get one of the dollars as it was before. It takes now, in order to do as much exchanging as before, twice as much work by each dollar; it places a burden necessarily upon each dollar twice greater than before; so that $2.50, when half the money has been destroyed, must do the service that $5 did when it was all in existence. The consequence is that, while the 5 bushels of wheat and the quarter of beef may be still equivalent to each other, and while, considered as a present transaction, you can with just as perfect ease and justice exchange them against each other through the medium of two and a half dollars as through that of $5, it is a very different thing to the farmer who borrowed 1,000 bushels of wheat or 200 quarters of beef and must pay back 2,000 bushels of wheat or 400 quarters of beef in order to lift the mortgage from his farm. Reckoned in wheat, corn, and oats, the farmer could have paid a thousand-dollar debt in 1890 with 1,841 bushels, whereas it would have taken 3,663 bushels in 1896. In these illustrations the farmer is used as a type, and the most perfect type, of producers, all of whom are robbed and must finally be destroyed by an appreciating money measure.

THE DOLLAR THAT BUYS THE MOST.

You can not have an exactly perfect and wholly equitable measure of value. At any rate, you can not so long as you depend upon the accident of discovery and natural supply. The most that you can do is to do the best you can. We must be content with the nearest approach to a perfect system which human wisdom and human justice can devise. That dollar, our gold-standard friends tell us, is the best dollar which buys the most. That dollar, they say, is the best dollar which has the greatest purchasing power. Suppose, for example, that to-day a dollar buys a hundred pounds of flour. To-morrow, let us say, that the stuff out of which dollars are made has grown so scarce that now, in order to do all the work of exchanges that is necessary to be done, each dollar must exchange as against 200 pounds of flour. Then they say that is a better dollar than the dollar of yesterday. An exchange is a reciprocal matter, remember. If a dollar buys a hundredweight of flour, a hundredweight of flour buys a dollar. If you say, then, that it is a better dollar which buys 2 hundredweight of flour than that which buys 1 hundredweight of flour, it is precisely as though you said it is a better dollar which it requires 2 hundredweight of flour to buy than that which it requires 1 hundredweight of flour to buy; all of which is most excellent philosophy for the man who has the dollar, but a mighty ruinous theory to the man who has the flour.

Now, the majority of mankind are makers and growers, or in some necessary and proper capacity connected with those who are makers and growers, of commodities and articles. It is a small minority that are interested in money only. I submit that if you must choose between a system for the few and one for the many, between a system for the hoarders and one for the producers, justice and humanity declare for the many and the producers.

TENDENCIES IN A GREAT CITY.

I sometimes think that in the great city of New York it is more difficult to be just and clear in these matters than in most other places in the United States. Not that this necessarily implies any particular mental density or moral obliquity upon the part of the citizens of New York. We are largely creatures of circumstances. And so this local condition, however to be regretted, has come about naturally.

Circumstances have centered in this great city a vast and almost incalculable aggregation of wealth and the power that wealth gives. Speculation is congested here. Enterprises scattered throughout the length and breadth of the land find here their accommodation, largely their management and ownership. Surplus capital is here. When money runs away from investment elsewhere because falling prices take away the stimulus to put it into production, it comes to the great banks of the city of New York, and here it is piled up in vaults, an illusory and false indication of a prosperity that does not exist. Under these circumstances it is easy to forget the "toiling millions;" to fix the mind on money instead of things, on speculation instead of poduction.

The men who own these vaults exercise the greatest power in the community. They set the pace of life. Other men get to thinking in their way of thinking; and allow me to say that people of the city of New York to-day are too little regardful of the proper relation they sustain to the great producing classes of the interior of the United States. Your money had better not be put in your banks. It had better be invested in productive industry, all through the United States, employing labor that knows not to-day wherewithal it shall be fed and clothed to-morrow. You have piled up gold in your treasure-houses. It is not an indication of prosperity, but of the reverse. As well, said General Walker, have gone to the city of Chicago in the great strike two or three years ago, and have pointed there to the thousands and tens of thousands of cars and locomotives filling those great railroad yards, with the remark, "Look how prosperous the transportation business of Chicago is." The place for the locomotives and the cars is out upon the highways of the nation's commerce, carrying its property and its citizens, and discharging the offices for which they were created. The place for gold and silver coin is out in the avenues of business, measuring the value of the people's toil, and recompensing it honestly.

It is equally a bad sign when your locomotives and cars congest in the railroad yards and when your gold and silver pile up in the vaults of the banks. Money should not be worth more than things. If it is, it will stay out of things. It would be better, if you can not have it sustain a relatively constant ratio to commodities, that the variation were the other way, and that it became worth less than things, because then people who had the money would be wanting to get it out of their hands in order to get it invested in things, and then people that were making things would have employment.

WHY THE MILLS DO NOT OPEN.

We have heard much lately of a policy of opening the mills of the United States. Many of them, unfortunately, that were to have opened upon the 4th or 5th of November have disappointed prophecy, and others have most incontinently closed since that date. The period when it would be proper to expect their opening was then changed to the 5th of March. The 5th of March has come and gone, and the ides of March are almost here, a period of fateful suggestion in the realm of prophecy. Still, again, a postponement has been made, and we must now await the return of the angel of prosperity upon the inauguration of the policy which the present Administration at Washington is supposed to contemplate. I sympathize with all the efforts that that Administration may make in the direction of realizing any legislation protective of the interests of the people of the United States as producers as against the competition of those in countries of "less happier" homes.

I tell you the trouble with the United States has been, not that we had a different tariff from what we ought to have had, but because, under existing monetary conditions, prosperity would be and must continue to be an impossibility under any tariff. Your mills will start up when they get orders. They will get orders when the retailer sees the likelihood of disposing of what he may order; and he will see a likelihood of disposing of what he may order when his customer shows that he is going to have something with which to buy. And his customer will have something with which to buy when that which he raises can be sold for a price sufficient to leave him, after paying his living expenses and the fixed charges upon what he owes and owns, a surplus to spend with the man who has something to sell.

THE FARMER'S CASE HARDEST.

In all this fall of prices that man who stands closest to nature, who occupies the first place in the long line of production, changing the face of chaos into the beauty and comforts of civilization, the farmer, has suffered and is suffering worst of all. As well talk about a prosperous manufacturer with an unprosperous farmer behind him, as to affirm equilibrium of a pyramid with its base in the air. The farmer in the United States purchases his goods at retail. He sells at wholesale. Wholesale prices always fall first. Therefore he suffers doubly. He pays the old price for what he consumes long after he has been in receipt of a new and lower price for what he sells. In addition to that, the farmer of the United States has had to encounter the competition of the producers of raw material and food products, which we export, in the silver-using countries of the world. To-day you can buy in the silver-using countries, those great exporters of wheat and other similar products which the American farmer must meet in the neutral markets of the world, almost exactly the same quantity of those products that you could buy with the same amount of silver in 1873.

The testimony of the English commission in 1886, the tables and figures prepared with so much care by Consul Wetmore at Shanghai, the experience of merchants, all go to show, what has become a matter of common knowledge, that prices, as rated in silver, have not materially changed in those countries in the last twenty-three years. Consequently they can continue to take the same amount of silver for their products that they took then. It will pay as much debt as ever; it will buy as many things as before. But the American farmer must take his pay in gold, and as gold has risen and silver fallen, he has had constantly to take the gold price of the silver which his competiter could continue to take, and thus the quantity of gold that he could get for his competing product has grown less. Consequently it has operated, every time that silver has gone down a notch, as a discrimination against the producer in the United States, exporting and selling his produce in competition with silver-using countries, so that he has had to encounter a restricted market and a falling price for twenty-three years. It is easier to plant a field than to erect a factory. Competition in agriculture is first felt.

THE MANUFACTURER FOLLOWS.

They are now beginning on a large scale to build and operate mills and factories in the silver countries, and the manufacturers of the United States are already themselves feeling the competition of exported manufactured commodities meeting theirs in the markets of the world.

THE FALL OF PRICES.

There is no dispute about the fact of the fall of prices. It has been an economic commonplace for twenty years. After a time, being unable to account for it consistently with their claims for the gold standard, the advocates of that system in this country began to deny it.

When the evidence accumulated until it was no longer possible to deny it, they sought to explain it upon some other ground. For example, that we had so greatly increased facilities of transportation and improved the machinery and methods of manufacture and production in the United States that prices had naturally and correspondingly fallen. Of course, if that be true, then, other things remaining the same, like causes must, at other times, have produced the same result; but we find that during the period between 1850 and 1873 there was relatively greater advancement in the way of increased facilities of transportation, inventions of labor-saving machinery, etc., as compared with the beginning of the period, than we find between 1873 and 1897.

Production went on from 1850 to 1873 in an increased ratio of 70 per cent over the beginning of the period, and prices rose between 40 and 50 per cent. Production has gone on since that time at an increasing rate of about 50 per cent, instead of 70, as before, and prices, instead of rising between 40 and 50 per cent, have fallen 50 per cent, while the purchasing power of gold since 1873 has increased 100 per cent in the United States. It was because between 1850 and 1873 the mines of California, Australia, and the Ural Mountains were pouring into the lap of the world their almost illimitable streams of precious metals.

A great portion of that supply was, of course, used in the building up of new business, the peopling of new States, the development almost of a new civilization. But a large amount was spared to flow back into established avenues of commerce, gradually raising, as it was distributed from place to place, the prices of products throughout the world. But when we began to restrict artificially the supply of money with which values were measured and debts were paid, then we began to make it necessary in meeting obligations constantly to part with more and more of what we raised when translated into terms of money in which all taxes, interest, and debts must be paid.

If the farmers of the United States had sold in 1895 their produce for the prices they received for it in 1872, they would have had fifteen hundred million dollars' worth more of money to spend in 1895 than they did have. Bear that fact in mind, and consider this when you are asked to believe that a tariff law has caused our difficulties. Under the McKinley law, in the year 1891, there were brought into the United States $258,000,000 worth of manufactured goods, either partly or wholly manufactured. Last year there were brought in two hundred and thirty-nine millions only, nineteen millions less. And if you consider that item in them which consisted of wholly manufactured goods, ready for home consumption, you will find that there were a hundred and forty-seven millions of them imported in 1891 and a hundred and sixty-six millions in the year 1896, only thirteen millions more. Is it the loss to the country of a market for $13,000,000 worth of manufactured goods that has ruined the manufacturers of America? Is it not, rather, the loss of $1,500,000,000 of purchasing power upon the part of the farmers of the United States that is chiefly to account for our unhappy condition?

RESTORE MONEY DEMAND TO SILVER.

You must in some way stop the fall of prices due to the enlargement of the dollar through lessening the money supply. If, as I think we have shown, the lessening of the demand for silver by the stoppage of the mints in 1873 and subsequently is to account, and does account, for the fact that silver and commodities have gone down, while gold, responding to the enormously multiplied demand, has become scarce and gone up, then manifestly the path of prudence is to reverse the machine, to open the mints, to repair the injury where it was created, by putting silver alongside of gold to bear up the burden of the business of the world.

"Why," they say, "it is absolutely impossible. You can not make 50 cents' worth of metal into a dollar." Well, what has made a dollar's worth of metal into 50 cents? Disuse. The stoppage of the demand. Restore the demand. That is all you need. Why, did you ever stop to think what the demand for money is? The demand for woolen goods will be satisfied when everybody in the world has all the clothes he wants. The demand for bread will be satisfied when everybody's appetite is appeased. But you will never abate the demand for money until the debts of all mankind are paid, until every man's hunger is gratified, every man's back is clothed, and every aspiration, every taste, every mental, moral, and physical need of the human race has been met and satisfied.

Through the opening of the mint, as we may imagine, invisible lines of force run from these countless sources of demand down into the mine, taking hold potentially of the precious metals there and pulling them toward every growing and multiplying activity and utility of civilization. We have cut off the attachments of those lines from one of the metals and soldered them all to the other, and the whole engine of demand has gone on tugging with increasing violence upon the hidden and reluctant gold. Let us open the mints again, take this demand and hitch its due proportion to the silver, and let it divide this awful responsibility with the gold. Gold will stop going up and will slightly fall, silver will go up to meet it, and the two together will once more form a far more equitable measure of the values of the world.

THE EXAMPLE OF FRANCE.

They say bimetallism never did succeed. I answer that the statement is absolutely a mistake. Throughout all time, whatever may be the result of this agitation, there will stand as a beacon light in economic history the indisputable fact that for seventy years, from 1803 to 1873, France, with her mints open to the free coinage of both gold and silver at the ratio of 1 to 15½, actually made the two metals for all money purposes one metal, and maintained their parity under the law.

The celebrated German economist, Dr. Soetbeer, whose authority is universally conceded, gives the following as the extreme variations in the ratio of gold and silver on the London market from 1803 to 1873:

1803	1:15.41	1849	1:15.78
1808	1:16.08	1850	1:15.78
1813	1:16.25	1859	1:15.70
1814	1:15.04	1861	1:15.19
1820	1:15.62	1862	1:15.35
1830	1:15.95	1869	1:15.60
1832	1:15.72	1871	1:15.57
1833	1:15.93	1873	1:15.92
1843	1:15.93		

I ask you to observe these figures. You find that the greatest variations were during the Napoleonic wars, when England and France stood at swords' points, and when it was therefore next to impossible to take the bullion from the London market to the Paris mint to have it coined. But when peace prevailed between England and France, the only difference that could possibly exist between the mint ratio of the two metals at the mint of France and the market ratio in London would be the difference accounted for by the rates of insurance and transportation in taking the metal from London to the French mint, with perhaps a trifling interest charge for delay in coining.

The fact is that for eighty years, from 1792 to 1873—and here is a most marvelous and, upon the basis of the gold-standard doctrine, an absolutely unaccountable thing—the figures will show that the average market value of an ounce of silver measured in gold in the London market was 15.60 to 1. If you will bear in mind that there was a different rate charged, nominal in each case, but still for large amounts substantial, at the mint of France, for coining gold bullion and silver bullion, and allow for that, you will find that the real ratio at the French mint, corrected by that element, was 15.58 to 1. Now, then, if the real French mint ratio, as thus corrected, was during those years 15.58 to 1, and the market value in London averaged 15.60 to 1, and was never distant from it, is there a gold-standard man in this audience or any other that will deny that the bimetallic standard was maintained?

While these data prove that gold and silver coins must have been maintained at a parity in France, still it may be well to cite some authority in support of the conclusion.

Lord Aldenham, who, as Sir Henry Hucks Gibbs, was for forty years a director, and a long time governor, of the Bank of England, and thus practically familiar with finances across the channel, has declared that the parity was so well maintained that one could at any time procure at the Bank of France 1 ounce of gold for 15½ ounces of silver or 15½ ounces of silver for 1 ounce of gold. Bagehot, the great economist and publicist, inferentially indorses our position when he asserts that France need not have given up bimetallism.

Sir Robert Peel, speaking in the House of Commons, May 24, 1844, referred to the use of silver for remittances as "answering all the purposes of gold," because it could at any time be sent across to the French mint and coined at the ratio to gold of 15½ to 1. The English Royal Commission of 1886 reported, among other things, as follows, a conclusion agreed to and signed by all twelve of the commissioners—six bimetallists and six gold-standard advocates:

SEC. 189. Looking, then, to the vast changes which occurred prior to 1873 in the relative production of the two metals without any corresponding disturbance in their market value, it appears to us difficult to resist the conclusion that some influence was then at work tending to steady the price of silver and to keep the ratio which it bore to gold approximately stable.

SEC. 192. These considerations seem to suggest the existence of some steadying influence in former periods, which has now been removed, and which has left the silver market subject to the influence of causes the full effect of which was previously kept in check. The question, therefore, forces itself upon us: Is there any other circumstance calculated to affect the relation of silver to gold which distinguishes the latter from the earlier?

Now, undoubtedly, the date which forms the dividing line between an epoch of approximate fixity in the relative value of gold and silver and one of marked instability is the year when the bimetallic system which had previously been in force in the Latin Union ceased to be in full operation; and we are irresistibly led to the conclusion that the operation of that system, established as it was in countries the population and commerce of which were considerable, exerted a material influence upon the relative values of the two metals.

So long as that system was in force we think that, notwithstanding the changes in the production and the use of the precious metals, it kept the market price of silver approximately steady at the ratio fixed by law between them, namely, 15½ to 1.

SEC. 193. Nor does it appear to us a priori unreasonable to suppose that the existence in the Latin Union of a bimetallic system with a ratio of 15½ to 1 fixed between the two metals should have been capable of keeping the market price of silver steady at approximately that ratio.

The view that it could only affect the market price to the extent to which there was a demand for it for currency purposes in the Latin Union, or to which it was actually taken to the mints of those countries, is, we think, fallacious.

The fact that the owner of silver could in the last resort take it to those mints and have it converted into coin which would purchase commodities at the ratio of 15½ of silver to 1 of gold would, in our opinion, be likely to affect the price of silver in the market generally, whoever the purchaser and for whatever country it was destined. It would enable the seller to stand out for a price approximating to the legal ratio, and would tend to keep the market steady at about that point.

And the late Gen. Francis A. Walker, incomparably the greatest name in the list of American economists, gives us his opinion of this matter on page 101 of his last work, International Bimetallism:

The astonishing spectacle is presented of one nation [France] alone, unaided, not only maintaining that monetary system unshattered and almost unshaken, through the greatest storm of centuries, but even preserving the monetary peace of the world and carrying Europe safe through what threatened to be a complete wreck of industry and finance.

FIXING RATIO IS NOT ENACTING A PRICE.

They say that you can not by law fix a value upon anything. You can not tell how much a man's wheat shall sell for by law, and you can not enact how much his silver shall sell for. That is a specious but an almost pitiably weak contention. You do not by law set a price upon silver when you fix a ratio between it and gold for money purposes. You are not selling silver for gold, or buying gold with silver. You simply take the two metals and agree that you will hitch them up together upon a certain relationship, and that as so rated they shall perform interchangeably an office which the law clothes them with the power to do. That is all.

When you have a mint open so that both of the metals may freely seek it, and when you have so made the law that any man having a debt to pay may pay it with coin of either metal, then you have, by the dictates of reason and by the teachings of the experience of two thousand years, an absolute guaranty of the maintenance of the parity, provided only that you have behind the open mint a vast and varied commerce to take up the metals, use them, absorb them, at value received, in business. The only difference between international and independent action is that in the former case you are supposed to give the silver and gold that will be coined a more extensive and varied demand than in the latter. If you can open the mints of one nation so powerful as to give demand enough, you have accomplished the result just as well as though a thousand nations had joined in order to give demand enough.

I am here to say that in my judgment what France incontestably did from 1803 to 1873 the United States of America can do from now on until the end of time. When France maintained the ratio at 15½ to 1—listen to this remarkable fact: Mulhall's Dictionary of Statistics, the author himself a gold-standard man and the leading economic statistician of the world, therefore an unchallenged authority upon this question if we bimetallists accept him, says that in the world's stock of coin and of bullion available for coinage in the year 1800 and down to 1820 there were 32.2 ounces of silver to every ounce of gold; in bulk, 32.2 to 1. All responded to the money demand through its ability to go through the French mints and become money, and as money to exchange for products and pay debts. That fact made practically the two money metals one.

If I have one substance here and another here [indicating with two glasses of water], and pour them together and use them for the same purpose and there is nothing in the inherent nature of these things that unfits either for the purpose, if they have equal divisibility and portability, and all those properties of which the schoolbooks talk as reasons for the adoption of gold and silver for money, and unless there be greater disproportion in production than has ever yet happened in history (whereas gold and silver have been more equally produced since 1873 than before in four hundred years), then there is no reason why by subjecting them to the same demand you can not keep them upon a parity and fulfill that demand. Absolutely no reason.

COST OF PRODUCTION NO TEST.

The argument based on cost of production will not do. Why, when gold and silver first became the money of the civilized world, great stocks were already in existence, handed down from king to king, the spoil of successive countries that had fallen prey to conquerors. When a despot raised a great army of half a million destroyers and marched across the mountains and the plains and brought back the garnered treasures of hundreds of years, who could say what the cost of production of a single ounce of gold and silver in all that booty was? And then when that had come into use as money, and afterwards the mines were closed for centuries, and there were no gold and silver coming in at all, what then determined the basis upon which the existing gold and silver should exchange against commodities? Nothing in the world but this: How much there was of it compared to the demand there was for it.

One fact must be noted: When you produce a given amount of gold and silver in one year, the cost of its production bears no assignable or traceable relation to its value as money. Why? Because there is already in existence a vast mass of gold and silver. It is not destructible; it is not consumable, as each year's crop of wheat or potatoes is consumed. It remains in existence for perhaps a hundred years; for, as I recollect, the best estimates are that the wear and tear and loss of coin are not above 2 per cent a year; but each year's access is added to the total previously existing volume, and the value of each unit is therefore not governed by the amount and cost of that year's production, but by its relation to the total supply of which it has now become a part. All the authorities agree—and I will spend no more time upon that—all the authorities, until the invention of a new political economy within the last six or eight months, agree that the cost of production has practically no relation to the value of coined money; but, if you will excuse the repetition, that the sole determinant of its value is the quantity there is of it as related to the demand there is upon it.

NO OVERPRODUCTION OF SILVER SINCE 1873.

This can not be too keenly realized. Now, according to Mr. Mulhall, the total volume of the two metals in existence as coin and as bullion available for coinage early in the century was in the ratio of 32.2 parts of silver to 1 of gold, while the latest statistics show the ratio to-day to be almost exactly 16 to 1. Shall we say that France maintained the parity at 15½ to 1 when the bulk relation was 32.2 to 1, and that the United States will not be able to maintain it at 16 to 1 when the bulk ratio is almost exactly 16 to 1? During the last year the production of gold and of silver was practically the same, at coinage value.

Since 1493 there has been $500,000,000 worth more of gold produced than of silver, and since 1792 there has been over $400,000,000 worth more of gold produced in the world than of silver. From 1792 to 1848, fifty-six years, there was produced twice as much silver as gold; from 1849 to 1862 three times as much gold as silver; from 1863 to 1873 twice as much gold as silver, and during the last twenty-four years only 10 per cent more of silver than of gold. During a time when for over fifty years there was produced three times as much of one of the metals as of the other the ratio was almost exactly the French mint ratio of 15½ to 1.

So tremendous a disproportionate production was unequal to changing the relation at which they were rated, because the law clothed them with that relation to each other and gave them employment so. That is all there was to it. And now, during the last twenty-four years, when there have been produced more nearly equal outputs of gold and silver than at any other time in four hundred years, the market disproportion has been twice as great as ever before in human history, even reaching 34 to 1. And we are asked to believe the unthinkable and impossible conclusion that whereas during fifty-six years 100 per cent difference in production was unable to change the market ratio of gold and silver to any extent whatever, yet 10 per cent difference in twenty-four years has changed it over 100 per cent! The position is absolutely untenable.

There is no other possible explanation but that it was the stoppage of the mints which caused the demand for silver to lessen, the value of gold to rise, and that of silver and all other things to fall; that it was this scarcening of the money supply that led silver and commodities to fall and gold to rise. If that be true, then the conclusion is inevitable that the way to stop the fall of prices, the way to stop the depreciation of property, the way to put life into production and hope into life, is to open the mints and admit a rival to this fetich gold which shall mitigate its absolute control over all human things.

CONCLUSION.

The hour is growing late. I will shortly conclude. I must beg your pardon for this somewhat long and most rambling discourse. Nobody more than I realizes how incomplete it has been. I had jotted down and had before me some headings and suggestions. I have paid little attention to them. There has been no attempt to treat systematically the numerous topics that come trooping to one's mind when one once gets started on this interesting and all-important theme. I must therefore beg your indulgence if, after an incomplete survey of the field, venturing nevertheless to hope that I have not spoken wholly in vain, I invite your attention to one or two concluding considerations, and then allow you to depart.

THE ISSUE MORE THAN A COINAGE QUESTION.

This is, ladies and gentlemen, an infinitely greater question than the question merely of the restoration of silver. There is connected with it a consideration of sociological interests in importance and gravity impossible to overestimate. How much have you and I, and how much have the casuists and the thinkers, deplored the growth of the spirit of Mammon, the worship of the almighty dollar, and regretted the loss of that happiness and content that made the ideal of early and typical American society for which has been substituted a ceaseless, selfish, and unconscionable struggle for the outward and glittering enjoyments and decorations of life?

THE TYRANNY OF EXTRAVAGANCE.

In this struggle the gold standard is the most potent weapon. I could not but think of this when, a few weeks ago, upon an occasion that attracted to this city, as so many times has been the case before, the eyes of the country, a certain high-minded and devout minister of the gospel found—and I think when you come to reflect upon it it is a marvelous commentary upon the times—the strongest rebuke that he could administer to the spirit of extravagance and display which he thought it well to reprove, not in the wrong of it, not in the evil effect of it morally and socially, but in the impolicy of it. Think of it! I mention it in no mood of petty criticism. It is really of more than passing significance.

Let me read you two or three lines of what Dr. Rainsford said through the columns of a newspaper:

> I believe that the giving of lavish entertainments by the rich at this time is politically, socially, and ethically unwise. I do not wish to be understood as condemning any persons or warning against any particular entertainment; I speak generally, and because I believe that those who have wealth should not, at this time, give the demagogue assistance in spreading the feeling of discontent among the poor.

Can there not be discontent among the poor with better foundation than the mouthing of a demagogue? And is there not, heaven knows, sanction enough for honest discontent? And must a man who rises anywhere in this Republic to cry out against the aimless, prodigal, and foolish disposition of wealth, wealth that has been produced by somebody's labor and saved from somebody's toil, meet with the taunt that he is a demagogue, and hear cited as the only reason why the saturnalia should not go on, not that it is wrong, but that it is unwise?

"The political importance of New York," he continued, "is threatened by the attack which has been made upon her in the West, and ostentatious entertainments and extravagance will furnish fresh texts for further attacks." Oh, most noble sanction of sobriety and prudence, that you escape the criticism of the "rowdy West!" Would it not have been better, nobler, and holier, and in the end more fruitful of good works and reformation, to tell his auditors that the reason why their excesses should cease is not that they would thereby incur the animadversion of demagogues in the West, but that they must eventually and inevitably meet with the condemnation and reprobation of Almighty God? Do not misunderstand me. I do not mean to reflect upon the good Doctor's sincerity. Thank heaven! there was at least thus much rebuke administered. He not improbably felt the movings in his heart of a stronger castigation, but it may not have been politic to administer one more caustic than the one he gave.

FLORENCE AND NEW YORK.

But in reading it I could not help thinking that such has not been the manner of the great remonstrants of other days. There will be no social reformation accomplished in this generation by applying to its inflamed society mere sprays of rose water. More radical treatment than that is needed. Not that the society of New York is past redemption—not by any means—but that we are in the way of accomplishing the ruin of this country if tendencies betrayed by such occurrences as that under consideration are not promptly corrected. The great West has not only an excuse but a duty in calling attention to the lapses of New York. Ours is one common citizenship, a citizenship in a republic which is the hope of the world.

Whether New York shall increase or otherwise her political influence in the country is a matter of comparatively little importance. What is of infinitely greater importance is that the influence of the city of New York, like the influence of every other part of the Republic, whether it be great or little, shall be right. It is a mercy sometimes to speak plainly. Four hundred years ago, in Florence, under the reign of Lorenzo the Magnificent, there was witnessed a wild riot of extravagance and wealth like that which, in the opinion of many, is to-day afoot in this country. Then, as now, the hoarders of money, led by a very natural temptation, to be sure, were scheming and planning their own interests against those of the creators of wealth. Then, as now, the hoard turned upon those who hoarded it and did them injury, making them the prey to passions, to excesses, to social degeneracy, which have always led to the eventual destruction of the countries where they prevailed.

Then it was that a great reformer arose, who, even though he saw before him as the price of his devotion to what he believed to be right the sacrifice and suffering of the stake, yet persisted in shouting into the almost deafened ear of Florence the awful, the terrible truth, the truth which he was to expiate with his life, and which after he was dead should justify and vindicate him. This is what Savonarola said to the plutocracy of his day: "Therefore, owing to avarice, neither you nor your children lead a good life, and ye have already discovered many devices for gaining money, and many modes of exchange which ye call just, but which are most unjust. And ye have likewise corrupted the magistrates and their functions. * * * Behold each day avarice grows, the whirlpool of usury is widened; lust hath dominated all things, and pride soareth to the clouds."

If that sort of denunciation be visited on the sinners of to-day, think you they will not heed it? And it is much that kind of denunciation that needs to be used, not to New York, not to London, not to Paris only, but to the ruling classes, pampered with power and giddy with wealth, all over the world. They call the advocates of the restoration of silver anarchists. What does that mean? An anarchist is one who is opposed to law. We are no anarchists. We believe in the supremacy and necessity of law; but we believe also in the right to reform and correct the law. We do not believe that any class, or the members of any particular calling, have the sole right of making, interpreting, and enforcing the laws. We desire to vindicate not only this immediate reform we are now advocating but all other necessary and connected reforms, not by the interest of any class, but by the common interest of all, and for the good of the whole country.

OUR COUNTRY CALLS.

Fellow-citizens, in ancient times the greatest orator of the Latins, speaking to the crowded forum in a certain grave public juncture, appealed to them, saying: "If your country were to speak with you, ought she not obtain that which she asked?" Your country is speaking to you, my friends, this year, this day, this hour, and until this cause be settled and settled right. You can not elude your duty by shutting your eyes. You can not escape it by disclaiming an interest in it, or by poring over newspaper columns filled with denunciation and abuse instead of courteous and decent argument.

WHO OPPOSE AGITATION.

They say you ought not to agitate. It is a poor cause that will shirk inquiry. The cause that dreads investigation needs it. Of course, the burglar, with his pistol at your head, will advise you to be quiet until his contemplated operations are peaceably performed. He is against agitation. The testimony of the Lexow committee showed that Mr. Havemeyer and Mr. Searles are against agitation. "Why," said they—you remember the testimony; I do not quote from it literally, but what they said in effect was this: "If this kind of thing keeps on, if every legislature that meets is going to appoint a commission to investigate capital, capital will get timid, and capital will move out and leave you alone without any capital. To be sure, the testimony showed that we formed this combination for the purpose of forestalling the market, of ruining competition, and of placing the great consuming masses of the people absolutely at our mercy. That is true; but, when it appears to be true, it discourages us; and therefore you have got to stop this investigating business or it will have a serious reflex action upon the prosperity of the country." Now, my friends, the greatest trust of all trusts is the money trust.

MORAL CONVICTION WILL DECIDE.

The people of the United States are aroused. Demos has been asleep for a generation. He has awakened, and the continent shakes under his tread. Let the oppressor beware, for the day of accounting is at hand. The common patriotism of the American people can be depended upon when the issue has been once made clear. All great political questions finally come to wear a moral complexion, and then they are soon settled. And they are settled right, or you and I must believe in a malevolent instead of a merciful God. They might bring books, nay, whole libraries, to prove that slavery was an economic mistake; and the people went on with their business, and slavery grew. But when some devout, earnest, sincere men drove home to the public conscience that slavery was morally wrong, from that moment the institution was doomed.

We may also make long speeches and write thick treatises to show how the parity of the metals may be maintained, and give crowded statistics of the production of gold and silver and the history of prices. But when the people of this great nation shall finally have made up their minds that the gold standard, as unperceived as a thief in the night, is constantly stealing from one man for the benefit of another, stealing from the man who is least able to lose anything and giving it to the man who least needs to have anything bestowed upon him; when they begin to see that the gold standard is an instrument of oppression and moral wrong and without defense, then the American people will rise and put down not only the leather trust, the sugar trust, the coffee trust, and all other trusts in trade, but also the greatest trust of all, that trust which controls the money, the ultimate money, of the world.

ADDRESS OF PHILIP J. DOHERTY, ESQ., PRESIDENT OF THE BIMETALLIC CLUB OF BOSTON, BEFORE THE CLUB.

Manufacturers and business men in the East still refuse to investigate the cause of the business depression. Oh, for an hour of some Massachusetts man big enough to compel Boston's merchants and Boston's business men to listen and learn the remedy for the present paralysis of business. Oh, for some power to dissipate forever that form of prejudice which permits men to suffer and bear the ills of an incorrect system of finance and curse, as the cause of their tribulation, that which would be the only remedy. Terrible indeed is the power of prejudice when the bright-eyed, active, intelligent men of business in Boston, endowed with Yankee vim and Yankee pluck and Yankee energy, are almost solidly arrayed in favor of the maintenance of a system which makes profitable business impossible.

I do not of course refer to so insignificant a matter as the public support of the Massachusetts manufacturing and business interests given to the Republican party, which rewards their fidelity with a duty on hides, on wool, on lumber, on coal, and on iron to make more difficult and embarrassing the conduct of their business, but I refer to that blindness which leaves Massachusetts merchants to support a policy under the prevalence of which their assets are day by day shrinking in price, and their notes and obligations are day by day increasingly burdensome.

The manufacturer sees the gradual depression in the prices of his commodities; he observes the material reduction in the demand for his products; he notes with alarm the increasing difficulty of making collection from his debtors; and still he remains wedded to the gold standard and its promoters, and sneers at the advocates of the only feasible remedy. He accepts the current notions of finance and thus gives aid and comfort to the enemies of good business. He applauds the appeals of gold-standard advocates for the maintenance of the present financial system, which chains him to falling prices and continued business depression.

The stock operator and stockbroker sees loss following almost every purchase; sees the decrease in the volume of legitimate investment; and while loudly complaining at the continued depression, scoffs at all who propose a remedy which would at once, by restoring prices and increasing demand, restore to him the advantages of profitable business.

The merchant whose stock is depreciating and whose notes at the bank are swelling by the difficulty which is increasing day by day to meet them, caused by the increase in the amount of commodity sold to meet each dollar of indebtedness, will not even consider the remedy proposed by those who appreciate the present perils of business and would avert them by the restoration of a sound system of finance.

The wage earners who were led to believe that they were voting for prosperity and against a 50-cent dollar find increased adversity, and when employed, as they are, in rapidly decreasing numbers, are content to be paid in a dollar the bullion value of which is not more than 50 cents, or in paper redeemable in such a dollar, and are still largely indifferent to the true remedy.

The agriculturist, upon whose success and welfare the whole manufacturing and business interests of the country rest, finds his products falling in value, until his efforts to keep body and soul together are so great that his outcry of protest, often voiced in extravagant terms, fills with alarm the conservative and vested interests, which rebuke the wild utterances and yet refuse to investigate or remedy the grievance.

As the conservatives of New York and Boston condemned as extravagant the heated utterances of the philanthropic abolitionists and ignored the justice of their great cause of humanity, so, without considering for a moment the terrible suffering of the great producers of wealth in the land, the conservatives of to-day denounce, ridicule, and condemn the terms in which the cry for deliverance from financial injustice and oppression comes to us from the impatient victims in the West and South.

But the victims of the present financial policy are not to be found alone in the West and South. The merchants, the manufacturers, the wage earners, the men of energy and business activity throughout the entire land, are suffering from the appreciation of money and the depreciation of commodities. Profitable business can not be conducted on a falling market. Under the gold standard, here and elsewhere, the whole world over, prices are falling and will continue to fall. Therefore it is easy to see that the business interests are imperiled by the attempt to force business under a financial system which stifles industry, which destroys commercial values, which swells the volume of commodities required to pay debts, which tends to bankrupt honest and energetic traders, which swells the national, State, municipal, corporate, and individual debt of the country, and depreciates values of land and stock, commodities and wages, for the purpose of maintaining a shadow of a redemption in gold which the people do not care for in time of peace and which every government on earth has been obliged to suspend in time of great national peril. I will, therefore, to-night undertake the task of proving by the citation of eminent economic authorities—

First. That under the gold standard commodities are shrinking in price and debts are appreciating and becoming more difficult to pay; and

Second. That business can not be carried on successfully under these conditions.

The late Gen. Francis A. Walker, in his last book on the money question, says:

The long-continued fall of prices, due to changes in the money supply, constitutes one of the most distressing conditions under which trade and production can be carried on. As Mr. Balfour said, in his Mansion House speech, a slow appreciation of the standard of value "is probably the most deadening and benumbing influence that can touch the springs of enterprise in a nation."

The same sentiment is expressed by the distinguished Swiss economist-Professor Walras, of Lausanne, who says that a permanent condition of falling prices would give us a permanent state of industrial crises. Sir Robert Giffen himself has said, "An appreciation of the money of a country forced on by a government is simply a measure for disabling the productive powers of the people and making them poorer than they otherwise would be."

The United States monetary commission of 1876 thoroughly investigated the panic of 1873, and concluded that it was caused by the contraction of the currency and consequent fall of prices. The commission says:

However great the natural resources of the country, however genial its climate, fertile its soil, ingenious and enterprising its inhabitants, or free its institutions, if the volume of money is shrinking and prices are falling, its merchants will be overwhelmed with bankruptcy, its industries will be paralyzed, and destitution and distress will prevail.

E. Benjamin Andrews, president of Brown University, and one of the commissioners appointed by President Harrison to attend the last international monetary commission, in his work entitled An Honest Dollar, on page 6 et seq. of the chapter on "Falling prices," says:

Falling prices, such as are now occurring throughout the gold-using world, work outrageous injustice. Appalling is the moral wrong which the fall of prices since 1873 has wrought. Think of all those time contracts which form so prominent a feature of modern business. Probably 70 per cent of the world's commercial transactions are based on some sort of deferred payment or credit. It is estimated that a trillion and a half dollars' worth of these deferred payments are outstanding at this time. Appreciating money is occasioning injustice in case of every one of these obligations. The business friction proceeding from this source I mention presently. Here I hold up to view the fraud of the system, how increase in the value of money robs debtors. It forces every one of them to pay more than he covenanted to pay—not more dollars, but more value, the given number of dollars embodying greater value at date of payment than at date of contract. In these days debtors must struggle hard to be able to pay what they honestly owe. A system which makes them pay from 10 to 50 per cent blood money is devilish indeed.

Say, if you please—what is now and then a case may be true, though it is not true generally—that the larger batch of commodities at present needed to pay a given debt costs no more labor than the smaller batch which would have sufficed to pay it long ago, yet where is the justice of a money arrangement which throws all the benefits of improved facilities in industry into creditors' hands and utterly forbids debtors to share in the improvement?

A fall in general prices places a fatal clog, handicap, or brake upon the creation of wealth. Making all due allowance for subsidiary difficulties, the radical business trouble from which this and other countries on the gold standard are now suffering is that, owing to the increasing scarcity of full money, goods of nearly all sorts are incessantly having to be sold at smaller and smaller prices. The blight upon our business originates in the scarcity of full or exportable money, leading to a continuous and discouraging fall in general prices, which first made production and credit business less and less profitable, and now at last makes them less and less possible.

Every business is affected more or less with certain fixed charges, levying upon it the burden of an absolute number of dollars. Taxes and mortgages illustrate this. These burdens can not be lightened when the assets and profits fall. You continue liable to pay them dollar for dollar—that is, immensely to overpay them, so far as value is concerned—no matter how much your income may have shrunk. Your assets little by little dwindle away, while your liabilities remain what they were. This circumstance infinitely aggravates the load which great bonded industries like railways have to carry, and vastly aids to multiply receiverships.

The question of preventing the further fall of prices is not a question between the rich and the poor, but one between the productive classes and the nonproductive class. Every man engaged in the production of wealth is interested in putting an end to the falling prices. Many such do not see this. Most bankers, for instance, fail to see it. Their relations with mere owners of realized wealth being so intimate, they imagine that they themselves derive an advantage from the appreciation of money. They are entirely mistaken, however. Hardly any branch of industry suffers from business depression more than the discounting of notes. Bankers, like others, are profited by good times in trade, and a general fall in prices makes good times in trade impossible.

Falling prices (appreciating money) set up a special, positive motive for abstaining from productive industry. This is the impulse to hoard. Appreciation of money tempts holders of money and of titles certain to be paid in money to cling to these and not to invest in industry. It intensifies the demand for bonds and depresses that for stocks. The present is the age of bondholders. That all are so anxious to invest in bonds is, from an industrial point of view, an alarming symptom. If there is anywhere to be had a mortgage on wealth already realized or practically certain to be realized, everyone rushes for it, while new undertakings which would once have been thought full of promise, and would be so still but for the money difficulty, strong capitalists avoid unless they can engage in them under special shelter or guaranty, like a trust or a very high tariff.

Irresponsible, feeble, and ignorant industrialists, to be sure, go on trying to produce unsheltered. Some of them, by sweating their help, have a little success. The winnings, however, speedily find their way into bondholders' pockets. One set of weak producers fails; another rises and runs the same course. Always some are making the endeavor, so that the bondholder never fails of supporters. For my part, I pity the class of brave, small industrialists quite as much as I do the men who toil for wages. They are a sort of serfs. A business situation which thus coddles the bondholder and snubs the stockholder can not be healthy.

In this risk to industry from having to produce against a falling market, this bondholder instinct, and this hoarding motive or impulse to clutch at gold and gold-payable paper, and not let go save when return in kind is sure—in this condition of affairs we see why our banks overflow with funds which they can not loan and our streets with hungry men willing to work, but unable to find strong employers who have heart for productive enterprises.

The first victims of falling prices are producers of the weakest class. These are the farmers—weakest because possessing least capital and unable either to combine or to stop producing. Hence the agrarian distress in every farming country and section of the gold-using world. Hence the efforts of the farmers everywhere to better their condition through various political devices.

The staple of Australia is wool, whose exportation, so profitable until 1873, made that continent very prosperous. A large British debt was contracted. But between 1873 and 1888 wool fell from 33 cents to 16 cents. The whole clip for a year is now insufficient to pay the annual interest on Australia's British-held debt. Panic rose in 1888, and was lulled for a time by reborrowing at high rates. But it came. In January, 1893, 40,000 houses were to rent in Melbourne, the population having decreased in 1892 by over 17,000. The exodus continued and even increased in 1893.

Now, it is our turn. The United States pays, mainly in farm produce, at least $100,000,000 a year in foreign interest. This was a light burden in 1873, when wheat brought $1.85 a bushel in London and $1.15 on the farm. In 1889 it had fallen to $1.08 in London and 69 cents on the farm. The yield for 1889 was about 340,000,000 bushels, which came to some $115,000,000 less than it would have brought sixteen years earlier, to say nothing of the lower income in freights, which had to be suffered in order to get it marketed at all. For the year 1893 our wheat brought the farmers only 54 cents, the lowest price ever known till then. But in 1894 it was lower still. The New York price of wheat No. 2, red, for 1894, averaging the 52 weekly averages, was 60.4 cents. The price on farms at all remote from railways can not have been above 45 cents. The London price was 22s. 10d. a quarter, a fall of 3s. 6d. from 1893. In 1881, 383,000,000 bushels sold for $456,000,000. In 1893, 396,000,000 bushels sold for $213,000,000, a shrinkage of $243,000,000.

The money yield per acre of wheat has fallen in twenty years from $13.16 to $6, or about 54 per cent. Cotton prices have fallen very much like wheat prices. The cotton crop of 1893—6,600,000 bales of about 470 pounds each—brought the producer not over 6 cents a pound, or about $186,000,000. By the price for 1873, viz, 16 cents, it would have brought over three hundred and ten millions more, viz, four hundred and ninety-six and one-third millions. The money yield per acre of cotton has in twenty years fallen from $28 to $10.65, or about 62 per cent. The money yield per acre of wheat, corn, oats, hay, and cotton, taken together, has fallen in twenty years from $15.65 to $8.15, or about 48 per cent.

From 1873 to 1882 the nation's paying power was reduced at least one-third. We could no longer liquidate our foreign interest in wheat and cotton, and had to begin sending gold abroad, a movement intensified in that England has been drawing in the principal of her loans, her net imports of gold having been for 1887, £600,000; for 1888, £890,000; for 1889, £3,000,000; for 1890, £9,000,000.

The agricultural classes, sections, and nations, being impoverished, lose power to purchase of the manufacturing classes, sections or nations, and so these, with the middlemen, carriers, and merchants, also grow poor. Adversity comes over the entire world of producers. The only people able to prosper are the very small class who create nothing, but live upon income from loans. Even these, though they may profit for a time, can not escape loss if money continues to grow precious. Failures and repudiation must ensue. Portugal, Spain, Greece, and Argentina have already defaulted on their bonds. Mexico has virtually threatened to do the same. It is believed that Italy was kept from repudiation in 1896 only by the use of British gold to bribe legislators to vote new taxes.

Falling prices in any country, at the very same time that they lessen such country's ability to compete with others, invite against it disastrous competition from lands differently situated. In Europe agriculture is at the lowest ebb seen by living men. All silver countries can send their produce there. As silver has not with these lands lost its purchasing power, and as they receive the same amount of it for 1 sovereign, mark, or franc as once they did for 2, they can prosper while starving European farmers. Europe's other productive industries suffer from the same cause. European merchants trading with silver countries find their capital invested there reduced by one-half. The par of exchange being annihilated, their present trade with these countries is, if not destroyed, a mere matter of gambling chance.

Sir Thomas Sutherland, presiding at a recent annual meeting of the Peninsula and Oriental Company, after calling attention to the extraordinary advantages which silver countries possess in manufacturing, noticing Bombay as a rival to Manchester, Japan, with its splendid supply of coal, as making enormous strides in cotton and other manufactures, and Shanghai as having entered upon similar enterprises on a large scale, said:

"There can not be the slightest doubt that this low (gold) value of silver, if it continues, must tend to check exports from Europe to these countries, and must stimulate industrial and manufacturing activity in the far East. It is impossible to foresee to what this may eventually tend, but there may possibly be in this room at the present moment some gentleman young enough to live to see the Peninsula and Oriental ships built on the banks of the Yang-tse-Kiang, instead of on the banks of the Clyde, or the Tees, or the Tyne."

A gentleman who was recently the honored guest of this club, and who is at present the president of the national organization of Silver Republicans, Hon. Charles A. Towne, of Minnesota, said:

The results of an appreciating standard are so hidden in the very processes of ordinary business that until we stop to look carefully for them we are not aware how serious, nay, how fatal, they may become. My time will permit only a few illustrations. Between 1874 and 1885 gold appreciated so that the holders of the public debt in England could buy in the latter year £200,000,000 worth more of all commodities on the average with the principal of the debt as it was in 1874 than they could have bought with it in 1885. In other words, the property and industry of England were robbed of $1,000,000,000 in eleven years and a present made of it to the holders of her bonds.

The Manufacturer of February 1, 1896, shows that the gold standard has presented English trade since 1890 with a gratuity of nearly $250,000,000; also that the value of farm live stock in the United States has fallen in three years $622,000,000.

The United States paid off about $750,000,000 of her debt between 1870 and 1884. Yet, as President Andrews has shown, if we reckon it in eight commodities—beef, corn, wheat, oats, pork, cotton, coal, and bar iron—the debt was nearly 50 per cent larger afterwards than before.

It is said that in 1866 we could have paid the national debt of this country with 14,000,000 bales of cotton. In 1894 it would have taken 51,000,000 bales to pay what remained due, although meantime we had paid on it 94,000,000 bales in principal and interest. In 1866 we could have paid it with 1,000,000,000 bushels of wheat. In the fall of 1894 we still owed 2,000,000,000 bushels, after paying 5,000,000,000 bushels in principal and interest.

The burden of the gold standard on the world could be fully measured only in blood and sweat and tears.

Hon. J. W. BAILEY, of Texas, the present leader of the Democratic forces in the National House of Representatives, said in a speech at Sherman, Tex., June 11, 1895:

To-day we own $70,000,000,000 worth of property and we owe $35,000,000,000—the dollars which we owe being equal to one-half of the property which we own. If the value of these dollars increase during the next twenty years as it has during the past twenty years, in 1915 the value of the dollars which we now owe will equal three-fourths of the property which we now own; and if in another twenty years a similar increase in the value of the dollar occurs, in 1935 the value of the dollars which we now owe will be equal to all of the property which we now own. Thus the owners of our present indebtedness can sit idly down, and, living upon their current interest, they will see the silent and pitiless accretion to the value of their dollars absorb the property on which they hold their mortgages.

No business can survive this ceaseless grind. In the end the active users of capital will be crushed and all enterprise will be discouraged; the profits of merchandising will be absorbed by the growing burden of debt and merchants will be forced into bankruptcy; the progressive men who have borrowed money and built cities will find their property eaten up by an unearned increment and their families impoverished; mills will pass out of the hands of their owners into the hands of their mortgagees, and we shall have a state of society in which no workingman prospers and no prospering man works. It is this unspeakable calamity which I entreat my countrymen to avert.

To prove that an additional supply of silver to the legal-tender coin of the country, which our conservative business men seem to fear so much, would prove a stimulus to business and a remedy for existing conditions, permit me to refer to some notes to an article by Prof. Frank Parsons, of the Boston University, published in the Arena for June, 1896:

That a gradual and moderate increase in the volume of money at a rate of increase exceeding the growth of business and invention tends to elevate prices and stimulate industry is fundamental in political economy. John Stuart Mill, McCulloch, Jevons, Ricardo, Bonamy Price, Francis Walker, and many other eminent authorities clearly affirm and fully illustrate the principle.

The currency volume may be enlarged without lifting prices, for the opposing tendencies of increasing business and improved production may overcome the lifting tendencies of expanding money volume. And even when the expansion exceeds the development of business and invention, the habits of the people in respect to the use of money may change so as to neutralize wholly or in part the price-lifting power of the overlapping expansion.

The very increase of money may increase the demand for it. People have been getting along without it, but when it comes it finds an appetite fully equal to the banquet. Notwithstanding all this, the tendency of expanding currency is to raise prices. A given expansion may not raise prices in proportion, may not raise them at all, because opposing forces neutralize the lifting effect, or may even fail to prevent a fall of prices because the expansion was not sufficient to cancel the power of opposing influences; but expansion tends all the while to produce a rising market, just as the buoyancy of the air tends to produce ascent, though gravity may overcome it. A contracting currency or a currency that fails to increase as fast as business and production develop tends to cause falling prices, and an expanding currency that grows faster than business and invention tends to raise prices, and will surely do so if the expansion is continued with sufficient vigor and persistence.

In his "Essay on money," David Hume wrote:

It is certain that, since the discovery of the mines in America, industry has increased in all the nations of Europe, except in the possessors of the mines; and this may be justly ascribed, among other reasons, to the increase of gold and silver.

Accordingly we feel that, in every kingdom into which money begins to flow in greater abundance than formerly, everything takes a new face; labor and industry gain life, the merchant becomes more enterprising, the manufacturer more diligent and skillful, and even the farmer follows his plow with greater alacrity and attention.

Commenting upon these passages, Francis A. Walker says:

I think that in the foregoing remarks Mr. Hume even understates the advantage of a metallic inflation. In addition to all which he alleges, there is the important consideration of the effect of such a cause upon the burden of existing indebtedness, both public and private. The world is always in bonds to the generation that has preceded. The industry, the activity, the enterprise of the generation upon the stage are heavily weighted by obligations to the past. These obligations can not be repudiated, they can not be intentionally lightened, by act of government, under impulse from the debtor class, without social and economic retributions that will produce a mischief far outweighing any benefits which may be in view in such ill-advised measures.

But when the effect is brought about by natural means, if not too sudden and violent in operation, I believe it to be wholly beneficial and harmonious economically. That the great silver discoveries of the sixteenth and seventeenth centuries, diminishing the weight of feudal burdens, cutting down the effective revenues of existing dynasties, and reducing the weight of obligations derived from the past, had an influence wholly in addition to that mentioned by Mr. Hume, in not only extending commercial activity, but lifting society and industry to a new and higher plane, seems to be beyond question.

President Walker also says in Economic Studies, Volume I, No. 1, already referred to:

With a moderate progressive increase of the money supply and a general upward tendency of prices, it can hardly fail to result that the man of business, whether manufacturer or merchant, will be readier to assume the initiative, will be more courageous and hopeful, will display greater enterprise and energy, than when prices are falling.

M. Chevalier says that the increase of money aids those who live by present labor and hurts those who live by past labor, and is progress. J. R. McCulloch says that inflation lightens principal and interest of public debt, and he favors a gradual reduction of the burden of debts, through natural increase of precious metals, to promote industry and diminish the obligations which press on the producing classes. While, like a fall of rain after a long course of dry weather, it may be prejudicial to certain classes, it is beneficial to an incomparably greater number, including all who are actively engaged in industrial pursuits, and is, speaking generally, of great public or national advantage.

Prof. W. Stanley Jevons says (Investigations into Currency and Finance, pages 96–97):

I can not but agree with McCulloch that, putting out of sight individual cases of hardship, if such exist, a fall in the value of gold must have, and I should say has had already, a most powerfully beneficial effect. It loosens a country as nothing else could from its old bonds of debt and habit. It throws increased rewards before all who are making and acquiring wealth, sometimes at the expense of those who are enjoying acquired wealth. It excites the active and skillful classes of the community to new exertions.

In his recent work on the Law of Civilization and Decay, Brooks Adams says, page 321:

With the advent of the bankers a profound change came over civilization, for contraction began. Self-interest had from the outset taught the producer that to prosper he should deal in wares which tended rather to rise than fall in value relatively to coin. The opposite instinct possessed the usurer; he found that he grew rich when money appreciated, or when the borrower had to part with more property to pay his debt when it fell due than the cash lent him would have brought on the day the obligation was contracted.

The late William P. St. John, the New York banker, said:

The fountain head of our prosperity has run dry. Our farmers all over the country have endured the depression in prices until they get about $8 or $9 an acre for an expenditure of $10 per acre, and the like. Their credit is exhausted at their country stores. The country store ceases to order from the city merchant; the city merchant reduces his demand upon the manufacturer; manufactures are curtailed. The consequence is that employees and all elements of labor are being discharged, and wages are lowered to those who continue in employment. The sufferings of the farmers, who constitute nearly one-half our population, are thus enforced upon the city merchant, the manufacturer, and all forms of labor.

The gravity of the perils to business and national prosperity under the gold standard can not be overestimated. The peril is increased when other nations are induced to adopt the gold standard, as was recently done in Japan.

The greater the demand for gold, the more it appreciates. As it appreciates prices fall. As prices fall business is seized with paralysis.

The thoughtful attention of the conservative business men must be attracted to this great question. Intemperate addresses and heated appeals to class or sectional interests hurt our cause and impede its progress.

The interests of every business except money lending, the prosperity of all sections and of all classes, will be promoted by the adoption of an independent American system of finance, based on the free and unlimited coinage of gold and silver.

Our appeal should be general. Our cause is the cause of all the people of our common country. Its aim is neither dishonest nor unpatriotic, but is to attain the highest and noblest objects of pure and unselfish statesmanship—the promotion of the prosperity and welfare of our country and its citizens.

How long are the people to remain groping in the darkness of adversity before they learn from sad experience the lesson of the dangers and perils of the teachings of the gold-standard advocates? Time alone will tell; and time will vindicate the motives and the principles of all who, against an overwhelming tide of prejudice and abuse, have endeavored to guide the ship of state into the channels of prosperity.

BIMETALLISM.

By A. J. UTLEY.

In the discussion of the money question that is now agitating the people throughout the length and breadth of the land, the advocates of gold monometallism insist that we should have money that has "intrinsic value;" that the material on which the money stamp is placed should possess an intrinsic value equal to the money value stamped upon it; that gold possesses this property and that silver does not, and for this season they favor a single gold standard.

Are the premises true? Has gold intrinsic value? If the premises are not true, if gold has no intrinsic value, then some other reason must be assigned for monometallism.

The word "intrinsic" means internal, inherent, not apparent or accidental, opposed to extrinsic.

Now, the fact is, gold has no intrinsic value whatever. All commodities have certain inherent or intrinsic properties which tend to make the particular commodity more or less desirable, and to the extent that such properties influence the desire for their possession, such inherent properties may enhance their value or ratio of exchange, but value itself is independent of and extrinsic from all commodities.

If value were intrinsic, if it were inherent in a thing, it could not change or fluctuate. If the value of gold or silver were inherent in the metal, the same quantity of metal of the same degree of fineness would always be of the same value. In 1873, 371¼ grains of pure silver were worth as much in all the markets of the world as 22.2 grains of pure gold. Now they are worth only about one-half as much. Is it possible that the intrinsic value of one or both of these metals has changed since 1873? Certainly not. The intrinsic properties of gold and silver are the same now as they were in 1873, as they always have been, but their relative values, when uncontrolled by legislation, are subject to great fluctuations.

Value is a relative term and is necessarily extrinsic. Value is created and controlled by the law of supply and demand. The inherent or intrinsic properties of a thing may be of such a character as to limit the supply, and by limiting the supply may enhance the value, or extrinsic circumstances may increase the demand, and by so doing enhance the value; but value, always and under all circumstances, is determined by the law of supply and demand.

But what say the authorities on this question? Condillac, a celebrated French economist, says:

The value of a thing is founded on the want of it, or the demand for it. Therefore, if the want is more strongly felt, it gives the thing a greater value; if the want is less felt, it gives it a less value. The value of a thing increases with its scarcity, and decreases with its abundance. It may even, on account of abundance, be decreased to nothing. A superfluity, for example, will have no value, if we can make no use of it.

Gide, another French economist, says:

Value, then, which is the dominating idea of all political economy, denotes nothing more than a fact which in itself is very simple, the fact that a thing is more or less desired. Were the word French, we should only have to say value is desirability. Since value arises from desire, it proceeds from us rather than from things; as we say nowadays, it is subjective far more than objective. It is not attached to objects which can be perceived; it is born at the moment when desire awakes, and vanishes when it dies out. Like a butterfly, desire flutters from thing to thing, and value abides only where desire rests.

Aristotle defined value as follows:

Value is not a quality of an object, but an affection of the mind. The sole origin, source, or cause of value is human desire. When there is a demand for things, they have value; when the demand increases (the supply remaining the same), the value increases; when the demand decreases, the value decreases. When the demand altogether ceases, the value is altogether gone.

Professor Perry, in his work on political economy, says:

A sudden change in the fashion will frequently take away at a stroke one-half the value of goods that were fashionable but are so no longer. The matter is all there, and the form of the matter is all there, but the value is one-half escaped. It is clear that there is no inherent quality called value in anything. Value is the relation of mutual purchase established between two services by their exchange. Value starts in desire, gives birth to efforts, proceeds by estimates, and ends in satisfaction.

Senator JONES, in his great speech delivered in the United States Senate in October, 1893, said:

Qualities may be said to be inherent in objects, but value, being a conception of the mind, can not be intrinsic or inherent. If value were intrinsic, if it resided in an article, it could not be taken from it, and it could not be changed by changes in the number of objects of which value is asserted, or with modifications in the desires of men to become possessed of such articles. Qualities that are inherent do not vary with the shifting degrees of estimation in which they may be held by mankind. Hardness in a stone, gravity in lead, do not suffer either augmentation or diminution by reason of any increase or reduction of the appreciation of men. If value were intrinsic in articles, it would remain intrinsic whether people wanted them or not. But things can have no economic properties by and of themselves; those properties exist only because there are people. A thing can have no use unless some one wants to use it; it can have no value unless, in addition to being wanted, some one is willing to incur sacrifice to obtain it.

Professor Macleod, an eminent English economist, says:

Value, like distance or an equation, requires two objects. We can not speak of absolute or intrinsic distance or equality. Single objects can not be distant or equal. If we are told that an object is distant or equal, we immediately ask, Distant from what? or, Equal to what? So it is equally clear that a single object can not have value. We must always ask, Value in what? And it is clear that as it is absurd to speak of a single object having absolute or intrinsic distance, or having absolute or intrinsic equality, so it is equally absurd to speak of an object having absolute or intrinsic value.

Barbour, an able writer on economics, who lived about two hundred years ago, said:

Value is only the price of things. That can never be certain, because to be certain it must at all times and in all places be of the same value; therefore nothing can have intrinsic value. But things have an intrinsic virtue in themselves, which in all places have the same virtue, as the lodestone to attract iron, and the several qualities which belong to herbs and drugs. But these things, though they may have great virtue, may be of small value or no price, according to the place where they are plenty or scarce. Things have no value in themselves; it is opinion and fashion brings them into use and gives them value.

The International Cyclopædia, published in Boston in 1894, defines value as follows:

Value, in political economy, is one of those terms that demand attention more for the clearing away of its application to vague and fallacious uses than for an attempt to give it a strict scientific definition. It has a distinct meaning only when it is used as "value in exchange," and between things coexisting in time and place. Two articles, each of which will bring $25 in Boston, are equivalent in value there. Cost has nothing to do with value. If a bale of silk costs $500, and if from disease of the silkworm the price of the commodity rises so that it will bring $750, that is its value; so also if there be a fall in price so that it will only bring $375, that is its value.

Professor Jevons, in his work on political economy, says:

A student of economics has no hope of ever being clear and correct in his ideas of the science if he thinks of value as at all a thing or an object or even as anything which lies in a thing or object. Persons are thus led to speak of such a nonentity as intrinsic value. There are doubtless qualities inherent in such a substance as gold or iron which influence its value; but the word value, so far as it can be correctly used, merely expresses the circumstance of its exchanging in a certain ratio for some other substance.

Value in exchange expresses nothing but a ratio, and the term should not be used in any other sense. To speak simply of the value of an ounce of gold is as absurd as to speak of the ratio of the number 17. What is the ratio of the number 17? The question admits of no answer, for there must be another number named in order to make a ratio, and the ratio will differ according to the number suggested.

In a work entitled Money and Mechanism of Exchange, Professor Jevons says:

It has been usual to call the value of the metal contained in coin the intrinsic value of the coin; but this use of the word intrinsic is likely to give rise to fallacious notions concerning value, which is never an intrinsic property or existence, but merely a circumstance or external relation.

There are certain properties in gold that make it desirable for certain uses independent of legislation, but gold derives its chief value from the fact that by virtue of law a certain quantity of it may be coined into a dollar, and when so coined the dollar is a legal tender and lawful money. If the demand for it as a money metal is increased, as it would be by the demonetization of silver, its value will be increased; while, on other hand, if gold should be demonetized, its value would almost entirely disappear. The stock of gold now in use as money amounts to something more than $3,500,000,000. There is enough in stock to supply the demand for use in the arts for seventy years. The artisan will not pay much for material that must be kept in stock seventy years before consumption. It is safe to say that if gold should be demonetized, if the fictitious value given it by law should be taken from it, 22.2 grains of gold would not bring 10 cents in the markets of the world; that 90 per cent of the present value of gold is fictitious, and is caused solely by legislation.

I have devoted considerable space to the discussion of the phrase "intrinsic value," because it has been so long and persistently asserted by the money kings, and especially by the gold monometallists, that gold has "intrinsic value," that it is a "standard of value" and a "measure of value," that many people who have made no special study of economics have been and are deceived, and because no man can understand the true character and function of money until he realizes the fact that there is no intrinsic value in anything.

On account of the importance of a correct understanding of the meaning of the word "value" I was not content with a simple statement of the fact that value is a relative term, and could not be intrinsic or inherent in anything, but I have introduced authorities that prove beyond the possibility of a doubt that there is no intrinsic value in the so-called precious metals, and that consequently the plea for gold money on account of its supposed intrinsic value is fallacious.

It is claimed by the gold-standard men that if we restore to silver its ancient right of free and unlimited coinage the United States would become the dumping ground of all the cheap silver in the world.

If the United States should restore to silver its ancient right of free and unlimited coinage there would be no cheap silver in the world. The reason why silver is worth less (measured by gold) now than it was in 1873 is because and only because of adverse legislation; and when the laws that discriminate against silver are repealed, silver will resume its ancient place at the ratio existing prior to such adverse legislation.

Men tell us that you can not legislate value into a thing nor out of a thing, but that value is controlled by the inexorable law of supply and demand. Now, while it is true that value is controlled by the law of supply and demand, it is also true that anything which tends to increase the demand for a thing (the supply remaining the same) must necessarily enhance its value; and if the legislative demand is for the total supply, and if the legislative demand fixes a price at which the total supply will be received, it necessarily follows that the value of the commodity so fixed can not fall below the price fixed. It might rise temporarily slightly above the legislative limit, but it could not by any possibility fall below it.

In order, however, to have this effect, the legislative demand must be for the total available supply. The reason why the Bland bill or the Sherman Act did not restore silver to its ancient place as a money metal, at the ratio previously existing between gold and silver, was because the demand was not for the total available supply, and an act to coin the American product, if such an act should be passed, would fail for the same reason.

That legislation does influence values is not only self-evident, it is historic. When the Bland bill was passed in 1878 (which provided for the coinage of not less than $2,000,000 worth of silver per month), it created a demand for silver bullion that did not exist prior to its passage, and by reason of this increased demand, caused solely by legislation, silver rapidly advanced in value in all the markets of the world. Again, in 1890, when the United States Senate passed a free-coinage bill, and it was generally understood that it would pass the House, silver bullion rose in value in a few days from 94 cents per ounce to $1.20 per ounce, not only in the United States, but also in Europe. And when legislation was adverse to silver in India in 1893, silver fell almost as much in value in twenty-four hours. In view of all these facts, can there be any doubt that legislation did, in the instances named, affect the value of silver bullion?

If silver had free and unlimited coinage at the ratio of 16 to 1 in the United States, silver bullion in this country would be worth $1.29 an ounce. No one disputes this proposition; it is self-evident What would it be worth in London, Paris, or Berlin? If the coinage were free and unlimited in the United States and there were no demand in Europe or Asia for this European bullion, it would be worth the mint price in the United States less the cost of transportation to the United States. There can be no question about it.

Mr. Jevons, in his Theory of Political Economy, published in 1879, page 137, says:

> The ratio of equivalent weights of silver and gold, which had never before risen much above 16 to 1, commenced to rise in 1874, and was at one time (July, 1876) as high as 22.5 to 1 in the London markets. Though it has since fallen, the ratio continues to be subject to frequent considerable oscillations. The great production of silver in Nevada may contribute somewhat to this extraordinary result, but the principal cause must be the suspension of the French law of the double standard and the demonetization of silver in Germany, Scandinavia, and elsewhere.

Mr. Jevons says the principal cause of the divergence in the ratio between gold and silver was the "suspension of the French law of the double standard and the demonetization of silver in Germany, Scandinavia, and elsewhere."

I propose to show that the only cause of the divergence between the metals was the adverse silver legislation in the United States and elsewhere, and that the great production of silver in Nevada had nothing to do with it.

Mr. Laughlin, in his work on political economy, publishes a chart by which he shows that the value of the world's production of gold from 1493 to 1850 was $3,314,550,000, and the value of the silver produced during the same time was $7,358,450,000, or more than twice as much in the value of silver as of gold. From the same chart it appears that the value of the gold produced from 1850 to 1885 was $4,425,525,000, and that the value of the silver produced during the same time was $2,397,475,000, only a little more than one-half as much in value of silver as gold.

During the first period named the ratio between gold and silver was much lower than during the second period. If the amount of the production had a controlling influence or any influence over the value of the bullion, the reverse of this would have been true. If the legislative demand is for the total available supply of both gold and silver at a certain ratio, it necessarily follows that, while the value of the metals may fluctuate as compared with commodities, the ratio between the metals will remain unchanged.

Of course, there will be slight fluctuations arising from local causes. While neither of the metals can fall below the coinage value, either of them may temporarily rise above it on account of some local demand. If silver should rise in value, the ratio would fall. If gold should rise in value, the ratio would rise. But as soon as the local demand was satisfied, the former ratio would be restored. If the rise or fall in either of the metals was general, caused by an abundant yield of the mines or from any other reason, so long as free and unlimited coinage was guaranteed to both metals the metal changing in value would carry the other with it.

In proof of the above proposition, I need only cite the facts shown by Mr. Jevons, that the value of gold fell 46 per cent between 1798 and 1809, and that from 1809 to 1849 it appreciated 145 per cent.

In 1798 the commercial ratio between gold and silver was 15.59 to 1, in 1809 it was 15.96 to 1, and in the meantime gold had fallen in value 46 per cent. If gold had not carried silver down with it, the ratio between gold and silver in 1809 would have been 8.42 to 1. The ratio between gold and silver in 1809 was, as we have seen, 15.96 to 1; in 1849 it was 15.78 to 1, only a trifling fluctuation, but in the meantime gold had appreciated in value 145 per cent. In 1809 15.96 pounds of silver were equal in value to 1 pound of gold; in 1849 gold had appreciated 145 per cent, and if it had not carried silver up with it, it would have taken, in 1849, 39.68 pounds of silver to buy 1 pound of gold.

But, as a matter of fact, the ratio between gold and silver in 1849 was 15.78, a trifle lower than before the appreciation of gold. Is it not conclusively established from the above facts that a general rise or fall in the value of either of the metals will carry the other with it as long as free and unlimited coinage is guaranteed to both, and is it not necessarily true that the mass of both metals combined would be less liable to serious fluctuation in value than either standing alone would be?

Is it not also conclusively established from the foregoing facts that legislation can, by creating a demand for the total available supply of an article at a fixed price, prevent the article from falling below the price fixed, and that when the legislative demand is for the total available supply of two metals such as gold and silver, to be used for a common purpose, and a ratio is established at which the total supply will be received, the ratio so fixed between the two metals will remain substantially invariable? The metals may rise or fall in value as measured by commodities, but they can not change in value as measured by each other, except only such slight variations as may be produced by excessive local demands for either of the metals, and such slight variations will be temporary only.

That legislation may establish and maintain any ratio between gold and silver, so long as they both have free and unlimited coinage, and that the ratio established by the country producing the greatest amount or able to control the greatest amount of bullion of either of the metals will have a controlling influence is a fact well authenticated by history.

The Encyclopædia Britannica, Volume XXII, page 73, says:

> In Spain, by the edict of Medina (1497), the ratio was 10¾. When America was first plundered, the first-fruits were gold, not silver; whereupon Spain, in 1546, and before the wealth of the silver mines of Potosi was known, raised the value of gold to 13⅓, and as Spain then monopolized the supply of the precious metals, the rest of the world was obliged to acquiesce in her valuation. During the following century Portugal obtained such immense quantities of gold from the East Indies, Japan, and Brazil that the value of her imports of this metal exceeded £3,000,000 a year, while those of Spain had dwindled to £500,000 in gold, and had only increased to £2,500,000 in silver. Portugal now governed the ratio, and in 1688 raised the value of gold to sixteen times that of silver.
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> Except during a brief period of forty years this ratio has ever since been maintained in Spanish and British America and the United States. A century later the spoils of the Orient were exhausted, the Brazilian placers began to decline, and Portugal lost her importance. Spain thus again got control of the ratio, and, as her colonial produce was chiefly silver, she raised its value in 1775 from one-sixteenth to one-fifteenth and a half that of gold for the Peninsula, permitting it to remain at one-sixteenth in the colonies. France, whose previous ratio (that of 1726) was 14½, adopted the Spanish ratio of 15½ in 1785, and has adhered to it ever since. These three historical ratios, and the bearing of each upon the others, have influenced all legislation on the subject, and, where there was no legislation, have governed the bullion market for more than two centuries.

From the foregoing historical account of the ratio between gold and silver it appears that any nation producing the greatest amount of the precious metals has always been able to control the ratio and fix the relative values of the metals.

When Spain made her gold discoveries in America and obtained a considerable supply of this metal, and anticipated still larger gold discoveries, she became mistress of the situation, and at one stroke of the pen arbitrarily raised the value of gold from 10¾ to 1 to 13⅓ to 1, and "the rest of the world was obliged to acquiesce in her valuation." Why? Because she controlled the supply.

A century afterwards the little Kingdom of Portugal, not one-quarter as large as the State of California, and at that time not producing one-tenth of the wealth now produced in California, was able to come to the front and dictate to the world what the ratio should be between gold and silver, simply because at that time she was producing more gold than any other nation in the world. She exercised her prerogative as the greatest gold producer and arbitrarily raised the value of gold from 13⅓ to 1 to 16 to 1, and the rest of the world was obliged to acquiesce in her valuation.

A century later, the mines theretofore controlled by Portugal having become exhausted, "Portugal lost her importance," and Spain, then being a heavy producer of silver, again got control of the ratio and raised the value of silver, or reduced that of gold, which amounts to the same thing, from 16 to 1 to 15½ to 1, which ratio has remained the European ratio since that time (1775). It also appears from the historical account quoted from the Britannica that the metal of which there was the greatest production was always the one that was increased in value.

From the above and foregoing is it not conclusively shown that the relative value of gold and silver, so long as they have free and unlimited coinage, is not influenced in the slightest degree by the amount of bullion that may be produced of either of the metals? In the instances given by Laughlin, when the greatest production was silver, silver was more valuable when measured by gold; and when the greatest production was gold, then gold was more valuable when measured by silver. And in the instances cited in the Britannica it was the metal of which there was the greatest production that was increased in value in every instance. It is the law and not the amount of the production that fixes and maintains the relative value of the metals.

What are the facts to-day as to the production of silver, and where is it being produced?

The report of the Director of the Mint, dated June 24, 1894, shows that the world's production of silver for the year 1893, rated at the ratio of 16 to 1, amounted to $208,371,000. Of this amount the United States produced $77,575,700 and Mexico produced $57,375,600. The amount produced in the United States and Mexico was $134,951,300, and all the balance of the world produced $73,419,700. But of this $73,419,700 the South American and Central American States, all of which are silver-using countries and equally interested with the United States in maintaining the price of silver, produced $25,044,700, and the Dominion of Canada produced $321,400, which makes a total production in America of $160,317,400, and all the balance of the world produced only $48,053,600.

The amount actually produced in Europe was $19,155,100. The amount produced in Great Britain, the country that now assumes the prerogative of fixing the value of the silver bullion of the world, was $327,700. England's production of silver is less than 2 mills on the dollar of the total production. Instead of being able to dictate the value of silver bullion, she ought not to be consulted at all. She should have no voice in the matter. In fact, Europe combined could not, as against the wishes of America, exert much, if any, influence on the value of silver.

The amount of their production or of their actual consumption of silver is too trifling to have any material influence on its market value. Europe requires a certain amount of silver bullion annually to keep up her supply of token money, even though she might discontinue its use as money of ultimate or final redemption. The amount now being consumed by her for coinage purposes averages about $32,000,000 annually, if to which you add the amount consumed by her in the arts, it will be found that instead of having silver to sell she annually consumes more than double the amount of silver that she produces.

It may be a fine thing for Europe to allow her to fix the price of silver bullion, but it is contrary to all precedent and an outrage on the silver-producing countries. America produces more than three times as much silver as all the balance of the world, and more than ten times the amount produced in Europe.

The total amount of silver produced in the world outside of America is not sufficient to supply the demands of Europe for coinage purposes and for use in the arts. It is not sufficient to supply the demand of India for coinage purposes alone. It would hardly be sufficient to keep the silver gods of China in decent repair, to say nothing about the necessity of a new one now and then.

Mexico, and in fact all of the South American and Central American States, is equally interested with us in maintaining the price of silver bullion, and will gladly cooperate with us in any effort we may make to restore silver to its former position and value in the monetary system of the world. It would be an act of imbecility for America, producing as it does more than three-fourths of the silver produced in the world and more than ten times as much as the European production, to allow Europe to fix the price of our silver bullion.

We have no interests in common with Europe on the silver question. We are heavy producers of silver. We have silver to sell. It is to our interest to maintain the price of silver bullion. Europe is a heavy consumer of silver. She does not produce enough to supply her demands. She must enter the market and buy silver, not only for coinage purposes, but for use in the arts. It is to her interest to buy silver at as low a price as possible. We can not combine with Europe. Let us combine with those who have interests in common with us.

America commands the supply of silver bullion. The annual consumption of silver for coinage purposes, notwithstanding the suspension of the coinage of silver by the Latin Union, averaged, for the years 1891, 1892, 1893, over $143,000,000, and the consumption in the arts for the same years averaged over $27,000,000 (see report of Director of the Mint for 1894), making a total annual consumption of $170,000,000, only $48,000,000 of which are produced outside of America. After consuming all the silver bullion produced outside of America, the world must buy from us $122,000,000 worth of silver bullion annually for coinage purposes, and they must pay the price fixed by us, if we have manhood enough left to fix a price.

In fact, the world has been paying at the rate of about $1.29 per ounce for silver bullion ever since 1873, while we have received on an average only about two-thirds that amount, and the speculators of Europe have been pocketing the difference. Is it not about time to dispense with the European middleman and sell direct to the consumer at actual value?

How about the gold production of the world?

The report of the Director of the Mint shows that the world's production of gold for the year 1893 was $155,521,700, and that the amount produced in the various countries was as follows:

America	$49,050,700
Europe	28,165,100
Asia	13,311,500
Africa	29,305,800
Australasia	35,688,600
Total	155,521,700

It appears from the above and foregoing that America is not only the greatest producer of silver in the world, but that she is also the greatest producer of gold. Certainly, then, according to precedent, she has the right to fix the ratio between the metals, and when she exercises her prerogative and fixes the ratio, the world would be obliged to acquiesce in her valuation.

The total output of gold in America, Asia, and Russia, all of which are silver-using countries, is $87,168,400, and the production of the rest of the world is but $68,353,300, and of this amount $29,305,800 is produced in Africa. Nearly all of the African gold is produced in the South African Republic, a pure democracy in southern Africa. Africa has but little interest in monetary affairs, and is never consulted on monetary matters. If the African product is deducted, or not counted on either side, we have for the world's annual production, exclusive of Africa, $126,215,900, of which America, Asia, and Russia produce $87,168,400, and the balance of the world produces $39,047,500.

The amount of gold produced in the countries now clamoring for a single gold standard is not enough by more than $11,000,000 to supply the demand for gold for use in the arts, even after counting in Australasia with the gold monometallists. All the gold produced in these countries and $11,000,000 worth of that produced in silver-using countries would be consumed in the arts before a single dollar's worth would be available for coinage purposes.

The amount of gold produced in Europe, exclusive of Russia—and Russia is not clamoring for gold; Russia is a silver-standard country to-day—is only $3,358,900, or a trifle more than 2 per cent of the total output. The greatest objection to silver comes from England. England's bitter fight against silver dates from 1816, and from that time until the present she has constantly opposed its use as money. How much gold does she produce?

In 1893 she produced the enormous sum of $42,300, less than three-tenths of 1 mill on the dollar of the world's production for that year. To allow a country virtually producing no gold or silver to dictate to the bullion-producing countries what the ratio between the metals shall be, or to have any influence whatever in fixing the ratio, or to be even consulted in any manner, is an outrage on the intelligence of the rest of the world.

But it may be claimed that Great Britain should be credited with the gold produced in her colonies and dependencies. If this was done, let us see how the account would stand:

Gold produced in—	
Great Britain	$42,300
Australasia	35,688,600
Dominion of Canada	927,200
British India	3,813,600
British Guiana	2,567,400
Total	43,039,100

But of the gold produced in Australasia, $32,059,354 was coined into money in the Australian Mint (see report of Director of the Mint); consequently that amount of the Australian bullion could not have been exported to England; therefore this amount must be deducted, which leaves $10,979,746 as the total supply that the mother country could by any possibility have received from her colonies.

It may, however, be claimed that England should have credit for at least a part of the African output. Undoubtedly a portion of the gold mined in Africa is taken out by English operators, but I have no means of ascertaining what proportion. The gold mines of Africa are common plunder for the entire world. Every nationality has its representative in Africa digging for gold, and as nine-tenths of the world to-day are using silver as full legal-tender money, all of whom are interested in maintaining the value of silver, I take it for granted that the nine-tenths can get away with as much African gold bullion as the other one-tenth; consequently I leave the African output entirely out of the case. If, however, Great Britain controlled all of it, she would still have less than the American output. If she controlled all the African gold she would still have less than the demand for consumption in the arts, to say nothing about controlling the coinage ratio of the world.

If, in 1546, Spain, simply because she was the greatest producer of gold, was able to arbitrarily establish and maintain for one hundred years the ratio between gold and silver, and then Portugal, because she had become the greatest producer of gold, was able to arbitrarily raise its value as compared with silver and maintain her ratio for another hundred years, and if Spain, then having become again the greatest producer of the precious metals, but now, silver being the metal of which there was the greatest production, by her arbitrary edict was able to raise the value of silver as measured by gold, and the rest of the world was obliged to acquiesce in these several valuations so fixed, first by Spain, then by Portugal, and afterwards by Spain again, simply because at the time the several ratios were fixed these nations were the greatest producers of gold and silver, what is to prevent the United States, with her immense commerce, and annually producing, as she does, hundreds of millions of dollars' worth of the absolute necessaries of life that Europe needs and must have and can procure nowhere else, and controlling, as she does, a monopoly of both gold and silver—what is to prevent her from establishing and maintaining any ratio between the metals that she sees fit to establish? Nothing but the ignorance, stupidity, cowardice, or rascality of the members of our National Legislature.

Is there any danger of our getting too much silver money in the United States? The report of the Director of the Mint published in 1893 shows that the total amount of silver coin now in existence is $4,042,700,000. If we had all of it, it would make a per capita circulation of about $58 for our present population, and that is not too much money for the business interests of this country. France has nearly that sum per capita, and France is now the most prosperous country in the world.

In 1865 and 1866 we had in the United States, including the seven-thirty notes and the various other issues that were by law a legal tender and lawful money, a greater per capita circulation than all the silver in the world would give us now; and it must be conceded that we had then the most prosperous times this country has ever experienced. Even Hugh McCulloch admitted that at that time "the people were prosperous and comparatively free from debt."

But it is insisted by the gold-standard men that silver is too bulky and heavy to be used as money, that the silver we now have will not circulate, and that the Government has impoverished itself already in building vaults in which to store it.

So far as its circulation as money is concerned, we now have a law allowing any person who has ten or more silver dollars to deposit them with the Treasurer or any assistant treasurer of the United States and receive silver certificates therefor; and the only reason so much silver is now on deposit is because the people prefer the certificates. Every silver dollar now on deposit in the United States Treasury is discharging the money function by its paper representative. Silver certificates could be advantageously used in the United States for every dollar of silver in existence in the world.

All the coined silver in the world could be put into a single room 66 feet square and 66 feet high. It would not take a very large vault to hold all of it, and all this talk about impoverishing the Government to build vaults to hold our silver is the veriest nonsense.

But what is the probability of our getting all the silver in the world or any considerable portion of it?

About one-half of the silver in the world is in India and China. India and China are silver-using countries. They do not use gold as money. China and India now are and for many years have been heavy consumers of silver. In order to obtain the amount of silver required by them they have established a ratio of 15 to 1. Every ounce of silver they have costs them $1.37. This certainly is not cheap silver. Not a dollar's worth of this silver could be brought to the United States without a loss of at least 7 per cent to the shipper, besides cost of transportation. No one supposes, even the gold-standard men do not claim, that any silver would come to this country from Asia.

The total amount of silver in Europe is $1,484,000,000, all of which is coined into money, none of it at a higher ratio than 15½ to 1, and most of it at a much lower ratio. None of the European silver is cheap silver, and none of it could be shipped to this country without a loss of at least 3 per cent to the shipper besides cost of transportation. None of it can be spared from the circulating medium of the several nations where it is now being used as money.

Not only can none of the stock now on hand be spared, but the demand in Europe is for more silver. In 1893 the amount of silver coined in Europe was over $34,000,000, and the amount coined for the years 1891, 1892, and 1893, averaged over $32,000,000 annually. (See Report of Director of the Mint for 1894.) Europe has no silver to spare. The United States, under free and unlimited coinage, instead of importing silver, would continue in the future, as she has been in the past, a large exporter of silver bullion.

It is insisted by the gold-standard advocates that the free coinage of silver would drive gold out of the country. Of course no person can know that such would be the result; he can only guess that such a thing might happen. These same men told us that the compulsory coinage of silver under the Bland Act would drive all the gold out of the country, but it did not do so. The Report of the Director of the Mint shows that in 1878, when the Bland Act became a law, there was but $213,000,000 in gold in the United States, and that from that time until 1893 there was coined in the United States from $2,000,000 to $4,000,000 of silver every month, and that in 1893 we had $646,000,000 in gold in the United States. Instead of driving out the gold, there was a constant stream of gold flowing into the country. There were certain false prophets in 1878, and we have no evidence that they have received any special inspiration since that time. There is not a particle of danger of silver driving gold out of the country. Foreign demand for gold may cause its exportation, but silver will not drive it out of the country.

The report of the Director of the Mint for the year ending June 30, 1894, on page 57, shows that the world's production of silver for the years 1891, 1892, and 1893 amounted to $583,464,000, rated at the ratio of 16 to 1. The same report shows (page 54) that the annual consumption of silver for use in the arts was $27,554,280. This will give a total consumption in the arts for the three years of $82,662,840. On page 270 the same report shows that the silver coinage of the world for the same time was $430,169,558. If these figures are correct, and without doubt they are substantially true, there was a surplus left over each year, on an average, of $23,547,200 worth of silver bullion.

The loss of silver from abrasion and from other causes is enormous. The Director of the Mint published a tabulated statement in 1893, from which it appears that the world's coinage of silver from 1492 to 1893, a period of four hundred years, was $9,726,072,000, less than one-half of the amount produced.

With such a ratio of loss, I think any fair-minded man will concede that the $23,547,200 yearly surplus will not be more than sufficient to make up the loss from abrasion and accident to the stock of coin now in existence.

Is there enough gold to furnish the people with the necessary circulating medium? Turning again to the report of the Director of the Mint for 1894, we find (on page 57) that the world's production of gold for the years 1891, 1892, and 1893 amounted to $432,470,000, or an annual average production of $144,118,666. On page 53 of the same report it is shown that the annual consumption of gold in the arts is $50,177,300. This leaves for coinage purposes $93,941,366.

If gold is to be the money of the world, we shall find, by dividing the amount of gold available for coinage purposes by the population of the world, that it would give us an annual increase in the circulating medium of 6 cents per capita, providing none of the stock on hand was lost or destroyed.

But the advocates of the gold standard insist that it is not fair to divide the available supply by the total population of the world, because they say a large proportion of the people of the world do not use gold as money. Very well, suppose only one-fourth of the people use gold as money; then the annual per capita increase in circulation, provided none of the stock on hand be lost or destroyed in any manner, would be 24 cents.

But would there not be some loss from abrasion and accidents? The Director of the Mint, in the tables heretofore referred to, published in 1893, shows that the world's production of gold since 1492 amounts to $8,204,303,000, and that the total supply of gold money in existence August 16, 1893, was $3,582,605,000. This shows a tremendous loss of gold, particularly when we take into consideration the fact that more than two-thirds of the $8,000,000,000 worth of gold was produced within the last hundred years. There can be no question but that with a single gold standard there must be a constantly diminishing volume of money.

None of the nations of Europe are benefited by the demonetization of silver except England, and all of them, with the exception of England, would follow the United States in its remonetization.

England is the great creditor nation of the world; her imports are largely in excess of her exports; she is therefore interested in having dear money and cheap commodities. If commodities are cheap and money dear, but little money will be required to settle her balances of trade; and if money is dear, that is, if its purchasing power is great, the amount received as fixed charges on the interest-bearing obligations she holds against other nations and the people of other nationalities will be much more valuable, and will go further in paying for such commodities as she must obtain from abroad than it would with a large volume of money in circulation. Again, England, or English capitalists who control the financial policy of England, is making large sums of money annually in buying silver bullion at much less than its coinage value from the American producer and exchanging it in India and other silver-using countries at its full coinage value for wheat, cotton, and other commodities for import into England. England will not agree to international bimetallism. It is not necessary to have her cooperation in order to maintain bimetallism.

Bimetallism has existed since the first dawn of civilization. England, however, as long ago as in the first half of the eighteenth century favored monometallism. Desiring dear money and cheap commodities, she exerted all the influence she possesses in favor of a discontinuance of the use of one of the metals; and believing that silver would be the most abundant and that it was a plebeian money, the money of the common people, she sought to discredit it. Dutot in 1739, Dessortous in 1790, and Lord Liverpool in 1808, as the champions of the aristocracy and money lords of England, urged upon Parliament the propriety of monometallism. Finally, in 1816, silver was demonetized.

Notwithstanding the fact, however, of the demonetization of silver by England, bimetallism was still maintained; all the mints of the world, except those of England, were still open to the free and unlimited coinage of silver, and silver did not depreciate a single point in value as compared with gold. England could accomplish nothing alone. Although she did all that she could do to discredit silver, silver remained on a parity with gold, always at a ratio below 16 to 1, even in the London market, at all times between 1816 and 1873. It was not until after the demonetization of silver by the United States, the greatest silver-producing country in the world, that silver began to decline in value as measured by gold.

A peculiar combination of circumstances favored England in her war against silver in 1872-73. Germany, elated by her victory over France, adopted the single gold standard under the impression that the $1,000,000,000 gold indemnity extorted from France would place her upon a solid financial basis and make her a creditor nation. She obtained her gold standard, but instead of becoming a creditor nation she has so impoverished and degraded the great mass of her people as to imperil the very existence of the Empire. Germany sees her mistake and would to-day be glad of any reasonable pretext to return to bimetallism.

France has not demonetized silver, but only temporarily closed her mints to its free coinage. She was obliged to do this to prevent Germany from unloading her silver upon France for still more French gold. The action of Germany and France, two great commercial nations, induced several of the smaller nations of Europe to discontinue the further coinage of silver, not because they did not like silver money, but to prevent Germany, who had a large stock of silver, from exchanging, after having demonetized it, her silver for their stock of gold.

In the United States in 1873 our currency was paper money. Gold and silver were not used as a medium of exchange. In 1873 an act was passed by Congress entitled "An act revising and amending the laws relative to the Mint, assay offices, and coinage of the United States."

It is charged that this act, which demonetized silver in the United States, was corruptly passed through both Houses of Congress. Whether British gold was used to corrupt certain members of Congress is not, and probably never will be, positively known. But certain it is that not to exceed half a dozen members of Congress knew at the time of the passage of the act that it demonetized silver, and they said nothing about it in public. Certain it is that President Grant, when he signed the act, did not know that it demonetized silver. Certain it is that the press of the country, which was represented in both Houses of Congress by their special reporters, knew nothing about it. Certain it is that the people had never petitioned Congress for any such legislation, and did not know that there had been any such until nearly two years after the passage of the act.

The act demonetizing silver in the United States was the most important and far-reaching in its consequences of any act ever passed by Congress, and yet no paper published anywhere in the United States at or near the time of its passage contains any reference to it whatever.

Had the United States at that time been using gold and silver as a medium of exchange, it would not have been possible to pass such an act without close scrutiny by the members of Congress and by the press of the country, but no metallic money was in circulation, and an act to revise the laws of the Mint was at that time not considered of much importance, and with the assurance of the chairman of the committee having the bill in charge that the act under consideration was simply an act revising the laws relative to the Mint and assay offices, etc., it passed without careful inspection. Such a combination of circumstances is not likely to occur in the United States again, and certainly no act to revise the mint laws of the United States will ever again pass Congress without careful scrutiny.

It is claimed that free coinage of silver would stimulate production to such an extent that we should soon have too much money, that everybody would rush to the mines, and that in a short time we should be flooded with money. It is quite probable that with the price of commodities as they now are—wheat 50 cents per bushel, cotton 5 cents per pound, and other things in proportion—many people would desert the farm and ranch for the mine, for the reason that they could realize more from their labor as miners than they could from raising commodities.

But it should be borne in mind that the value of money is regulated by the amount of money in circulation, and that as the volume of money was increased, its purchasing power would be correspondingly decreased; that as the purchasing power of money was reduced, commodities would increase in value, and a point would soon be reached where the individual could realize more from his labor in producing commodities than he could by mining silver. As soon as that point was reached, the great mass of miners would desert the mine for the farm, and the further increase of money would cease.

If coinage were free and unlimited and extended to both metals, the system would become self-regulating. When the interests of the people demanded more money, more bullion would be produced; when the demand for money was satisfied, the energies of the people would be employed in producing commodities. The only thing that could possibly interfere with this automatic regulation would be the exhaustion of the gold and silver mines, or the discovery of immense deposits of the so-called precious metals in excess of the demand for money, neither of which events is likely to occur. But should either of these things happen, it would only be necessary to limit the coinage, or use some other commodity as the bearer of the money stamp as the representative of the money function. It is not necessary, however, to cross this bridge until we get to it.

If there is a large volume of money in circulation, it will find its way into the hands of the people, and it can not be so easily cornered by trusts, syndicates, and combines; but if the volume of money is small in proportion to the demand it can be cornered by the money king. If the volume of money is small, its purchasing power is great and commodities cheap, and the creditor class—the men with fixed incomes and large capital—can manipulate the money and control the destiny of the people.

There are thousands of men in moderate circumstances, men who to-day are producing commodities which they must sell on the market for less than the cost of production, men whose every interest would be promoted by bimetallism, who are shouting themselves hoarse for a single gold standard, simply because such a standard is demanded by their party leaders. These men are honest and unselfish, but they are blinded by partisan prejudice. But how about the honesty of the leaders, the men who are informed, who know the consequences that must result from the destruction of one-half of the money in existence? These men are not honest; but, instigated by selfishness or by hope of party supremacy, in utter disregard of the misery, poverty, and absolute serfdom and slavery that must be entailed on the great mass of the people, they have entered into the most gigantic and fiendish conspiracy ever conceived by man to enrich themselves and enslave the world.

While the money-using people have been more than doubled within the last half century, and the demand for money has been more than quadrupled by reason of the immense advance in productive industry, these men propose to destroy one-half of the money in existence and prevent the people from making any more.

If a single gold standard is adopted, the annual production of gold will not be sufficient to supply the demand for use in the arts and keep the old stock good. If the single gold standard can be forced upon South America and Asia, gold must inevitably appreciate to at least four times its present value, commodities must decline to one-fourth of the present price, and not a dollar for all time to come can be added to the circulating medium, but on the contrary there must be a constantly diminishing volume of money.

This is the contest. If the money kings can force gold monometallism upon the world, they will succeed in establishing the most gigantic moneyed aristocracy among the rich, and the worst system of peonage, serfdom, and slavery among the masses that has ever cursed the human race. (The Arena, Volume XVI, No. 1, June, 1896, pages 85-105.)

Mr. BATE. Mr. President, with the permission of the Senate, I wish to say something upon the general features of the bill. I understand all the items in the bill have been passed upon with one or two exceptions, and that the whole bill is open for discussion. I embrace the opportunity this morning offered me to make some general observations in regard to the provisions of the bill.

Mr. President, the reasons against the enactment of this tariff bill have been so fully stated in the arguments against the schedules that no summary of them can do justice to their importance.

This bill ought not to pass, because there exists no great public reason for the increase in taxation which it imposes. A nominal deficit in the revenues is confronted with an actual surplus in the Treasury, and until that surplus is exhausted, and further experience shall demonstrate the inadequacy of the existing tariff, the inordinate haste to resort to further increase of taxation ought to have been anticipated by a reduction of the expenditures.

Economy was with Mr. Jefferson "the first and most important republican virtue;" and it is to-day the safest and surest relief for the people. Instead of expenditures aggregating more than a thousand millions of dollars to a Congress and requiring that vast sum to be paid every two years by the people, this Congress should have checked the waste of public money by reducing the expenditures of the Government. The people, Mr. President, are ever ready to "render unto Cæsar the things which be Cæsar's," but they rebel against robbery, under the name of taxes, for the benefit of a giant corporation with its grasp upon the Congress, as indicated by this bill, and its heel upon the neck of prostrate people.

The only difference of opinion which finds expression in this Chamber on the sugar schedule seems to be whether the Senate or the House gives the greater profit to the trust. All are agreed that never before has a party so completely considered the profits of a corporation and so little the cost to the people. As of sugar, so of every other necessary of life—iron, wool, lumber, the food we eat, and the beverages we drink—all and each pay tribute to the greed of protection and not to the necessity of the Government.

There comes on every wind, from every section of the country, the wail of an impoverished people. They demand relief, but they get increased taxation; they ask for bread, and you give them a stone; you mock at their distress and laugh at their suffering with this bill of increased taxes.

The country has lost the income tax, the fairest and most just system for the equalization of the burden of taxation. That loss made the apparent defect in the revenues, which this bill—the accident of an accident—supplies with taxes along every line of consumption, shutting in the American consumer behind the wall of combinations, of trusts and monopolies, with no possibility of relief from foreign competition.

This bill ought not to pass, Mr. President, because it prolongs the agitation for tariff reform, keeps alive the conviction of unjust discrimination, and embarrasses all trade and business by the threat of continued contention for relief from unjust taxation. No law of such manifest inequality, such gross favoritism, such enormous taxation, can bring rest, quiet, and prosperity to the people; self-protection will demand the repeal or modification of the rates under this bill, and the agitation will be projected forward into the election for the next Congress.

Prosperity can not be assured by any law the repeal of which will be the urgent necessity for the great body of taxpayers.

"Trade's proud empire hastes to swift decay" when taxes "grind the faces of the poor."

I can not agree, Mr. President, with the Senator from Texas [Mr. MILLS], when he says the taxpayer is the "forgotten man." On the contrary, under the operation of this bill, he will be the best remembered man in all the land.

Lord Thurlow once exclaimed, "When I forget my sovereign, may God forget me." To which Wilkes coarsely replied, "Forget you! He'd see you damned first." And so of this bill and the taxpayer; it will not forget the taxpayer. Forget him! He can not draw a woolen shirt over his head, nor a pair of socks on his feet, nor wrap his shivering children in a blanket, nor warm his wife with a shawl without experiencing how much the Republican party has not forgotten, but remembered him.

Forget him! Iron, the inseparable companion of the taxpayer, from the ore in the earth, through all the changes to pig, to wrought iron, to scrap, from armor plates to trace chains, from nails in his rooftree to screws in his coffin lid, is taxed with double, triple, quadruple, and quintuple taxes, the evidences of remembrance by the Republican party of the taxpayer. Forget him! He can not build a cabin, nor a boat, nor fence his potato patch, nor lay his body in a coffin without paying tribute to the protection of the Republican party. Forget him! Is he not reminded of the Republican party's tender regard for the taxpayer's purse by the duties levied to protect his cabbages, eggs, onions, and garlic?

No, Mr. President, he is neither the forgotten man, nor is he a forgetting man. He will long remember the party whose tariff bill teaches that—

> The loss of wealth is loss of dirt,
> As sages in all times assert;
> The happy man's without a shirt.

I stand here, Mr. President, the advocate of fair trade and free silver. By the former the Treasury will be supplied with all the revenue required for an economical administration of the Government without impairing the industry of the people by onerous and burdensome taxation. By the latter the people will be supplied with the money necessary to their individual and collective prosperity, without a discriminating injustice against a metal more largely produced in this than in any other country. By no other combination of revenue and currency can the great object of relief to the people be accomplished.

Under our system of government a revenue from customs is mandatory and free trade impossible; hence it may be relegated to the collection of campaign epithets remembered, but not used. But fair trade implies the raising of revenue from customs, with due and impartial regard to the interests and prosperity of every class and of every business and of all the people.

It needs no reciprocity attachment, but invites every nation to share with us in swelling the sails of commerce and filling the markets of the world with the products of every clime and country.

It adds to our home market all the markets of the world, and opens to the industry of the American plow, loom, anvil, and of every kind of manufacture the supplying of the wants, needs, and necessities of all the peoples of the world. It is a broad-gauged policy, truly American, and, like our country, opens to the oppressed and suffering people of every nation the blessings which follow the free interchange of commodities.

Look, Mr. President, at the singular and anomalous position which the United States occupies to-day in the eyes of the world. We have but recently sent abroad a commission of able and excellent citizens to invite the nations of Europe to unite with us in forming a system of international bimetallism. We invite England to abandon her gold basis of eighty years' duration; France to widen her bimetallic system so as to embrace the United States; Germany to retrace her steps and open her mints to the coinage of silver; and so of every nation—we ask them to aid us.

At the same time we are considering here in Congress the most effectual tariff system that shall paralyze the industries of other nations, deny them access to our markets, and shut off seventy-five millions of consumers from the production of other nations. Will such fiscal policy aid your diplomatic bimetallic scheme? In view of the manifest inconsistency between this Administration's bimetallism and its tariff, it is not surprising if grave doubts are entertained, at home as well as abroad, of the sincerity of the Republican party to its platform profession of an ardent desire to use silver in connection with gold. But whether sincere or otherwise, the bimetallic commission and this tariff legislation can not harmonize.

Rumors of protests by foreign governments have already been rife, threats of retaliation are in the air, and every indication exists that the nations of Europe will never consent to a currency conference with a Government whose fiscal policy is one of hostility to their trade, commerce, and people. With fair trade, under customs duties upon foreign imports for revenue only, whether levied on a part or all the importations, but confined to the legitimate expenses of the Government, we could invite other nations to conference with some hope of a favorable consideration. But to enter upon diplomacy, like the fretful porcupine, bristling at every point with repellant laws, demanding everything in sight, but refusing every reciprocal benefit, is to invite inevitable failure,

Perhaps that is the real purpose of such contradictory policies. But what will the people think of such paltering in a double sense, that keeps the promise to their ear and breaks it to their hope? Every supporter of Mr. Bryan and seven-tenths of the supporters of Mr. McKinley are in favor of bimetallism and in opposition to any fiscal policy which abstracts, hinders, and prevents the use of silver in our currency. Whatever may be said as to the part played by a protective tariff in the last campaign, the people never understood that it was to be exploited to prevent European nations from uniting with the United States in a return to bimetallism. That is what the present bill, either in its original or amended shape, does for bimetallism; it is a barrier to the free coinage of silver.

Let us consider another inconsistency developed in the consideration of protection. The Senator from West Virginia [Mr. ELKINS] introduced a bill to encourage shipbuilding and supported it with an able and elaborate argument to show that a tax of 10 per cent levied on goods imported in foreign bottoms would encourage the building of ships in this country. Will the enactment of such a law help the bimetallic conference, or dispose the people and governments of European nations to enter into an agreement as to silver with a people and Government which punishes with a tax the efforts of other nations to maintain their own mercantile marine?

The system of rewards and punishments which protection supports and maintains as necessary to its successful operation is one of hostility to all other nations and peoples, as well as destructive to domestic prosperity. But fair trade, which has neither friends to reward nor enemies to punish, lends its helping hand to every interest, and provides revenue for the Government without enormous burdens on nations or foreigners. It would be the handmaid of free silver, disposing all nations and peoples to make sacrifices and changes in their financial systems in order to share in the prosperity and reap the rewards of trade, commerce, and intercourse with the most thrifty, growing, and enterprising people among the nations of the earth.

In the pursuit of class legislation this bill throws away every consideration of the principles of taxation, which, properly applied in laws, will protect the people from the burdens of unnecessary duties without depriving the Government of necessary revenues. But "protection" is not enumerated among those principles, but is held to be a system of veiled confiscation where the consumer is taxed that certain classes may increase their profits. Even the harsh term of "robbery" has been applied to it in the highest court of our country.

The people of every State in our Union will cheerfully contribute all taxes necessary to the economical expenditures of their General Government, and they will bear every burden required to escape the necessity of issuing bonds in time of peace. But when required to pay taxes in order to increase the profits of classes, to submit to exactions merely to encourage certain business at the expense of all the people, to build up a costlier home market by excluding foreign products, they naturally rebel at the injustice and demand of those who represent them in Congress to resist and oppose the manifest wrong.

Every suggestion of a wise financial policy points to the activity of every dollar of the currency—that passing from hand to hand, from person to person, which has bestowed its name upon the circulating money of every country. And since every dollar of surplus in the Treasury is an inactive dollar—dead, for the time being, to all trade, business, enterprise, and individuals—it becomes an increased weight added to the depression which bears down upon the people. At present over one hundred and thirty millions of the currency lie idle in the Treasury, and this bill proposes to increase that inactive hoard by further taxation of the people.

A surplus in the Treasury, as well as a reserve in the banks, may be wise and necessary precautions against unexpected conditions, but both should be limited to the smaller possible sum. The cry of the people, the demands of their business, the exigencies of their trade, all look to an increase of the circulating medium, and in the midst of this pressing and urgent necessity for more money this bill is framed on lines to unnecessarily increase the amount of dead, inactive money. Not only does the bill immensely increase the taxes on consumption, but the currency, indispensable to the trade, business, and enterprise of every individual, is lessened, and will be locked up in the Treasury, where already over one hundred and thirty millions above and not counting the $100,000,000 redemption reserve is hoarded and withdrawn from the channels of trade.

The excuse for this bill, as expressed in its title, "to provide revenue," takes no notice of the $130,000,000; the subterfuge of a deficit in the revenue disregards the fact that the existing hoard in the Treasury would meet the difference between the expenditures and the receipts for more than three years to come, without the least increase of taxation. If to the existing but unused hoard of money that $130,000,000 is added, the revenue which this bill, according to the predictions of its advocates, will raise, that surplus will be very largely over $200,000,000, which will be denied to the people's uses, withdrawn from all the channels of trade, from all the necessities of the individuals, from all the uses for which money is required. Will that bring prosperity?

It is hard to make the people understand why it is necessary to "provide revenue" by increasing taxation so long as there is $130,000,000 in the Treasury vaults and a deficit of less than $40,000,000 to be provided for. The euphonistic expression, "to encourage domestic industries," has long since lost its deceptive charm. It has too often been used to fool and deceive; and protection and the home market have done their duty so long without adequate returns that they no longer beguile the people. The cheap foreign pauper labor and its products have been "scarecrows set to frighten fools" so long that they have lost all significance. Their rags and tatters may be labeled wool, leather, mules, and horses, and garlanded with the necessaries of life; but beneath them all will be visible the cross sticks of the scarecrow which trusts and monopolies use to oppress and rob the people of their substance.

What has become of the untaxed breakfast of the laboring man, which garlanded the scarecrow after the McKinley bill? Has it been abandoned at the demand of the sugar trust? How much did taxes under the McKinley bill, levied on pauper-labor productions, increase the wages of labor in this country? Did the home market under the McKinley bill furnish a compensating price to the vast agricultural products of the country, or manufacturers spring up and flourish alongside the wheat and corn fields, so that every farmer has a remunerative market at his barn door? None of these promised blessings followed the short-lived McKinley bill, nor will this bill, in the few years which the people will permit it to exist, be more fruitful than its predecessor.

If the principle of protection which underlies this bill be carried to its logical conclusion, it demands Government aid of some kind for every industry whose products, being undersold in the markets, are subjected to loss. From whose labor is the expense of this Government protection to come? Who are to pay the cost of that protection? Where is that bounty to stop? Upon what principle is the owner of sheep to be favored more than the owner of hogs; the manufacturer more than the farmer? Upon what maxim of political science is the difference or discrimination made?

For twenty years Congress has been engaged in unweaving the web of Penelope, but it seems that Ulysses will not yet return to Ithaca, but still wanders. We have had the Morrison bill, the McKinley bill, the Wilson bill, and the two Dingley bills, and the web is still being adjusted.

We have enlarged the nomenclature of our politics without enriching it, and these names now remain but mementoes of that fatality which has overtaken all parties in their efforts at tariff legislation. The McKinley bill defeated the Republican party, the Wilson bill, compromise as it was, crippled the Democratic party, and the Dingley bill will be no exception to that fate which follows the wrongdoing of protective legislation.

The author of the original bill now under consideration is reported in a letter to the New York Herald to have predicted that this bill "will be regarded as a settlement of the disturbing question for many years, and a settlement, too, on a basis which will greatly promote our domestic industries." Alas, the Dingley bill has already disappeared under the 700 amendments proposed (and nearly all of them passed) in this Senate, which have so altered its features, so distorted its countenance, that like the child in that fiction of Victor Hugo, "The man who laughs," its own father can not recognize his offspring. Naught but the perpetual grin, the everlasting smirk of "protection," is written across the original bill, and it must carry through its lifetime, long or short, the horrid scars of its defacement, as did "the man who laughs."

The names which the people stamp upon objectionable legislation but too often reveal its real character. "The bill of abominations" almost involved the country in civil war, and now we hear the slogan of "Tariff for robbery against tariff for revenue."

Mr. President, the country heard with pleasure the voice of President McKinley calling upon Congress, among other things, to "relieve and encourage agriculture." Many thousands of the people, looking back to the time, a few years ago, when the President was an ardent advocate of the free coinage of silver, took hope that it would be more money and not more taxes in which the relief and encouragement to the farmer would take shape. But, unfortunately, the hopes and prospects of party have taken precedence of the welfare and prosperity of the people.

Instead of a plain, straightforward policy of using the accumulated millions of silver in the Treasury to dispel the depression that weighs upon the energies and paralyzes the industry of the people, we are invited to the funeral baked meats of protection. We may imagine, but can not paint, the disappointment which followed the report of the original bill, where the savor was taxed out of salt, the saccharine matter out of sugar, the warmth out of wool; where the hats were made so light that every breeze would start the people in a race, and a pinching power given to the shoes until they produced corns rather than comfort.

Mr. President, the first creditor of every people is the plow, and upon the furrows which it turns reposes the great mass of national wealth. After fully and amply supplying the home market, of which so much is heard in these days, the plow supplied agricultural exports for the fiscal year of 1896 to the enormous amount of $569,879,297, or 66.02 per cent of all the export trade of the country. What became of that vast sum—the product of the plow? It was not given away. It bought in foreign lands what the plow needed at home, and the cheaper those foreign goods were bought the greater were the profits of the plow.

But this protection bill is to change all that, and teach the plow the unlearnable lesson that higher priced homemade articles are cheaper than lower priced imported goods. The plow is not so dull a scholar as protectionists suppose; it may be fooled sometimes, but experience teaches that the royal road to comfort and sufficiency lies not along the pathway of protection.

But I will endeavor to do justice even to this bill. There are, to use one of the terms quite frequent in this discussion of the tariff, "compensatory" duties to agriculture in the bill.

Beans are protected by a duty of 50 cents per bushel; cabbages by 3 cents per head; eggs by 5 cents per dozen. Nor does relief and encouragement to the plow stop at the gates of the garden or at the doors of the hennery. The 101,100,375 bushels of corn exported in 1896 will in future be protected by a duty on 4,338 bushels imported. The orchard, too, comes in for a so-called "compensatory" duty on green apples, of which we exported 360,002 barrels and imported 60,742 barrels. Great expectations are raised for tallow, of which we exported last year 52,759,212 pounds, and farmers are hereafter to have a protective duty on 2,116 pounds imported. Of beef, divested of hides and hoofs and horns, we exported last year 359,704,917 pounds, and this model measure of taxation provides adequate protection to the farmer by a duty on 598,608 pounds of imported beef of every kind.

What a mockery!

The false pretense of relief and encouragement to the plow is sometimes disguised under a statement that 50 per cent of our total importations in 1896 were agricultural products.

To sustain that descriptive assertion, coffee, tea, sugar, and tropical products are aggregated and accredited as agricultural products coming in competition with the products of the farmers in this country. But is a tax on bananas any protection to beef?

Furthermore, Mr. President, the organs of protection daily assure the people that business activity stands expectant and impatient, awaiting only the passage of a tariff bill to bound off and bring to the people that prosperity which started on its race on the night of the late Presidential election, but for some unexpected reason came to a sudden standstill.

Among the agricultural agencies which this bill hitches to the slow-moving car of prosperity, I note that mules and horses are included. But as in 1893 importation added only 6 mules to the 2,352,231, and only 12,248 horses to the 16,081,139, which were here and doing their level best to start the stalled car of prosperity, I really can not advise the people to hope for much from the protection which the bill extends to horses and mules. In 1893 importations added 3,098 cattle to the 42,095,568 already in the country; it increased the 45,206,498 hogs by 16,947, and added 445,813 sheep to the 45,048,017 that ranged over the hills and dales of the United States. In dollars and cents, the value of our animals in 1894 was $2,170,816,754, of which only $3,098,045.73 was due to importation in 1893.

What flimsy pretense it is to thus seek "to pull the wool over the eyes" of farmers.

I have taken for examination, with the figures in "the comparison" which has been laid on our desks, the figures of the Department of Agriculture. The hollow absurdity which pervades this bill in the agricultural schedule is not confined to animals, but descends to onions, and enumerates in italics garlic, of which not one pound or even the faintest scent was ever imported, unless it come in the breath of a "Mexican greaser" or an Italian organ grinder. But what farmer wants garlic "protected" by 1 cent a pound, as in the original bill? As well protect Canada thistle, or any other noxious weed, as the strong-smelling allium, which spoils the milk, cream, and butter of the farmers and dairymen.

And "teasel," which raises the nap on woolen cloth, from which Sheridan gave its name to the lady who raised the row in the School for Scandal, that, too, is protected; but where its protection is a benefit to the American farmer is not apparent.

Nevertheless it, too, serves to sugarcoat the protection pill to the befooling of the American farmer.

But will he be fooled? That question he will answer at the next Congressional election, as he did after the McKinley bill was enacted, in which the Republican majority became a Republican minority in the House of Representatives. With taxed sugar, and with every stitch of his woolen clothes taxed, from the hat to the socks, he will laugh at the protection extended to his wheat, corn, potatoes, onions, and garlic, and vote his resentment at unnecessary taxation, as he did but a few years back, when the prototype of this bill received the unqualified condemnation of the people.

It is a matter of financial impossibility to give relief and encouragement to the plow by increasing the taxes on articles of necessary consumption to farmers. As for the building up of a home market, it is not only a twice-told tale, but an old, old song sung for political effect ever since the enactment of the "bill of abominations" in 1828. But not all the tariffs that have been enacted will bring this country any nearer to an adequate home market for the consumption at remunerative prices of our vast agricultural products than the country was in 1896.

The fact that last year, with over 73,000,000 people as the home market, our farmers were compelled to send to foreign countries $570,000,000 of the products of the plow demonstrates the inability of this country to consume the immense volume of the products of its agriculture. That great creditor, the plow, must seek the markets of the world. No "pent-up Utica" will do for his products. The "boundless continents" are required for America's products. But, Mr. President, every duty levied for protection upon a foreign product is an impediment cast into the furrow of the American plow.

It is impossible to sell the products of our plow unless we buy the surplus product of the foreign looms, for foreign countries can not buy from us unless they can sell to us.

Hence every impediment, every duty which our laws place on the sale of foreign goods to our people reacts upon the sale of our products to other countries. We can not burden the sale of foreign goods without embarrassing the sale of American products. Commerce is the reciprocal interchange of surplus products, and this bill, which is to make us the Ishmael among nations, will, I fear, intensify the distress and depression that already exist in every agricultural part of the Union.

Mr. President, there were thirty years ago indications that distinguished Republican leaders were taking their course along the pathway of progress that led to a remission of taxation on articles of consumption.

It was not a disciple of the Cobden school of free trade, but the Republican leader, the present Secretary of State, ex-Senator John Sherman, who said in 1868:

> Every advance toward a free exchange of commodities is an advance in civilization; every obstruction to a free exchange is born of the same narrow, despotic spirit which planted castles upon the Rhine to plunder peaceful commerce; every obstruction to commerce is a tax on consumption; every facility to a free exchange cheapens commodities, increases trade and production, and promotes civilization. Nothing is worse than sectionalism within a nation, and nothing is better for the peace of nations than unrestricted freedom of commerce and intercourse with each other.

That is the Democratic doctrine of tariff taxation; it embodies those principles by which abundant revenue for an economical government may be raised without imposing unequal or oppressive taxes upon the people:

> In the history of taxation nothing has been more satisfactorily established than the fallacy of imposing duties at rates which have a tendency to check consumption. All duties upon articles of consumption ought to be assessed upon a scale which permits the expansion of the consumption with the population and prosperity of the country.
>
> Increasing consumption implies increasing trade; the use of additional capital; the employment of more ships and sailors; the exportation of more goods to pay for the articles imported; the use of additional quantities of raw materials requisite to the manufacture of goods; the employment of more labor in their production; the improvement of machinery for their manufacture; more ships and more seamen in introducing the raw material and exporting the manufactured article; in fact, more employment for industry, more prosperity, and consequently increased consumption.—*Sir Morton Peto, On Taxation*, page 39.

I have quoted in juxtaposition to Mr. Sherman the arguments of a leader in the English school of free trade, Sir Morton Peto, whose work on Taxation was published in 1863.

The almost exact agreement in principle of the American protectionist and the English free trader suggests the inquiry why the former has subsequently abandoned the liberal and progressive start which he made in early political life?

When Mr. Garfield avowed that he was in favor of "protection which led to ultimate free trade" he was making the announcement which led him so near to the free traders that he was accused of being a member of the Cobden Club.

There is, Mr. President, a peculiarity about protection which differs from every principle of taxation. Its adaptability to the most conflicting conditions of the Treasury has been illustrated by the two bills which have been constructed upon its lines in the last seven years. The title of the McKinley bill of 1890 was "A bill to reduce the revenue and equalize duties on imports, and for other purposes," while the title of the present bill of 1897 is "A bill to provide revenue for the Government and to encourage the industries of the United States." It protects in one and reduces in the other.

On June 30, 1890, preceding the passage of the McKinley bill in October of that year, there was a surplus in the Treasury of $85,600,000. In January, 1897, there was a deficit in the Treasury of $25,000,000. Thus the protection scheme of taxation is made equally as applicable to create either a deficit or a surplus.

The experience of the country under the McKinley bill of 1890 was such that it ought not to have been forgotten in six short years. It wiped out, as with a wet sponge, the surplus of $85,600,000 left by a Democratic Administration, and carried with the surplus the $54,000,000 which had accumulated for the redemption of national-bank notes. From 1890 to 1894 the McKinley bill was so successful in reducing the revenue that by the latter date the expenditures exceeded the revenue by $69,803,260. The Wilson bill, shorn of its income-tax feature by the decision of the Supreme Court and caught in the maelstrom of an unparalleled period of depression, has under such unexpected conditions shown its capabilities of producing revenue from customs by raising $152,000,000 in 1896, and demonstrates that it has not increased taxes, but reduced expenditures, which is the true and rational measure demanded for impoverished people at the present time.

Was this extra session called to anticipate the increased revenue for 1897 under the Wilson bill, which might demonstrate its capability to meet every demand of the Treasury? Instead of that reform which every man recognizes in his own affairs—of lessening expenses when income is failing—the Republican party has formulated this bill to produce an increase in taxes, which is expected to produce $100,000,000 more revenue than under the present law. If the importation of $775,724,264 shall be realized in the future, this bill as reported to the House will raise $272,000,000 from customs, or nearly fifty millions more than any tariff ever before extracted from the people through customs duties. This is the outlook for the prosperity which was promised during the last campaign.

ISSUE OF BONDS.

Mr. President, in June of last year the Senate passed a joint resolution forbidding the issue of bonds without the specific authority of Congress. What became of that resolution? It was referred to the committee of another branch of Congress, a Republican committee of a Republican House. That committee reported back the resolution adversely, and, though privileged, it was never called up, and the House was forbidden to take action on the resolution; thus the party which now professes opposition to the issue of bonds got up behind Mr. Cleveland on the same horse, and they rode into the late campaign together for the gold standard.

If the exports of manufacturers is any gauge of their prosperity, the following table from the New York Journal of Commerce illustrates how little necessity exists in these days of depression to encourage the industries of the United States by additional taxes upon the consumption of an exhausted people:

Year.	Exports of manufactures.	Per cent of total exports.
1890	$151,102,376	17.87
1891	168,927,315	19.37
1892	158,510,937	15.61
1893	158,023,118	19.02
1894	183,728,808	21.14
1895	183,595,743	23.14
1896	228,489,893	26.47

Under the McKinley bill, with its exorbitant taxation of foreign imports, the percentage of the export of manufactures to the total exports was 17.27, while under the more liberal provisions of the Wilson bill that percentage rose to 26.47.

The industries of the United States, notwithstanding all the adverse conditions of the last four years, gained in their export from 19.02 to 26.47 per cent. The capital invested in the manufacturing industries of the United States was, by the census of 1890, the enormous sum of $6,180,000,000. They now—

> Exceed those of the mother country in the proportion of 7 to 4, and are increasing at a rate which, if maintained for a quarter of a century—

Seven years of which have already passed—

> will make the United States as important a source of supply for manufactures as it is now for agricultural products.—*Garnett's Building of a Nation*, page 176.

What necessity, therefore, exists for phenomenal taxation in a time of extraordinary depression? The example of encouragement to domestic industries which England has given to the world is one for our careful consideration. At a time of depression similar to that existing in this country England freed herself from the embarrassments of protection duties. In 1841 her customs duties covered 1,162 articles, and the revenue therefrom amounted to £21,898,845.

Forty years afterwards, with but 44 articles subject to duty, the revenue was £24,036,000. What was the result of the remission of all duties on over 1,100 articles upon her home market, upon her manufactures, upon her trade, her wealth, her prosperity, and her power? The answer is given by Mr. Webster. She has become—

A power whose morning drumbeat, following the sun and keeping company with the hours, circles the earth with one continuous and unbroken strain of the martial airs of England.

That was the accomplished result of a tariff for revenue only, for she still retains customs duties.

The exemption of the raw material of manufactures from excessive duties is not a new and strange contention. As long ago as 1855 it was presented to Congress as a reform in our tariff legislation.

TAX ON RAW MATERIAL.

Secretary of the Treasury, Mr. Guthrie (Report on Finances, 1855), contended—

That good policy required the raw material used in our manufactures to be exempt from duty, and our manufacturers placed on an equality with those of Great Britain and other manufacturing nations who admit raw material to free entry.

A tax upon raw material is calculated to increase the cost of production by the profits of the importer on the tax on the raw material, and the profits of the manufacturer on his outlay for that tax, and the importer's profit thereon, and of the merchant's through whom it passes to the consumer, interfering with the manufacturer's enjoyment of both the home and the foreign markets on the same advantageous terms of the manufacturers of other nations, who obtain raw material free of duty. A single example illustrates the case: Great Britain admits wool, a raw material, free of duty, and the United States imposes upon it a duty of 30 per cent. This enables the English manufacturer to interfere with the American manufacturer in the American markets, and to exclude him from the foreign markets. It does more. It surrenders the market of the countries producing the raw material to the nations who take it free of duty, etc. (Page 26, Executive Document, third session Thirty-fourth Congress, volume 2, 1856-57.)

Mr. President, with the vaults of the Treasury so burdened with silver that additional facilities of storage are demanded, with lawful authority to pay out that silver, with the formal pledge of the Government to maintain silver in parity with gold, the Treasury authorities of this Administration continue the policy of the last, and pay out gold for greenbacks. If the "endless chain" does not exhaust the supply of gold now as it did a few years ago, it is not from any change in law, but solely from unaltered conditions of trade, which may at any moment return to past conditions and revive the flow of gold out of the Treasury. Increase of taxation can not be a remedy for any defects in the currency system.

Already rumors are rife, with a surplus of revenue secured by the proposed bill, that a policy of storing or holding up greenbacks and not paying them out in ordinary transactions of the Treasury will be put in operation. Such a violation of the spirit of existing laws will not fail to arrest public attention, as will its effects upon the existing stringency in the supply of money.

Your distinguished leader of to-day—our Chief Executive, William McKinley—said in 1890:

I am for the largest use of silver in the currency of the country. I would not dishonor it; I would give it equal credit and honor with gold. I would make no discrimination. I would utilize both metals as money and discredit neither. I want the double standard.

Now, Mr. President, I reiterate my proposition that fair trade and free silver are harmonious, and so are the gold standard and protection. Fair trade and free silver give the widest scope for individual and national prosperity; the gold standard and protection the narrowest.

Well may the advocates of this bill seek to pass it through the Senate as it was passed through the House, under whip and spur, with the pretext that an oppressed and overburdened people are expecting prosperity to come with its passage and therefore can not brook delay.

Lights should be turned on this bill from as many sources as possible, that the consumers and taxpayers may see its enormity. The history of tariff in this country does not show, in artful framework and insidious design, veiled under the false pretense for revenue, the equal for evil results of this bill.

Its practical operation alone can reveal to the consumer the burden it will put on him.

It should not pass, because we have a sufficient surplus in the Treasury now to cover any deficits, should they exist, for three years to come, and it would be cruel to tax our already overburdened consumers under the guise for revenue not needed, and when in fact it is pretended to protect those who need assistance less than those who will have the tax to pay.

In my opinion this bill should not pass. It will be an indirect and constant drain upon the great body of consumers. It is open and avowed class legislation. It would increase poverty where it now exists and multiply wealth where it now abounds. It will suck the lifeblood of labor and make of it a pale and sickly dependent. It will encourage capital to combine and build up those modern curses, trusts and monopolies. It will multiply tramps and millionaires. This influence is subtle and moves by indirection, hence it is not seen and felt in a manner to promptly and vigorously arrest the attention of its victims. It nevertheless goes on all the while, like "the mills of the gods, which slowly grind, but grind exceeding fine."

Mr. PETTUS. Mr. President, I ask that the amendment which I desire to discuss may be read by the Secretary.

The VICE-PRESIDENT. The Secretary will state the amendment as amended, introduced by the Senator from Alabama, which went over last evening.

The SECRETARY. It is proposed to insert the following:

The importation into the United States, from any foreign country, of sugar or of any material of which sugar can be made, by or for or on account of any trust, combination, or conspiracy, existing or hereafter formed between two or more persons or corporations or between two or more persons in one corporation or company intended to operate in restraint of lawful trade, or to hinder or restrain free competition, or to increase the market price of sugar in any part of the United States, is hereby declared to be unlawful, and such sugar and such material so imported into the United States shall be forfeited to the United States. And it shall be the duty of the Attorney-General of the United States to cause proceedings to be instituted and prosecuted to enforce such forfeitures; and to enforce all other laws of the United States intended to prevent or suppress unlawful trusts, combinations, or conspiracies for the restraint of trade or free competition. And the Attorney-General of the United States will report each year to the Congress of the United States concerning such proceedings so instituted and prosecuted.

Mr. PETTUS. Mr. President, the combination of wealth in great volume in the hands of corrupt men is the great danger which now threatens the liberties of the people of the United States. Men of all parties see and men of all parties acknowledge this great danger, and the main question with men moved by patriotic sentiment is, How shall the Government of the United States assist to suppress such wicked men, threatening the liberties of the whole people?

In the olden time the English people had what we call the common law. It was made by the customs of the people and the decisions of the courts. It was not enacted by legislative assemblies, but it grew up as the custom of a liberty-loving people.

Many of the things that are denounced as trusts and that threaten our freedom as a people were denounced by the common law. Lawyers all remember what the English people called forestalling. It was a practice by which an individual or a number of individuals would gather into their own hands the supply of food which was brought to market. It was very nearly akin to the very same practices which wicked men for their personal greed are now practicing upon the American people.

The common law denounced it. It was a crime then, not a crime created by statute, but a crime created by the sense of mankind, that a man who would engage in such practices was a public enemy; and he is a public enemy, and ought to be denounced by every man who loves his country; and, so far as I have heard in this Chamber, he has been denounced by men of all parties, and justly denounced. No man can be more decidedly a public enemy than he who attempts to gather into his own control any article of food or any other article of prime necessity to the people. He is a public enemy because he seeks to inflict upon the people of the United States a wrong for his personal greed and satisfaction.

This amendment which has been proposed to the pending bill does not seek to interfere with trusts generally. Laws have been framed—and you have some wonderfully wise laws—but where are they enforced? Laws enacted by the Legislature of the country are of no use unless they can be administered. You enact laws, and you did enact some wise laws with reference to these trusts; they have gone on the statute book; they have been heralded to the country, and I believe the Democratic party claims a portion of the credit of their enactment; but, Mr. President, these laws, as I said before, are of no value unless they can be enforced by the officers of the country. The principal business of enforcing these laws is made the duty of the Attorney-General, acting under orders of the President, of course; but we have very few instances of even an attempt to enfore these laws. Some few attempts have been made, and lately there has been one successful attempt in that direction.

Now let us come to this particular trust at which this particular amendment is aimed. True, the amendment is general in its terms and involves all men making a combination for the purpose of restraining trade in the article of sugar—all combinations now formed or hereafter to be formed for that purpose. For, Mr. President, this is not an attempt to restrain the free commerce in sugar—not in the slightest degree. It is not attempted to restrain men who are largely engaged in this business; it is confined, as the common law was confined, to persons who engage in this business and whose operations are intended—the wicked intent must appear—to operate in restraint of lawful trade.

The United States has no common-law offenses, and never did have; the States have them, and that sort of a crime that is here denounced, if carried on in a State, would be a crime in any State of the Union wherever the common law prevails and has not been changed for the benefit of any of these trusts. The common law denounces all such transactions, and where it exists—and it does exist in every State in the Union, I believe, except one—and has not been modified, the thing here denounced would be a crime.

Mr. President, this amendment has been carefully prepared and considered in the light of our constitutional provisions and also in the light of the decisions of our Supreme Court. It has a broad basis on which to stand. We all know that Congress has a right to regulate trade with foreign countries and to regulate interstate commerce. This proposed law is based on the principle announced in the Constitution, that Congress shall have the power to regulate trade or commerce with foreign countries. It also has a broad and firm foundation in the proposition that Congress has the right to levy and collect impost duties.

Having that right to collect impost duties, and having the other right to regulate commerce with foreign countries, there can be no question that this amendment is strictly within the line and the purpose and the meaning of the Constitution, and the very letter of it. It is confined to imports, and this amendment ought to be confined to imports, though I dare say that other amendments which are to be enacted by Congress ought to go further and make all restrictions of this kind against interstate commerce if carried on by such wicked people for such wicked purposes.

So far as the present existing trust is concerned, no man on this floor has ever disputed its existence; no man on this floor has disputed or dare dispute its corrupt and wicked intentions. The very corporation itself, almost in its corporate capacity, has acknowledged the mean crime of which it is every day guilty. You have had its officers before your committees, and they have admitted the facts; they have admitted the purpose; they have admitted the intention with which they controlled the sugar market in the United States, and that they did control it, and that they were organized for the purpose of controlling it. So Senators need no information on this subject. It has been furnished to them by the officers of this wicked trust out of their own mouths, and you have it here spread upon your records. Why not make every honest effort in our power to suppress this wicked crime against the people of the United States?

Mr. President, the people of the United States as yet are, in my opinion, the most loyal people to their Government on the earth. The yeomanry of the country, take them by and large, are devoted to the Government of the United States. They love their country, as Fitz-Greene Halleck said of the people of Connecticut:

> They love their land because it is their own,
> And scorn to give aught other reason why.

They are devoted to the country. Why, Mr. President, you could not tap a drum ever so lightly inside of the borders of the United States that an army would not spring to its feet as if by magic. That spirit is not confined to one part of the country or another, but it embraces the yeomanry of the whole land. They have a pride in their country; they ought to have it; and so long as they have it, mortal man may dare, but mortal man can not put his foot on our ground and keep it there more than a few minutes at a time.

You have no army. No, and you ought not to have. You have an army of perhaps 25,000 enlisted men, but the wisdom of our ancestors and your continued wisdom in this and the other Hall of Congress have provided an army such as the United States or any other land might be proud of. I am not speaking of the enlisted men, though, so far as I have heard, they are faithful and true, but too small in number to accomplish any great results. You have another army, however, of officers sufficient to command even one of the continental armies of Europe, and you have here at home, among the yeomanry of the country, such an army as Europe never mustered. They are an army that will go to the front at the slightest tap of the drum on any question which concerns either the safety or the honor of the United States.

We have army enough if you will only keep up and keep in proper training and proper spirit the officers whom you train at West Point and the officers whom you train at Annapolis. But what you need and what you will forever need, and what no country can dispense with, is the patriotic feeling of the people—the masses. You need that feeling and you ought to cultivate it. You ought to cultivate it with more care than the Czar of all the Russias cultivates his standing army. What would a standing army be against a people like this, moved by patriotic sentiment? We have tried it on several occasions.

But, Mr. President, we ought not to allow this patriotic feeling of devotion to our country to slumber or sleep, nor ought we to allow this vast yeomanry of the United States to say truly that the United States does not give them a fair chance for a living. If you ever allowed that sentiment to be common among the people, patriotism will die. The Anglo-Saxon man never was born who was willing to live in an inferior position to any other man. You must give him his rights. You must honor this great body of yeomanry who so much honor this great country. Do not allow the citizen to suppose that the Government looks upon him as an inferior. Whenever you do that, whenever he can not say, "This is my country; I am under its flag and I am equal in law to any other mortal man"—whenever you put him in that position, whenever you put him in an inferior position, patriotism will die in the breast even of an Anglo-Saxon man.

The nations of the world have tried this. It is no new thing to any man who has read history at all. Who ever read or thought of men more patriotic and more devoted to their country and prouder of it than the Roman citizen—the man who could stand with his shield on his arm and say, "I am a Roman citizen," and feel all the dignity of such a position? You all remember that. You all remember those locked shields that went into battle incapable of being broken asunder. It was not the strength of the man; it was not even the brute courage that was in him; it was his pride and dignity of citizenship, just as has always been the case with your volunteers in this country. This pride and dignity of citizenship will lead men to accomplish a thousand times more than any trained soldiery ever accomplished without that feeling.

Mr. President, the frozen ground was soft and warm to the foot of a patriotic soldier. Bread he could dispense with if his country could not furnish it. He could fairly live on the patriotic zeal that was in his soul. Such men can not be conquered, but they may be destroyed. Do you also recollect that same Roman citizen who boasted of his citizenship? There was a time when he came to be a degraded individual, a mere tool in the hands of the combined wealth of Rome. Yes; there came that time. It was the same man. He had the same courage precisely. The wealth of the whole Roman Empire was concentrated in the hands of a few individuals, and this Roman citizen in the army of his country felt his degradation, that he was merely traded about from pillar to post at the will of corrupt men legislating for the country. What did he do? Did patriotism last? No; it could not last, because the dignity of citizenship is absolutely essential to the fervor of patriotism.

There came a day, and it came very fast, on the down grade. That people went down and down and down, and they went down with more rapidity than one of your immense engines can carry one of your passenger trains downhill. They went down; and what is the spectacle at last presented? It is the Roman army, formerly of patriots, putting the Government on sale in the forum to the highest bidder for cash. That same army, the same sort of men, degraded, however, down to the position of serfs to obey the will of this concentrated money power, actually took the Government, and they sold the Empire to the highest bidder for cash, and one of the men who had robbed the people of their wealth and got it into his own hands, stepped forward at the forum—my God, what a place to make such a sale!—and the Empire was sold to the highest bidder for cash; and it was purchased. The purchaser received his deed in due form, and entered upon the discharge of his duties as Emperor. But, thank God, there was some of the courage left, if not of the patriotism, and in a few weeks they beheaded that purchaser.

You must maintain the dignity of citizenship along with all this fervor and zeal and energy of patriotism to make a great people. It exists; it exists now, as I said before, to a greater degree in the United States than in any other people now living or in any people who have passed away, but it can not continue to exist unless you preserve the respect of this multitude of people whom I call the yeomanry.

Mr. President, we are an English people, say what we please. We have all the will and the courage and the energy of that people. The greatest of all people who ever lived on earth are the English people, because they can put their foot on the ground and can not be moved from that place. They can stand punishment with a heroism that never was displayed by any people except the English and their lineal descendants. It never was and never will be, in my opinion.

The courage which a nation needs is the courage, the endurance, the patriotism to stand punishment. Any man may make a dash, but when hunger and thirst and suffering and wounds come upon him, if he has not this fervor of patriotism, his courage, like Bob Acres's, will ooze out at his fingers' ends, and unless you teach the American people, and keep them convinced, that this is their country, you can not preserve that spirit in that shape.

Mr. President, there was a time in the history of this country—God forbid that it should ever cease to exist, though we have had our doubts very much lately on that subject—when an American citizen could take the American flag and stand in the center of Africa and claim its protection. It ought to be so now. It would be so now if we were not afraid of disturbing the interests of trade; if we were not afraid of disturbing the immense bank balances which have been accumulated by the wicked greed of men who fear losing, if not a part of their capital, a small per cent of their earnings.

The American flag ought to cover the American citizen, naturalized as well as native. They have equal rights, and the man who chooses to deny it denies our history and prostitutes his country. The American citizen ought to be able to claim the protection of its flag; he ought to be able to have the protection of the flag without all these miserable delays which come upon us.

Mr. President, I wish to repeat a few lines from an English poet who had this fervor of patriotism in his breast. He says:

Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay.
Princes and lords may flourish or may fade—
A breath can make them, as a breath has made;
But a bold peasantry, their country's pride,
When once destroy'd, can never be supplied.

Mr. President, that is what I want to maintain. I want a bold yeomanry. You can not maintain it unless you also establish and keep established to his satisfaction that this is his country, where he is the equal of any other man born in this country or anywhere else—equal, I mean, before the law. I am not disputing God's first law—order; oh, no, but equal before the law, equal in legal rights, protected from all these cormorants who not only destroy his liberty, but destroy the very bread which he would furnish for his family to eat.

Mr. President, this amendment goes one step in that direction. It tells the people all over the United States, "We will protect you in the enjoyment of your rights as American citizens against these cormorants, these wicked men, whom the common law denounces as criminals, and whom all patriots ought to denounce as criminals, and, if necessary, denounce them as felons. We will protect you against them." We have talked a great deal about protection, which means a little more money in our pockets. That is not the protection I am speaking of. I am speaking of protecting the man in his natural rights against freebooters and robbers and corrupt men who happen to have accumulated large fortunes and can control the market of a whole nation.

Those are the men on whom the heel of the Government ought to be put, and it ought to be put on with such force as to produce the desired result. If you will give this bold yeomanry a just and equal share in the rights of the Government, you will never see the time when you can tap a drum so that it can be heard for a hundred yards that you will not have an army such as the Czar of Russia might be proud of when his largest army is before him.

Mr. CHILTON. Mr. President, volumes have been written in the newspapers and elsewhere in description of the wrongs which trusts and combinations inflict upon the people of the United States.

I will not stop to thrust into this discussion any debated points, such as the influence of the tariff upon the creation of these offensive instrumentalities, further than to say that I can not grasp the reasoning which reaches the conclusion that tariff laws have nothing to do with the evil. Trusts might be formed independently of a tariff, but the management necessary to bring the whole world into conspiracy would then be required.

With a high tariff to hold at bay foreign manufacturers, it is only necessary to band together those who live in our own country. Tariffs make trusts just so much easier of formation, as the people to be combined are thereby made fewer in number and less scattered in location.

But I pass from this question, granting that there may be those who, recognizing the encouragement which tariff laws give to trusts, yet notwithstanding believe that tariffs do more good than trusts do harm.

Surely if there be a method by which trusts can be overthrown and the revenues of the country and the protection of independent manufacturers at the same time preserved, every Senator ought to be willing to utilize such method.

When the first antitrust amendment to this bill was submitted by the Senator from South Dakota [Mr. PETTIGREW] it was strenuously contested on several grounds. It was said that fictitious combinations might be set on foot to overreach the revenue laws of the country and thereby secure the admission of foreign importations free of duty.

This difficulty seemed to be hardly plausible, but to guard against all danger I prepared a further amendment, which I will here quote:

Provided, That if upon the hearing it shall appear to the court that the trust complained of is an arrangement contrived to evade or prevent the collection of duties, then the petition herein referred to shall be dismissed.

This was accepted by the Senator from South Dakota and became a part of his amendment. It removed all fanciful fears of collusion between importers.

Another difficulty which was started in connection with that amendment, and which has done duty in connection with every antitrust amendment proposed to tariff bills, was the opposition to a policy which would make the revenues to be derived from importations depend in any degree upon the course of manufacturers here who might make goods similar to those imported. It has been said that no calculations could be fairly made as to the receipts of the Treasury if the customs collections should be made to depend upon independent contingencies, such as the existence or nonexistence of trusts.

It would be unfair to assert that this last objection does not possess a measure of force, though in my judgment it is not sufficiently cogent to interfere with the main purpose of striking a blow at the trusts by throwing their promoters into active competition with similar lines of capital across the ocean. I believe that such a policy would act with salutary speed and vigor upon these obnoxious combinations in this country, and in the end would not impair the revenues.

Nevertheless many gentlemen who claim to desire the destruction of these commercial organizations in the United States find the difficulties referred to so serious that they are unwilling to vote for an antitrust amendment which would operate in any case upon the duties laid in this bill. So the amendment on that line has been voted down.

The next question, Mr. President, is whether these gentlemen will vote for the amendment which I have now offered. I quote it in full:

Every person who, knowing that any article or articles (of like character to those upon which duties are levied under this act) are manufactured or their sale controlled or their price affected by any contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce, sends or transports, or causes to be sent or transported, any such article or articles from a place in one State or Territory to a place in another State or Territory or the District of Columbia, or from a place in the District of Columbia to a place in a State or Territory, shall be punished by imprisonment not more than three years.

SEC. 2. Every person who, knowing that the trade or commerce in or manufacture of any article or articles (of like character to those upon which duties are levied under this act) is monopolized or engrossed by any person, corporation, or association, or two or more persons, corporations, or associations, sends or transports, or causes to be sent or transported, any such article or articles from a place in one State or Territory to a place in another State or Territory or the District of Columbia, or from a place in the District of Columbia to a place in a State or Territory, shall be punished by imprisonment not more than three years.

SEC. 3. The offenses against the United States described in the two preceding sections shall be deemed to have been committed in either the judicial district from which said articles were sent or transported or the judicial district into which said articles were sent or transported, and said offenses may be dealt with, inquired of, tried, determined, and punished in either district in the same manner as if they had been actually and wholly committed therein.

This amendment has been drawn after a careful study of the opinions of the courts touching this subject.

In the case of the United States *vs.* Knight, (156 United States, 1) it is held, in substance, that Congress can not prohibit the manufacture of articles by a trust or monopoly, even though the products are to be disposed of by commerce mainly interstate.

In that case, which was one relating to the sugar trust, it was alleged that the products of the refiners were sold and distributed among the several States, that all the companies were engaged in trade or commerce with the several States, and that refined sugar was forwarded by the companies to other States for sale. I quote certain expressions from this opinion:

* * * * * * * *

That which belongs to commerce is within the jurisdiction of the United States, but that which does not belong to commerce is within the jurisdiction of the police power of the State.

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Commerce succeeds to manufacture, and is not a part of it. The power to regulate commerce is the power to prescribe the rule by which commerce shall be governed, and is a power independent of the power to suppress monopoly.

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The fact that an article is manufactured for export to another State does not of itself make it an article of interstate commerce, and the intent of the manufacturer does not determine the time when the article or product passes from the control of the State and belongs to commerce.

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There must be a point of time when they cease to be governed exclusively by the domestic law—

I call particular attention to this language—

There must be a point of time when they cease to be governed exclusively by the domestic law and begin to be governed and protected by the national law of commercial regulation, and that moment seems to us to be a legitimate one for this purpose, in which they commence their final movement from the State of their origin to that of their destination.

* * * * * * * *

The buying and selling and the transportation incidental thereto constitute commerce; and the regulation of commerce in the constitutional sense embraces the regulation at least of such transportation.

Now, speaking of the particular case, which was the sugar trust—

The object was manifestly private gain in the manufacture of the commodity, but not through the control of interstate or foreign commerce. It is true that the bill alleged that the products of these refineries were sold and distributed among the several States, and that all the companies were engaged in trade or commerce with the several States and with foreign nations; but this was no more than to say that trade and commerce served manufacture to fulfill its function.

Sugar was refined for sale, and sales were probably made at Philadelphia for consumption, and undoubtedly for resale by the first purchasers throughout Pennsylvania and other States, and refined sugar was also forwarded by the companies to other States for sale. Nevertheless, it does not follow that an attempt to monopolize or the actual monopoly of the manufacture was an attempt, whether executory or consummated, to monopolize commerce, even though, in order to dispose of the product, the instrumentality of commerce was necessarily invoked.

The sum of the conclusion reached was about this: That a monopoly or combination, in order to fall within the domain of Congressional remedy, must bear a direct relation to commerce between the States or with foreign nations.

The effect of this decision could hardly be other than to put beyond the reach of the Sherman law all combinations except those between carriers, whose business constituted in itself the transportation of commodities from one State to another.

There is always a local trade exclusively within the State where the trust is situated, and it would be almost impossible to prove that any combination of individuals to make or sell sugar, oil, leather, window glass, or other things referred directly to interstate commerce in the articles manufactured.

That this is not an unfair deduction from the Knight opinion is shown by the Transmissouri Freight Association case lately decided by the Supreme Court of the United States. I quote from that case, 166 United States, 313:

We have held that the trust act did not apply to a company engaged in one State in the refining of sugar under the circumstances detailed in the case of United States *vs.* E. C. Knight Company (156 United States, 1), because the refining of sugar under those circumstances bore no distinct relation to commerce between the States or foreign nations.

To exclude agreements as to rates by competing railroads for the transportation of articles of commerce between the States would leave little for the act to take effect upon.

That is practically saying that the Sherman law is ineffective, except in so far as it reaches combinations between the carriers engaged in foreign commerce and commerce between the States.

Now, the remedy which I have proposed will meet the difficulty, and will not interfere with proper commerce. It reaches the transportation of those articles only which are known to be manufactured by a trust. The effect will be to permit the independent manufacturer to carry on his business without the slightest interruption. Indeed, if the trust magnates should prove stubborn, the business of these independent traders will be instantly and greatly stimulated, and they will supply the people with whatever they desire; or if there be any deficiency in this production the importers from foreign countries will furnish the necessary means of supply.

So the railroad companies will transport just as much freight, but it will not be in trust-made commodities. No legitimate industry, either of trade or transportation, will be injuriously affected. Unless I am greatly mistaken, trusts and monopolies will yield their long fight against the general interests when brought into conflict with an embargo upon the transportation of their wares. They can not afford to do business for a week under such disadvantages, because independent rivals and importers would take the trade away from them.

I believe that the sugar trust and other similar organizations would dissolve as quickly under the penalties of such a statute as the Transmissouri Freight Association dissolved after the Supreme Court had decided that the Sherman antitrust law applied to such combinations.

Nor is there any danger under the amendment which I have proposed that innocent persons could be made the victims of its penalties. Local trade would not be even remotely touched. The prohibition refers to articles sent from one State to another. Unless the carrier knows that it is a trust-made commodity, it will be no violation of law to transport it. Unless the shipper knows that it is the production of a trust, he will incur no penalty by sending it across a State boundary line.

The result will be that the statute will fall with vigor upon those most clearly and conspicuously guilty, to wit, the managers of the trust. They will of course always know when an article is manufactured, or its price affected, or its sale controlled by a trust or monopoly; and if they send or cause to be sent such an article from State to State, they will deserve to be punished with severity.

The very fact that the possibility of a term of imprisonment stares them in the face will disarm these conspirators more quickly than any other device which can be contrived. The men who handle great combinations of capital care nothing for lawsuits, injunctions, attacks upon their charters, pecuniary fines, receiverships, forfeitures, or other civil penalties; the only thing which will strike terror to their breasts is the chance of a term in the jail or penitentiary.

Juries and courts may be depended on to deal harshly with none but flagrant cases, and with such cases there ought to be harsh dealing.

It is useless to pass another antitrust statute unless it can be made to cover the ground thoroughly.

The first section of my amendment embraces all combinations and trusts, so called, and meets the commonest form of the evil which we meet with in American business.

The second section covers all such cases as fail to present the elements of a combination or conspiracy. Such, for example, as one great concern which makes no combination with others, but merely monopolizes or engrosses the whole trade. This is a form of trust equally as perilous, though perhaps not as common, as those covered by the first section.

The third section is intended to provide against miscarriages of justice. The prosecution of trust agents in the State in which they reside would afford no adequate protection to the public. I would rather have no law at all than one which can be circumvented or set at defiance. So the third section provides that prosecutions may be begun either in the district from which or the district into which an article is transported.

This section is so vital to the efficiency of the law that I would regard it as a predetermined failure without it.

I have heard the suggestion made that penalties should be directed against those only who constitute the trust; that if they send their goods from State to State it shall be criminal, but that none others should be brought under the ban. But, sir, it is essential to touch all who form the chain for handling the commodity in order to reach the power of those who are primarily guilty.

It has been already settled, as I have shown, that the making of an article by a trust can not be prohibited by an act of Congress. Now, if you go a step further and prohibit the sending of an article from one State to another by a trust, you have a statute clearly constitutional, but ineffective.

Every trust would simply change the form of its business and instead of sending its goods to persons outside the State of its domicile, would sell to persons inside that State, and those persons would then distribute the articles all over the Union. So it is absolutely necessary to go two steps further instead of one. We can not prohibit a trust from making an article; therefore it is folly to deal with that aspect of the case. We can prohibit a trust from sending to another State an article which it has made. Therefore deal with that. But as trusts do not always directly send their products into other States, we must not stop here. We can prohibit other persons from sending trust productions across a State line. Therefore deal with that.

But in dealing with it let us have due regard for the rights of the innocent, and punish only those who *know* that an article which they send is the product of a trust. These persons would necessarily be very few, but in the number would be included those who are in such proximity to the home or business of the trust that they can be made its ready tools.

I am so anxious to correct the present and future dangers which I feel to lurk in further immunity to the organization of trusts that I shall vote for the amendment of the Senator from Alabama [Mr. PETTUS]. On the same principle I would have voted for the amendment of the Senator from Minnesota [Mr. NELSON]. I understand, however, he has permitted it to sleep in the bosom of the Republican caucus, and that we will hear of it no more. I have felt, however, that both amendments fail to strike deep enough, and that the vital point must be reached in the way I have proposed.

Mr. President, the common law and the civil law both lay censure upon combinations which interfere with the right of the people to buy and sell unvexed by artificial arrangements. It does not matter what these arrangements may be; if they are to fix prices, or to control production, or to discriminate against purchasers, or to unreasonably hamper in any way the equal opportunities which belong to every man, they have always been condemned by statesmen and jurists as alien to our civilization.

A few quotations from high authorities may not be out of place in illustration of this lofty and humane tendency on the part of English-speaking judges:

I take it—

Said Judge Gibson—

a combination is criminal whenever the act to be done has a necessary tendency to prejudice the public or to oppress individuals by unjustly subjecting them to the power of the confederates and giving effect to the purpose of the latter, whether of extortion or mischief. (Commonwealth *vs.* Carlisle, Brightley's Reports, 40.)

I quote also the famous Diamond Match Company case, found in 77 Michigan, 632. It is a noted opinion in our jurisprudence.

Monopoly in trade or in any kind of business in this country is odious to our form of government. It is sometimes permitted to aid the Government in carrying on a great public enterprise, or public work, under Government control, in the interest of the public. Its tendency is, however, destructive of free institutions and repugnant to the instincts of a free people, and contrary to the whole scope and spirit of the Federal Constitution, and is not allowed to exist under express provision in several of our State constitutions.

Indeed, it is doubtful if free government can long exist in a country where such enormous amounts of money are allowed to be accumulated in the vaults of corporations, to be used at discretion in controlling the property and business of the country against the interest of the public and that of the people, for the personal gain and aggrandizement of a few individuals. It is always destructive of individual rights and of that free competition which is the life of business, and it revives and perpetuates one of the great evils which it was the object of the framers of our form of government to eradicate and prevent. It is alike destructive to both individual enterprise and individual prosperity, whether conferred upon corporations or individuals, and therefore public policy is, and ought to be, as well as public sentiment, against it.

All combinations among persons or corporations for the purpose of raising or controlling the prices of merchandise or any of the necessaries of life are monopolies, and intolerable; and ought to receive the condemnation of all courts.

I will say that this was a litigation between D. M. Richardson, C. H. Buhl, and Gen. Russell A. Alger, now Secretary of War. I have read from the main opinion delivered by Chief Justice Sherwood. I quote also from the concurring opinion of Justice Champlin:

It also appears from the testimony of General Alger that the organization of the Diamond Match Company was in a measure due to his exertions. There is no doubt that all the parties to this suit were active participants in perfecting the combination called "The Diamond Match Company," and that the present dispute grows out of that transaction, and is the fruit of the scheme by which all competition in the manufacture of matches was stifled, opposition in the business crushed, and the whole business of the country in that line engrossed by the Diamond Match Company.

Such a vast combination as has been entered into under the above name is a menace to the public. Its object and direct tendency is to prevent free and fair competition and control prices throughout the national domain. It is no answer to say that this monopoly has in fact reduced the price of friction matches. That policy may have been necessary to crush competition. The fact exists that it rests in the discretion of this company at any time to raise the price to an exorbitant degree. Such combinations have frequently been condemned by courts as unlawful and against public policy.

But, Mr. President, we need not ponder judicial opinions to know what constitutes a combination dangerous to trade and commerce. Every man who understands the commonest transactions that pass before his eye knows that in this goodly land of ours, dedicated to freedom and equality, we have trusts and pools the magnitude of which stands with terrible and dismaying power to dare the indignation of the American people.

These combinations are not limited to one kind of business. Their trail crosses from State to State. Their transactions are found North, South, East, and West.

Their system of operations is as far-reaching as it is wicked. They begin, for example, by forming a conspiracy between members of a certain trade, as sugar or oil. They get enough partners into this combination to control the supply of an article; and when that is done they have conquered the first difficulty in the way of controlling the price. They then fix the price which the people shall pay. This is the great central wrong done to every consumer in the land.

Now, if they only bound each other, the agreement would be oppressive enough. But they do not stop here. They undertake to manage the affairs of those few men who have conscience or independence enough left to want to do business on their own account.

If any man undersells the prices of the combination, they proceed to use their capital to break up his business by selling at a loss until he is ruined or cries for mercy. If this is not feasible, they reach him as effectively by compelling the railroads to discriminate against him at the peril of losing the more extensive business of the combination.

When every independent rival is by these methods driven to his knees—compelled either to join the trust or do that which is equally as bad, permit them to control his prices—then they have the doors fast locked against any real competition in the sale of the product.

If any rival in their path should prove so skillful as to thwart their usual plan of operations, they reach him through the retail dealers by boycotting any merchant who sells wares not of the trust brand, and in that way they not only bring under their rod the manufacturer and the jobber, but even the merchant in a distant country town.

Thus they have their feudatories of high and low degree to do their sovereign bidding, and the profit which men can make for doing business in this vaunted free country of ours is not that which their diligence or capacity can create out of trade conditions, but that which these trusts and taskmasters will graciously allow to them as a stipend for transmitting their articles from headquarters to the ultimate consumer.

This ultimate consumer is at last no more than a dependent upon the grace of the lord high conspirators of the trust, who fix the price from top to bottom—the price at which they will sell to the jobber, the price at which he shall sell to the retailer, and then frequently the price at which the retailer shall sell to the consumer.

When the trusts have thus rounded the circle of selling operations, they can turn their attention to the buying end of the business. With their immense capital, and their absolute control of sales, it becomes easy to fix the price of the material which they need for their factories. They arbitrarily lay down a limit of prices for the raw products; and experience shows that they have almost as much power to dictate to the farmer what he shall receive for his commodities in the raw as they have to dictate to him what he shall pay for them when they return to him ready for his daily use.

Thus they become the double tyrants of the sale and purchase of all the commodities in the country.

But it is said that the trusts of the country have so handled their expenses by the introduction of economic methods and concentrating business management into a few hands that prices have been actually reduced, and that it can not be said that they are injurious to the people.

It is a common thing to hear men talk about how the Standard Oil Company, for example, has made oil cheaper than it was before this great aggregation secured control of the oil trade in America; or how the sugar trust has given the people cheaper sugar. And sometimes gentlemen muster up the courage to give these organizations actual praise as benefactors of the consuming public.

I know not how others may look at such an argument, but as for myself I find in it neither apology nor advantage to the people.

In the first place, Mr. President, it is not true that there can be any permanent reduction of prices from such methods. All prices have fallen and will probably continue to fall, but in the nature of things it can not be that a fair reduction of prices will come under a system which depends entirely upon the liberality of those who sell, rather than upon the bidding and cross bidding of those who sell and those who buy.

It need not be supposed that the capitalists who have organized these great trusts in the United States are lacking in shrewdness or judgment of human nature.

Every step they take indicates how carefully their plans are laid. They begin by employing the ablest lawyers to so construct their agreements as to baffle, if possible, the scrutiny of litigation. They select the State in which they shall organize with a view to their ability to control public sentiment and legislation.

To prepare the way for their manipulation, they make the constant pretext that they are losing money in the ordinary methods of business. They so fix their prices as not to raise instant and desperate indignation. They feel that they must go slow while their methods are passing through the period of trial before the public opinion of the country.

If by using a certain degree of conservatism in prices they can turn the attention of the people away from the wrong done to their business rivals until those business rivals are destroyed or reduced to subjection, they can well afford to delay flagrant extortion in prices, for if you will give a trust ten years of immunity, there will hardly be any business rival left who will dare to measure arms with its accumulated power.

When you come to analyze the policy about prices which controls the great trusts, you will find that it is simply this: To put the prices at the highest rate that will not check the demand. When it comes to the permanent operation of their business, they will never raise or lower prices except on this principle.

If they put the price so high that demand will be checked, their profits will be less. So they will make a careful estimate to arrive at this point, and keep prices at the desired level. Whatever political reasons may influence them temporarily in the hope of deceiving or tempering public opinion, they will finally all come to the rule which I have mentioned.

So it will not be safe to look at the influence of trusts upon industrial conditions with a view to one, two, or five years. They are expert in dissembling their plans, and never risk great increases until they feel that public feeling against them has been deadened. When this point has been reached, they will crowd prices to the full limit of exaction. They will then prove as merciless in dealing with the consumer as they have been merciless in dealing with their competitors.

But, sir, if it were otherwise I should look upon their operations with the same detestation. I presume that the Government of the United States and the governments of the several States of the Union could be conducted far more cheaply if we should overthrow our extensive system and substitute for it a sort of military organization, with a central chief to regulate through his chosen subordinates the affairs of the people—executive, legislative, and judicial. But every good citizen prefers a system more expensive, which preserves our representative institutions, guards the liberties of all, and enforces the proper constitutional checks to make our progress both enlightened and sure.

He must be but a superficial thinker who can accept with satisfaction a cheaper article of manufacture which comes from an arbitrary fixing of rates by a great consolidated pool. In such a cheapness is represented a small passing gain to the consumer, purchased by the upbuilding of an uncontrollable monopoly, the crushing out of numberless private competitors, the reduction to idleness and beggary of thousands of independent citizens, and a permanent danger to the political safety of the American people.

If on every can of oil and every barrel of sugar could be branded the number of business rivals whom the trusts have forced to the wall, the number of laborers who have been driven out of employment, and the number of thousands of dollars that have been contributed to political campaigns to bribe the winning party into future toleration, few American citizens would welcome a lower price for an article when tainted with so much corruption, oppression, and disgrace to our institutions.

I want cheaper prices which come from the influence of ordinary trade; I want cheaper prices which come from a race of invention, diligence, and fair play; but I want no cheaper prices which come as a matter of grace from organized enemies of our civilization.

Let no one doubt that the people feel the same way. There is not one man in ten thousand who, poor as he may be, would not spurn a cheapening of prices which he felt to come as an imperial concession from a cabal of millionaires who have ruined every competitor and poisoned every stream of legitimate trade.

Mr. President, I am reminded of a tendency of human nature which often appears in common affairs, and which acts with equal influence in larger and public transactions. A thing which is wrong, clearly wrong, may sometimes be talked about so much, become such an everyday occurrence, that to many men it loses its horrors. The idea contained in the old quotation that—

> Vice is a monster of so frightful mien,
> As to be hated needs but to be seen;
> Yet seen too oft, familiar with her face,
> We first endure, then pity, then embrace—

is widely powerful in its influence.

Eight or ten years ago, when trusts, in this country were but fairly entering upon their career of oppression, the demand rose upon every hand that their unlawful power should be curbed. The effort to do this was general, though not systematic or efficient.

The disposition of mankind to apply half-way remedies was taken advantage of by the architects of these great combinations, and all the laws put upon the statute books bear the impress of indecision.

The result is that these great enemies of commerce are to-day more firmly intrenched in power than they have ever been. The statutes which have been thrown up to impede their growth have been contemptible from the feebleness of their execution, and we find visible a sort of disheartening stagnation of interest in the fight to control these great abuses.

Men sit in this Chamber and accept or reiterate generalities in opposition to trusts who take no real interest in the effort to put limits upon their exactions.

Yet I firmly believe that this lull in the campaign against organized tyranny of trade will soon be succeeded by a still more active and undying war for their destruction. It must be so in the very nature of things, or our civilization will be succeeded by another civilization of paternalism, monopoly, and class domination.

Trusts now seem to be more powerful than the Government. They are admittedly more powerful than the State governments, because of constitutional limitations which protect them from the operation of State laws. They seem to be more powerful than the Federal Government in their ability to muzzle every shotted gun which is aimed at them.

We can not turn to the other side and say, "Let the State governments act first as far as they can." In many quarters of the country the State governments have acted to the full limit of their power.

It is pitiable to realize that that great Constitution which was framed as a heritage for freedom upon this continent, that great Constitution which was created not alone for union, but for liberty and progress and expanding civilization, should now become the bulwark of these foes of liberty and trade known to all as trusts!

When the Federal Constitution was in process of construction, men fondly dwelt upon its power as a means of leveling the barriers which the local interests or petty jealousies of different localities might oppose to the most extensive development of American commerce; but who would have thought then that by giving a Federal control of interstate and foreign commerce our Constitution would also give prerogative to conspirators against that commerce?

Mr. President, it has come to this: All State regulation of these conspiracies is futile. It is doubtful if the cooperation of every State in the Union would reach the difficulty. Certainly nothing less than that would answer. As long as they make their nest in a particular State the local legislature will not lay hands on them. The people of one State will not arouse themselves to the duty of laying hold upon a great trust which employs thousands of men and millions of capital out of sympathy for the people of forty-four other States who are the victims of the trust's adventures.

So, Mr. President, it will be vain to expect State governments to rise to the demands of the whole people of the United States and minister vengeance upon those who wrong 70,000,000 people while they enrich the few who inhabit the State where they are incorporated.

I do not believe, sir, that it is possible to reach these combinations, even by Congressional action, in any other way than that proposed in the amendment which I have offered.

Every law which is aimed at manufacturing by a trust or monopoly will be partial or possibly abortive. If we do anything, we must deal with the commerce itself.

It is a familiar phrase that commerce does not begin until production ends and the voyage commences. We must expect that this principle will influence the decision of the courts. Therefore let us abandon all pretense of dealing with the articles until the voyage from State to State is entered upon. This is the point at which we can strike with emphasis and undoubted power.

The trusts care not as long as we pass statutes which they can put into chancery by years of litigation. What they fear, what they intend to defeat, what they have heretofore defeated, is a law which will use the clear and certain power of Congress and hit them full in the face by prohibiting the transfer from State to State of their contaminated commodities

Unless we pass some such law, they will go on to strengthen year by year as they have strengthened since the Sherman Act was first leveled in idle show. They are constantly taking in more victims and tributaries, and every day that we make delay the work of awakening public sentiment and applying the remedy becomes more difficult.

Every public man claims to be the foe of pools and trusts. Now, if this be so, why not vote for something which will bring them to confusion? Why perpetually put off on one pretext or another the enactment of statutes which will grapple with the evil? Why continually find objections to every proposition which contains the vitality necessary for a struggle with these combinations? Why modify and melt down all such propositions until they are meaningless or so constructed as merely to invite litigation aimed at their constitutionality?

This is just what has been heretofore done in dealing with this great question, and this is what, it seems to me, some gentlemen will continue to do. For evasive votes given here they will compensate their constituents by loud voices of hostility to these public enemies of free commerce.

It is a mockery for us to find fault with the legislatures of the States or the courts or executive officers of the Union until we have used in manly fashion the power plainly vested in us.

The truth can be told in a single line: The innumerable trusts of this country now live by our toleration. The present refuge and reliance of these wicked forces is in the nonaction or impotent action of the American Congress. If the Republicans and Populists who will vote to pass this tariff bill will also vote for this amendment, there will be one layer of good in a great lump of evil.

The Democrats and Populists and Silver Republicans who are not favorable to high tariff have not the power unaided to add this amendment. Hence its fate rests with the other side.

We are told in the public prints that the Republican caucus has decided that there shall be no new trust legislation incorporated in this bill.

Whatever individual Republicans may feel on this subject, there is every reason to believe that the Republican organization as a whole is in the complete mastery of the trusts in the United States.

I am not partisan Democrat enough to find in this any matter for elation. On the contrary, it is a reflection full of regret. I know the power of the Republican party. I know that millions of upright and patriotic citizens look to its leadership with a loyalty which a revolution could scarcely shake. I know how much of labor, how much of waiting, how much of repulse it means when a strong and historic party throws itself across the pathway of righteous reform.

But, sir, I hope the day is near at hand when party spirit will no more make the voter stone blind in judging his public servants.

The people of the United States have learned many things; they have surpassed the world in invention, in wealth, in courage; but there is one thing they have not yet learned, and that is to remember. Full of sympathy, hope, charity, and bounding energy, they have too often failed to remember those who betrayed them.

But, sir, the time will soon be here when the people must remember or they are lost. Democrats must remember when they owe chastisement to Democrats, and Republicans must remember to take vengeance upon Republicans. All must remember that the highest duty is to act for the safety of the scattered toilers who ask only a clear track in the race of life, but who are constantly waylaid by those who are richer and fiercer and more unscrupulous.

Mr. MORGAN. Mr. President, the amendment which my colleague [Mr. PETTUS] has brought forward strikes directly at the importation of sugar. It mentions that as the commodity that is the subject-matter of this proposed legislation. The amendment of the Senator from Kentucky [Mr. LINDSAY] covers all matters which are included in trusts, combinations, and conspiracies against the freedom and the liberty of trade.

I am in favor of those propositions, and I am in favor of still another proposition, which I shall offer, not as a substitute for either of these amendments, but as a proposition following along in the same line, a proposition of specific legislation to put down a specific wrong of great magnitude in the United States, from which the people have suffered enormously, and will continue to suffer unless we restrain it.

General provisions of law, particularly in respect of a subject which is hard to handle, as a combination or a conspiracy in restraint of trade, are generally neglected by the prosecuting officers of the Government because of the difficulty of making out the cases. The provisions which are inserted in the tariff law of 1894, the Wilson Act, and which are intended to meet primarily and more particularly the sugar importations than any other part of that measure, have been neglected entirely, and in that condition have been supposed by the people of the United States to be a mere vapid area of words, without having in them any force or any adaptation to the punishment of men for the violation of a very important principle of morals as well as a rule of law.

The Republican party, in looking over that law enacted in 1894, has concluded to retain it in this bill without any alteration, thereby giving the sanction of their approval to it. I can not suppose at all—I will not permit myself to suppose—that because this law has produced no fruit, it not having been executed by the executive government or by the judicial government of the United States, therefore it has been put in here as a mere tub to the whale, a mere excuse for permitting the great sugar trust and other trusts that must spring up under this tariff law going on and having a free rein in exacting from the people whatever amount of money they really see proper to compel them to pay into their coffers.

I believe that the Republican committee in this Senate have concluded to leave that statute standing as it was, because they think and they believe that, honestly executed and properly enforced, it would cover nearly all, if not all, of the evils which have been complained of in respect of importations, and some relating to importations which have been complained of in reference to interstate commerce.

Mr. President, I had the honor to draft that proposition of law, and at the time I felt very great embarrassment, because I had no assistance from anyone else in trying to present it upon my own authority and in my own way, lest I might cause some disturbance to the commerce of the country which would be almost fatal to it, or which would be in a large degree disastrous. I do not know that that portion of the act would ever have become the law of the United States but for the fact that the conference committee could not agree about the tariff bill of 1894, and finally they had to accept the bill in the shape in which the Senate sent it back to the House of Representatives, and therefore they could not strike out that provision.

I do not think, Mr. President, after looking it over, that it is amenable to any objection at all so far as it purported to go; but it does not purport to go as far as the amendment of my colleague goes. There was a part of the ground left uncovered, and purposely left uncovered, by me on that occasion which my colleague has covered in the amendment which he now proposes to the Senate. That portion of the ground is included in the denunciation of penalties against "the importation into the United States from any foreign country of sugar, or of any material of which sugar can be made, by or for or on account of any trust, combination, or conspiracy existing or hereafter formed between two or more persons or corporations or between two or more persons in one corporation or company."

My colleague in this amendment has not only particularized sugar and substances out of which sugar may be made as being the point at which he wishes the amendment to strike against the injustice and fraud of these combinations and conspiracies, but he goes further than that, and he provides for the institution of a proceeding in rem, whereby the goods themselves may be seized whenever they are imported contrary to this proposition of the amendment if it should become a part of the statute.

The act of 1894 did not include a proceeding in rem for the seizure of the importation, although it did include a proceeding in rem for the transportation internally or between the States of sugar or any other imported material that might be transported in virtue of a conspiracy or a combination therein described and defined. But the amendment offered by my colleague goes back to the root of the matter, and proposes to visit the penalty of seizure and confiscation upon those goods which are imported contrary to this proposed statute.

Is there any danger in that? It has been suggested to me by one of the lawyers of this body, a very able Senator, that there might be a danger in this, that a party might—we will take the sugar trust, for instance—import a larger quantity of sugar, or any quantity of sugar, and submit to its seizure, import it under circumstances which would give rise to the necessity, or the propriety, at least, of a prosecution under this act, and having done it, having the goods already seized by this proceeding in rem, the balance of the stock which they would have in hand would naturally go up in the market, and they would reap a great harvest from their own wrong by pricing up the market price of sugar in the country.

The idea would be this: "Our sugar imported from abroad has been seized; that will stop importation; but we have a large stock on hand, and we will increase the price up to the utmost limit of the tariff protection, and thereby we shall reap a harvest out of the people of the United States at the time that this law is being enforced, and at the end of it, when we get ready to dismiss this case, or have it dismissed, we can unlock the combination and let the case go."

I have conferred with my colleague about this subject, and he consents to modify his amendment, or to add to it as follows:

When a seizure of the articles so imported is made, the court within whose authority such property is brought for condemnation shall proceed, without unnecessary delay, to order the sale thereof at public auction in such quantities as it may deem best, and the proceeds of such sale shall be held under the control of the court, for the benefit of all persons concerned, and shall be paid to those entitled thereto under the judgment of the court.

That is the ordinary procedure anyway in these forfeiture cases. The court usually, almost uniformly, proceeds to sell the property and hold the money in the registry of the court as the representative of the property, and deals thereafter with the money rather than with the property itself. In some cases provisions are made by which a person may bond for the property and take it into his actual possession, if he desires to do so, but occurrences of that sort are very rare. That addition to the proposed amendment of my colleague disposes of every question connected with this case in the nature of a sincere or a real objection.

The importation of sugar, or of substances from which sugar is made, into the United States under the circumstances defined in this amendment is wrong in every sense of the word, and it is destructive, as my colleague well observed, and as the Senator from Texas [Mr. CHILTON] also observed, of the rights and liberties of the people of the United States; for the liberty which they count upon more particularly than any other is the liberty of having justice administered, without sale, denial, or delay, through the laws of the country.

I can find no objection whatever, no tenable objection, to this amendment, and I can find in it a great assistance to the repression of fraudulent importations of sugar and substances of which sugar is made, under combination and under conspiracy for the purpose of controlling the market price. I am very glad that my colleague has singled out sugar as the substance to which he directs the penalty of this measure, for the reason that that is the gigantic trust of this country, and if that trust did not exist here, it would exist in other countries, and its effect would be felt here.

About twenty-five or thirty years ago it was not a matter of much importance in the estimation of the people whether they got refined sugar or not. On almost all of the tables of the country, even, perhaps, the tables of the wealthiest people, sugars of high grade were found, but they were not refined by the processes which are now so common, at least which are now applied to almost the whole sugar crop. Sugar bears a sort of relation to consumption, to the necessities of the human family, that wheat does, which has to be ground into flour and prepared for the making of bread; or that iron does, which has to be manipulated in the forge and in the furnace to make useful implements for domestic and other uses. It is the one broad, underlying basis of food supply in which every human being in the United States is interested, and it is a singular thing that they are interested almost in equal degree.

There is no man, woman, or child in the United States who is deprived of sugar if they can possibly get the money with which to buy. It is considered a necessity of that high degree that every person will use it to the extent of his necessities or his wants, if he has the money with which to buy it. But now, when that article is made so much more convenient and so much more pleasant and agreeable, if not better and purer, by a process of refining, it naturally follows that the business of refining sugar must include enormous masses of food supply. The amount of money that is required to refine sugar as a business is very great.

The profits that are made in refining it as to the particular pound are not very heavy; they are rather small; and the necessity that we are under of having refined sugar and the smallness of the profit make it necessary, in order to make the business profitable at all, that very large amounts of business shall be done; and this opens the door of invitation to capital. Capital comes in and monopolizes the markets; it buys the crop, all that is consumed in this country, and more, too. It invites capital to come and concentrate for the purpose of controlling the price of refined sugar, and, of course, of raw sugar also. The breadth of the invitation, the importance of the subject, its engrossing character, is such that it is, above all things else, the most inviting to the combination of capital; and when my colleague cautioned the Senate against the toleration of the excesses of the money power in connection with this production he spoke wisely, and he spoke in behalf of the people of our country.

This tariff on sugar, Mr. President, in the minds of the people of the United States, is the leading feature of this bill, for the reason that it touches every human being in this country. Every man, woman, and child in the country is interested in it directly. It has been and will continue to be the subject of much animadversion, much complaint, much discussion, and it requires a very high degree of honest patriotism and a good deal of moral courage for a man to vote for a tariff on sugar as a revenue measure even at this time, when the obloquy of the sugar trust rests over that production, as it does here of late years.

The people have learned to understand and feel sensibly and practically that this great sugar trust is, of all other combinations which have ever existed in the United States, the one that is most hostile to their interests, not in the severest sense, but in the most universal sense, and every man who votes for a tariff on sugar is suspected at once of trying to encourage the sugar trust, as it is called, a combination of capital which, through these refineries, handles the whole crop and prices it up to the level of the tariff according to its own will, and discriminates in the sale of it through its own agencies and prevents competition from other sources.

There are a great many opportunities for the abuse of this law of excessive taxation, this law which defies and drives out competition from the United States. You can scarcely turn to an article in this whole list of schedules without finding some leading article so taxed under the provisions of this bill as that combinations of capital are invited for the purpose of taking control of it in the United States and driving out competition at home, running the level of prices up to the level of the protective-tariff duty.

But the great incubator in this bill is the sugar tariff. Well, Mr. President, there are some reasons for saying that the way in which this bill is framed upon that subject is not impervious to criticism by any means. It does not command the confidence of the country; it is met with surprise and aversion throughout the whole United States, and will be more and more so the longer that this law operates and the more money the sugar trust makes out of its provisions. It therefore behooves the Republicans of this Senate, as well as the Democrats, that while this great incubator of trusts is hatching out its brood we shall make provision such as is presented in the amendment offered by my colleague for at least restraining them within some rational bounds.

We can not afford now to pass by this subject of trusts as a matter that is consuming too much time, or a matter that is worrying the balance of the men protected under this tariff bill because they are delayed of the harvest that we have already ripened ready for their sickles. In dealing with the provisions for the purpose of keeping down this brood of trusts which are hatched and nurtured in this bill, we must take time, we must deliberate, we must act with firmness and decision, otherwise the people will rebuke us.

Now, sir, what we can do on this side of the Chamber is merely to offer provisions of law which stand opposed to the trusts, which shall haul them up into courts of justice and require them to be punished whenever they violate the high morality which has been spoken of here to-day, as well as the positive provisions of the law. We can not hesitate. We must take time enough to present these movements, these amendments, these suggestions.

Let the other side dispose of them as they see fit, but let it be perfectly understood that we have not neglected our duty in presenting them, and they assume all the responsibility when they reject them. They are compelled on the other side of the Chamber to show that the amendments are not proper; that there is some evil in them; that there is some fault which is flagrant enough and apparent enough to condemn the amendments. Otherwise they can not resist putting them in the bill.

The amendment of the Senator from Texas [Mr. CHILTON] is well devised for the purposes it covers. I think it is admirably drawn, perfectly clear, unmistakable, and easy of administration; but it relates to a part of the subject not covered by the amendment of my colleague. I intend also to offer an amendment which was suggested to me when I heard the speech of the honorable Senator from Missouri [Mr. VEST] giving us information, which he acquired as chairman of the committee that exists in this body, in respect to the dealings of men in Chicago, particularly with pork and beef and beef cattle and products of hogs and cattle.

It occurred to me then that we ought to put in the bill a provision which would apply directly and specifically to cattle and hogs and their products, by which we could protect the growers of those animals against the combination to forestall the market in Chicago and other important points in the collection and shipment and butchery of cattle, and that we could relieve the men who raise the cattle from some of the difficulties very clearly pointed out by the remarks of the Senator from Missouri. So I have prepared an amendment on the subject, following along the same line with the amendment of my colleague and the amendment of the Senator from Texas, but having specific application to a particular subject. It reads thus:

Any combination, by agreement or otherwise, between persons or corporations engaged in the business of buying and selling cattle or swine, or in the business of packing meats or other products of cattle or swine for market, with intent to increase or depress the market price of the same, when such combination is made with reference to any article that is exported or intended to be exported from a State or Territory to another State or Territory, or to or from the District of Columbia, is against public policy, and such combination constitutes a crime; and any person guilty thereof, when convicted thereof in any court of the United States, shall be fined not less than $500 nor more than $10,000, and shall be imprisoned by the court for a term not less than thirty days nor exceeding one year.

The district courts of the United States shall have jurisdiction of offenses defined in this act.

Mr. CHILTON. Is that the amendment which the Senator has offered?

Mr. MORGAN. I have merely read it. I intend to offer it.

Now, it is very clear that the statute as it stands now, the act of 1894, does not include the amendment of my colleague or the amendment of the Senator from Texas or the amendment I have just read, which I shall offer. Neither is there the slightest conflict between the amendment of the Senator from Texas and the one which I propose to offer. They are all exactly in harmony, and if we can get these three amendments on the bill, I shall feel that we have trumped the trusts most effectually. Then if the Executive and the courts are not willing to execute laws that are as plain and specific as these, we can only do in the future as we have in the past, regret that the chief officers of the Government have not the spirit and enterprise, to say the least of it, or the sense of justice, to enforce the laws when we put them on the statute books.

Something has been said here to-day about the people, about the interest they have in this question. That is unmistakable. My colleague spoke of the depreciation of the spirit of the people by oppressive legislation and by neglect of their rights and liberties in the different tribunals of the country. That is all very true historically. It is true at the present moment of time. The tendency of our legislation and of administration is to impose burdens on the people without giving to them the means of saving themselves from unjust conspiracies and combinations to their great detriment and harm.

Yet, Mr. President, the people of the United States, like every other people, are themselves a most material part of the law of the land. They execute it through public opinion. They execute it by making demands upon public officers that they shall do their duty. In the Federal courts and the State courts we have grand juries and petit juries. The grand jury is a part of the court, and the petit jury is still more a part of the court, a part of the great establishment out of which comes the sentences and judgments of justice. The people comprise the grand juries and the petit juries, and public opinion constrains those juries to do their duty or to neglect to do their duty, as the case may be.

Now, to illustrate, one of these unfortunate combinations has existed too often in our country, where men were lynched in violation of every law, human and divine, except one, and that is the irrepealable and irrevocable law of self-defense. There are no punishments. There are few efforts at punishment of offenses of this kind, for the reason that the offense for which death is made the penalty, in most cases, is of such a serious and grave character that it leads human sympathy into revolt and turns the sword of justice into a dagger to stab the man to his heart.

But it is public opinion that tolerates the grand jury and the petit jury and the courts in keeping silent about these offenses—passing them by—and public opinion has more to do with the execution of the law than any other element in the land. If the people of the United States are determined to hold their officers—executive, judicial, and legislative—up to their duty in protecting them in their rights and liberties—the old foundation liberties of the Anglo-Saxon family—if they are perfectly honest and sincere in their demands upon these different functionaries and officials that they shall do their duty, then we will have a different state of affairs in this country, and statutes like that found in the act of 1894 will not have to be dug up in debate to develop their existence. If these statutes had been enforced, the sugar trust never would have dared to enter upon the combination it has in the United States.

The least interest, the least zeal, the least idea of duty in the execution of that law would have stopped the sugar trust, and all this debate of crimination and recrimination would have been changed into adulation and praises of the success of the law of the land in regulating the rights of the people.

But it has not succeeded because it has not been enforced. Nevertheless, there are parts in which that law is not perfect. There are three topics presented here which that law does not touch at all, that are made necessary by the provisions of the tariff measure we are now passing upon; and we can not, I repeat, afford to send this tariff law out to the country as a statute for the regulation of the people and give them no shelter and no protection by enactments for the purpose of repressing or at least controlling these combinations and trusts.

Mr. President, it is so now that trusts in this country are innumerable. Men who have money now do not think of going into enterprises except in combinations to control the market. The idea of going into any line of business to reap the ordinary profit of trade is something that does not now enter into the minds of men. What they want to do at this time is to make a combination that will control trade and control the market and break down competition, taking shelter under the wall of protection raised in the bill so as to keep outsiders from intruding, to keep out foreign competition. Then they will turn upon their own neighbors and their own people and destroy domestic competition by making combinations and trusts, as we call them—conspiracies for the purpose of controlling the market.

Mr. BUTLER. With the permission of the Senator from Alabama, I understand him to say he thinks the law of 1894 would have prevented the organization and the successful operation of a trust like the sugar trust if it had been enforced.

Mr. MORGAN. I think so.

Mr. BUTLER. The reason why it was not enforced is no doubt the negligence of the officers of the Government, district attorneys, and so on. That is where the failure is, is it not?

Mr. MORGAN. Well, yes.

Mr. BUTLER. And the Attorney-General for not directing them to institute proceedings. Now, the amendment which the Senator offers is open to the same objection, is it not? I refer to the one just read. The officers who would not enforce the act of 1894, or that part of the tariff law, will not enforce this act, will they?

Mr. MORGAN. There is some care taken in the amendment on that subject, and this ought to be a general provision, I think:

> And it shall be the duty of the Attorney-General of the United States to cause proceedings to be instituted and prosecuted to enforce such forfeitures; and to enforce all other laws of the United States intended to prevent or suppress unlawful trusts, combinations, or conspiracies for the restraint of trade or free competition. And the Attorney-General of the United States will report each year to the Congress of the United States concerning such proceedings so instituted and prosecuted.

That is all we can do here—instruct him in his duties and make him report—except to impeach him if occasion should arise when an impeachment would lie.

Mr. BUTLER. I should like to ask the Senator from Alabama if we can not reach this evil and get action under these laws by allowing a private individual or citizen to file petition setting forth under affidavit that he believes a trust exists, and then make it the duty of the district attorney to proceed to ascertain the fact whether or not a trust exists as defined by law.

Mr. MORGAN. Section 77 of the act of 1894 provides:

> That any person who shall be injured in his business or property by any other person or corporation by reason of anything forbidden or declared to be unlawful by this act may sue therefor in any circuit court of the United States in the district in which the defendant resides or is found, without respect to the amount in controversy, and shall recover threefold the damages by him sustained, and the costs of suit, including a reasonable attorney's fee.

Mr. BUTLER. I am familiar with that section, but that is a case where an individual can set out specifically that he himself has been damaged in his business, and then it forces him to sue in the district where the defendant resides. The remarks of the Senator from Texas [Mr. CHILTON] this morning were very clear in showing that to make such a provision effective, as I understood him, the plaintiff should have a right to sue in the district in which he resides, and should have the option, because a man living in California, unless he is a rich man, can not sue in a district on the other side of the continent. That would seem to be, and I think the Senator from Texas made it very clear, a fatal defect in the practical operation of that section.

Then, besides, it seems to me, if we want to put the law into operation, we ought to extend that provision to every citizen who will state under affirmation, under certain conditions, that he believes a trust exists, and make it the duty of the district attorney to proceed to ascertain the fact, and not make it simply a suit for damages by an individual. Upon the presentation of such a petition by a reputable citizen, make it the duty of the district attorney to ascertain the fact by legal proceeding. It seems to me that would put it in the hands of every intelligent individual who could present satisfactory reasons and evidence to have the matter tried in any district court of the United States.

Mr. MORGAN. The amendment of my colleague instructs and directs the Attorney-General to proceed to investigate all offenses against the statute he proposes.

Mr. BUTLER. That is good so far as it goes. What is the objection to amending it by a proviso that any citizen can proceed by petition, setting out the facts in his belief and opinion that a trust exists, and then make it the duty of the officers of the Government to proceed?

Mr. MORGAN. The Senator will find a good deal of difficulty and some danger in a man going and filing a petition with the Attorney-General, and then requiring the Attorney-General thereupon to institute a suit in the name of the United States for his benefit. He has the right to sue himself; the statute gives it to him directly, and he can get threefold damages. That is right enough. It is as much as any honest man wants, I think.

Mr. BUTLER. It is easy enough to define a trust and to state what facts shall be set forth and what proofs shall be furnished, and I think the district attorney should be required to proceed upon such an affidavit by an individual.

Mr. MORGAN. I do not think the Government of the United States ought to lend its name to any man who comes along and who has a perfect private remedy and who can enforce it in the courts without using the name of the Government. More than that, it is a privilege which a man ought to be allowed to enjoy, to sue in his own name, as this statute enables him to do.

This statute goes still further, and in section 74 it has prohibitory or restraining justice:

> That the several circuit courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of section 73 of this act; and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney-General, to institute proceedings in equity to prevent and restrain such violations. Such proceeding may be by way of petitions setting forth the case and praying that such violations shall be enjoined or otherwise prohibited. When the parties complained of shall have been duly notified of such petition, the court shall proceed, as soon as may be, to the hearing and determination of the case; and pending such petition and before final decree, the court may at any time make such temporary restraining order or prohibition as shall be deemed just in the premises.

I think I can say with safety that no statute was ever more liberal in favor of the right or more searching to find out and to punish the wrong than that enactment.

Mr. BUTLER. And yet it has not done so. It has not been operative. It has not destroyed the evil.

Mr. MORGAN. That is a misfortune, and that is all we can call it. I do not care about making criticisms upon anybody in regard to it. It is only a subject of lamentation with me that some very strong proceedings have not been had with a view of controlling this monstrous evil against which we are all declaiming, and of which we are all afraid, it appears. But I think that if the amendment offered by my colleague is now adopted, that, by itself, will be a great improvement upon the act of 1894. Then we can go on to consider afterwards the amendment of the Senator from Texas and the amendment which I propose, if I shall offer it.

Mr. CAFFERY. Mr. President, I fully agree with the Senator from Alabama in his general views on this amendment. The purpose of the amendment is to strike at the power of the trust controlling the price of sugar through importations. I suggest to the Senator from Alabama that the sugar trust in the ordinary course of trade perhaps does not import any sugar whatever directly or through an agent. If the sugar is not imported by a trust or for a trust, then the Senator's amendment does not apply.

Mr. MORGAN. Will the Senator from Louisiana indulge me for one second? Before he proceeds, I desire to ask my colleague whether he will accept what I have read here as a part of his amendment?

Mr. PETTUS. I accept it.

Mr. MORGAN. So the amendment now offered, Mr. President, will be as I send it to the desk. It is accepted by my colleague, and he proposes it with his amendment.

Mr. CAFFERY. I will read a part of the amendment to draw the attention of the Senator from Alabama to the point I wish to make.

Mr. PETTUS. Will the Senator from Louisiana allow the amendment to be read from the desk?

Mr. CAFFERY. The amendment to the amendment?

Mr. PETTUS. Yes, sir.

Mr. MORGAN. I ask that the entire amendment be read.

The PRESIDING OFFICER (Mr. CLAY in the chair). The amendment will be read.

The Secretary proceeded to read the amendment of Mr. PETTUS.

Mr. PETTUS. The design is not to have the original amendment read, but the amendment offered by my colleague to the amendment.

The PRESIDING OFFICER. The Chair understood the senior Senator from Alabama to call for the reading of the entire amendment.

Mr. MORGAN. My amendment having been adopted by my colleague, it now constitutes one amendment.

Mr. PETTUS. Yes; it can be thoroughly understood, however, by being read separately.

Mr. MORGAN. I do not care.

The PRESIDING OFFICER. The amendment proposed by the senior Senator from Alabama will be read.

The SECRETARY. At the end of the amendment of the junior Senator from Alabama the following has been inserted:

> When a seizure of the articles so imported is made, the court within whose authority such property is brought for condemnation shall proceed, without unnecessary delay, to order the sale thereof at public auction in such quantities as it may deem best, and the proceeds of such sale shall be held under the control of the court, for the benefit of all persons concerned, and shall be paid to those entitled thereto under the judgment of the court.

Mr. CAFFERY. I do not think the amendment of the senior Senator from Alabama to the original amendment of the junior Senator from Alabama will put the amendment in such form as to work any practical result. The amendment provides:

The importation into the United States, from any foreign country, of sugar or of any material of which sugar can be made, by or for or on account of any trust, combination, or conspiracy existing or hereafter formed between two or more persons or corporations, or between two or more persons in one corporation or company, intended to operate in restraint of lawful trade, or to hinder or restrain free competition, or to increase the market price of sugar in any part of the United States, is hereby declared to be unlawful.

Then the remainder of the amendment provides for the forfeiture of the imported sugar, and the amendment of the senior Senator from Alabama provides for the trial and further proceed ings indicated in his amendment.

Mr. President, the sugar trust, in view of the amendment, certainly is not going to import any sugar directly, nor is any sugar going to be imported on its account. The sugar will be imported, and the trust will go into the New York market and buy the sugar, and we will have the trust in all its power and strength notwithstanding the amendment.

It is clear that they can get as much sugar by importation through others as they can by direct importations through themselves or through their agents, and therefore the amendment, in my opinion, will not accomplish any practical result. The first point is to destroy the prop, the support of the trust. That is the first step. We have in vain appealed to the other side of the Chamber to take off all differentials between the raw sugar and the refined. That is the cause of the sugar trust. The sugar trust is grounded upon the differential in the tariff bill between the raw and the refined, and when once grounded it appears to be impossible to shake its foundations. The only way, then, you can get at it is through the amendment of the Senator from Texas, and I doubt whether that amendment would work any practical result.

The sugar trust thus far has evaded all legal pursuit. The decision in the case of Knight practically destroys all attempts to reach the sugar trust through litigation; but I have always been of opinion that the act of 1890 was sufficient to reach the sugar trust through proper pleadings. The case of Knight, cited by the Senator from Texas [Mr. CHILTON], was brought to destroy the monopoly of manufacturing sugar in New Jersey, or perhaps in Pennsylvania, and to dissolve the organization of the trust, to cancel the certificates.

I think the Supreme Court properly decided in that case that the Federal statute did not reach a State monopoly, but the Federal statute does reach to the output of that monopoly, to the product of that monopoly, the very moment it becomes a subject-matter of interstate commerce; and it can be as well dealt with under the general law of 1890 as under the amendment, in my opinion. But the amendment is good. It will bring the attention of the law officers acutely to the point of the existence of the trust and of its evil working in the United States, and will no doubt have a very beneficial effect throughout the country at large.

I should like very much to sustain the amendment of the junior Senator from Alabama, but in my opinion it will not reach the evil, for it applies only to importations of sugar by the sugar trust, and the sugar trust can very easily evade the operation of the amendment by buying the sugar in open market in New York after being imported independently through other parties, as it likely would be, and as it necessarily would be to evade the operation of the amendment. I do not myself know how the sugar trust can be reached when the majority here gives it this differential. Why establish the sugar trust in power and then try to destroy it?

My friend the Senator from Delaware [Mr. GRAY] and I differed upon a point the other day in regard to a countervailing duty, an abstract point. I adhere to my opinion on that point, and I am not in favor of legislating in any way or in any direction in favor of the trust. While I say that, I repeat I do not think it comports with the policy of the United States to stand by and see a country, through its violations of the laws of trade and exchange, destroy an industry in the United States.

Mr. GRAY. If the Senator from Louisiana will pardon me, do I understand him to say that he would be willing to sweep away the differential and thus deprive the trust of any advantage arising therefrom?

Mr. CAFFERY. I say I am willing to sweep away the differential. I am unwilling to sweep away a sufficient countervailing duty, which, in my opinion, if not existing, would destroy the producers of sugar in the United States. It is very unfortunate, I will say to the Senator from Delaware, that under the wing and the protecting shelter of the countervailing duty the trust may derive some support. That is unfortunate, but the misfortune does not grow out of any legislation of ours; it grows out of hostile legislation on the part of a foreign country, which legislation we can not control.

Mr. PETTUS. Mr. President, I merely wish to say that this amendment was not intended to destroy the sugar trust. I have no conception that the amendment would do it if the Senate should choose to adopt it. But it will build one large fence across one of its roads and obstruct that part of the trust. It was the purpose of the amendment that the trust should not use the importation laws of the United States for the purpose of carrying on that infamous business.

If the amendment is adopted, it will certainly have that effect, and that will be a large step in that direction. Of course they can evade it; of course they can buy in the open market; but I would not dare to put my finger on the open market. The open market must be free to all men, and I would not dare to put my finger on it, or to vote for any measure that did. But let us stop one means by which this infamy is perpetrated on the American people, and then let some other gentleman propose to build another fence across its road, and so on until this wickedness is entirely fenced out of our land.

Mr. MALLORY. Mr. President, I am in accord with the intent and spirit of this amendment, but I think it will fail to accomplish as much as is anticipated from it. While it accomplishes something, I have recognized a possible objection to the phraseology of the amendment, and I have prepared an amendment to it which, it occurs to me, will possibly meet to some extent that objection.

The amendment as it now stands seeks to throw upon the district attorney the duty of acting, and unless the district attorney knows enough to justify the institution of a prosecution, there can be no prosecution, and those who import for the purposes prohibited in the amendment can do so with impunity. Once the property is imported and is disposed of, there can be no penalty attached, simply because the only penalty is the forfeiture of the property.

The amendment which I propose does not meet the difficulty as fully as I would wish, but I think it takes a step in the right direction. I will read it. It is to insert after the word "States," in the tenth line of the amendment, that portion of it suggested by the senior Senator from Alabama [Mr. MORGAN]:

It shall be the duty of the collectors of customs of the several ports of the United States, before delivery of such sugar or material of which sugar can be made to the importer or consignee thereof, or to any assignee of such importer or consignee, to require such importer, consignee, or assignee to make and file in the office of the collector of customs of the port in which such sugar or material of which sugar can be made is sought to be entered an affidavit that such sugar or material of which sugar can be made is not imported, designed, or intended to be used for any purpose prohibited by this act; and without the making and filing of such affidavit as aforesaid it shall be unlawful for any collector of customs or other officer of the United States to deliver or permit to be delivered to any importer, consignee, or assignee of such importer or consignee, any such sugar or material of which sugar can be made. The Secretary of the Treasury shall prepare and cause to be furnished to the several collectors of customs of the United States blank affidavits for the purpose of carrying out this provision of this act.

The purpose, as it will appear, is simply to add another difficulty in the way of violating the law. As I have said, after the prohibited or inhibited goods are imported and are disposed of, as the amendment now stands the remedy is gone. But if a man has made an affidavit that the importation of the goods was not designed or intended for any purpose prohibited by this act, that affidavit stands and he is liable to prosecution for having made a false affidavit until prosecution is barred by the statute of limitations.

As it is the purpose and intent of the amendment to prohibit this evil as far as we can, it strikes me that anything we can add to what the amendment proposes in order to stop the evil is desirable. I am myself in full accord with the purpose of the amendment of the Senator from Alabama, and I see no reason why my amendment should not be accepted as calculated to carry out exactly the object which he wishes to achieve by the amendment.

Mr. ALLISON. To test the sense of the Senate, I move to lay the pending amendment on the table.

The VICE-PRESIDENT. The question is on the amendment of the Senator from Alabama [Mr. PETTUS]. The Senator from Iowa moves——

Mr. ALLISON. If we can have a direct vote on the amendment now, I shall be glad to withdraw the motion. I hope there will be no objection to a vote on the amendment.

Mr. WHITE. I ask for the yeas and nays.

The VICE-PRESIDENT. The yeas and nays are demanded on agreeing to the amendment of the Senator from Alabama.

The yeas and nays were ordered.

Mr. MALLORY. I should like to inquire what is the status of the amendment I have just offered.

The VICE-PRESIDENT. Was it offered as an amendment to the amendment of the Senator from Alabama?

Mr. MALLORY. It is an amendment to the amendment of the Senator from Alabama.

The VICE-PRESIDENT. The yeas and nays have not been ordered on the amendment to the amendment.

Mr. MALLORY. I should like to have a vote upon it.

The VICE-PRESIDENT. The question will be first taken on the amendment submitted by the Senator from Florida to the amendment of the Senator from Alabama.

The amendment to the amendment was rejected.

The VICE-PRESIDENT. The question now is upon the amendment proposed by the Senator from Alabama [Mr. PETTUS], upon which the yeas and nays have been ordered.

The Secretary proceeded to call the roll.

Mr. GRAY (when his name was called). I have a general pair with the senior Senator from Illinois [Mr. CULLOM]. I do not see him in the Chamber, and I withhold my vote.

Mr. MORRILL (when his name was called). I am paired with the senior Senator from Tennessee [Mr. HARRIS], and therefore withhold my vote. I shall not announce the pair again to day.

Mr. PETTUS (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. HOAR], but that general pair does not apply to this vote. I vote "yea."

Mr. FAIRBANKS (when the name of Mr. PLATT of New York was called). I was requested to announce that the junior Senator from New York [Mr. PLATT] is paired with the senior Senator from New York [Mr. MURPHY].

Mr. PRITCHARD (when his name was called). I am paired with the junior Senator from South Carolina [Mr. MCLAURIN]. If he were here, I should vote "nay."

Mr. THURSTON (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN], and therefore refrain from voting.

Mr. TURNER (when his name was called). I have a general pair with the Senator from Wyoming [Mr. WARREN], and therefore withhold my vote.

Mr. WHITE (when his name was called). On this vote I am paired with the Senator from Nevada [Mr. JONES]. Were he present, I should vote "yea" and he would vote "nay."

The roll call was concluded.

Mr. BERRY. I desire to state that the Senator from New York [Mr. MURPHY] is paired with his colleague [Mr. PLATT of New York] on this and all other amendments in connection with the bill.

Mr. KENNEY (after having voted in the affirmative). I have a general pair with the junior Senator from Pennsylvania [Mr. PENROSE]. He not having voted, I withdraw my vote.

Mr. MORRILL. I am informed that the Senator from Massachusetts [Mr. HOAR] is not paired. I therefore transfer my pair with the Senator from Tennessee [Mr. HARRIS] to the Senator from Massachusetts [Mr. HOAR], and vote "nay."

Mr. BACON (after having voted in the affirmative). I inquire if the junior Senator from Rhode Island [Mr. WETMORE] has voted?

The VICE-PRESIDENT. He has not voted.

Mr. BACON. I have a general pair with that Senator, and I therefore withdraw my vote.

Mr. MORGAN (after having voted in the affirmative). Being informed that the senior Senator from Pennsylvania [Mr. QUAY] has not voted, I withdraw my vote.

The result was announced—yeas 26, nays 33; as follows:

YEAS—26.

Allen,	Cockrell,	Mallory,	Roach,
Bate,	Daniel,	Martin,	Teller,
Berry,	Faulkner,	Mills,	Turpie,
Butler,	Harris, Kans.	Mitchell,	Vest,
Caffery,	Heitfeld,	Pasco,	Walthall.
Chilton,	Jones, Ark.	Pettus,	
Clay,	Lindsay,	Rawlins,	

NAYS—33.

Allison,	Fairbanks,	McBride,	Sewell,
Baker,	Foraker,	McEnery,	Shoup,
Burrows,	Frye,	McMillan,	Spooner,
Carter,	Gallinger,	Mason,	Stewart,
Chandler,	Hale,	Morrill,	Wellington,
Clark,	Hanna,	Nelson,	Wilson.
Davis,	Hansbrough,	Perkins,	
Deboe,	Hawley,	Platt, Conn.	
Elkins,	Lodge,	Proctor,	

NOT VOTING—30.

Aldrich,	Harris, Tenn.	Murphy,	Tillman,
Bacon,	Hoar,	Penrose,	Turner,
Cannon,	Jones, Nev.	Pettigrew,	Warren.
Cullom,	Kenney,	Platt, N. Y.	Wetmore,
Gear,	Kyle,	Pritchard,	White,
George,	McLaurin,	Quay,	Wolcott.
Gorman,	Mantle,	Smith,	
Gray,	Morgan,	Thurston,	

So Mr. PETTUS's amendment was rejected.

Mr. CHILTON. I now ask for a vote on the amendment which I offered. It has been read.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Texas [Mr. CHILTON].

Mr. CHILTON. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BUTLER. Mr. President, this amendment offered by the Senator from Texas will probably be more effective if adopted than any other antitrust law that we have on the statute book, and therefore I would be glad to see it adopted, and I shall vote for it.

But before the vote is taken on it, I wish to say that all antitrust legislation is more or less futile if not ridiculous as long as the American Congress proceeds to legislate so as to create trusts. For more than thirty years the American Congress—and for this to a large extent both of the old parties were responsible—has been legislating so as to produce trusts and make them possible, if not necessary.

We can not very justly blame the individuals who form combinations and trusts and to-day are reaping benefits because of such trusts. They are acting to some extent on the law of self-preservation. I would have the farmers to-day to combine and form a trust to protect themselves from the conditions that are oppressing them, if it were possible for them to do it.

The men who form combinations do it because they are trying to protect themselves from the evil conditions, which conditions are stagnating business and paralyzing every productive enterprise and legitimate business. They are simply trying to protect themselves from the evil conditions that are weighing down upon industry and trade and commerce and the public generally.

There is not a business in the country to-day that would not go into a trust if it could do so successfully. I am interested in farming to a certain extent, and I want to say boldly and frankly that I would not hesitate ten minutes to join with the other farmers of America to form a trust to protect the price of cotton and wheat and corn and other staples, if it were possible to do it. I would do so just as a man protects life, just as self-preservation is the first law of nature. I have but little sympathy with all this railing against trusts, when it comes from individuals who refuse to go to the root of the matter and help remove the causes that produce trusts.

Mr. President, I hope that I shall not use language too harsh when I say that the legislator who denounces trusts and rails against them and offers antitrust resolutions, when at the same time he favors and supports the conditions that inevitably produce trusts and make them spring up like mushrooms, must be either ignorant or dishonest.

I have a field that is infested with nut grass. If I should send a laborer into that field and tell him to chop off the tops of the nut grass and other similar noxious weeds and growth and leave the roots in the ground to spring up and give two shoots for every one cut off, while at the same time the roots spread, every man who understood agriculture around me would say that I was either a fool or that I wanted to ruin the piece of land and stock it with this noxious growth.

There is but one way to remove that nut grass from the land, and that is to go down and dig it up by the roots, for as long as you leave a piece of the root you may chop off the tops and they will continue to come up, and the roots grow and spread and throw up more shoots.

To my mind, Mr. President, this pretended antitrust legislation is just as foolish as an attempt to kill nut grass by chopping off the tops only. None of these antitrust amendments will go to the root of the trouble. If trusts are to be stopped, then we must remove the causes that produce trusts; we must strike at the root of the trouble.

What produces trusts? What makes them possible to those who engage in them?

Some of our Democratic friends have labored hard to make the people believe that the tariff is the cause of trusts. Such efforts may be good partisan politics, but it is very poor statesmanship and patriotism. The fact that any line of business or enterprise is protected by an import duty will tend to cause more people to engage in that business, and therefore increase the competition at home. No; the tariff is not the cause of trusts. The tariff can add to the profits of a trust after other causes have produced the trust.

There are two great causes, two great trust producers, two great trust generators, and until those causes are removed, trusts will continue to spring up, will continue to exist. You may attempt to abolish them and may succeed for a time, but they will at once reorganize and spring up and continue to exist in greater and greater number each year. Just so long as the great arteries of commerce can be controlled and made a trust of, and can be used by a few individuals to build up one location or one business by cheap freight rates, and tear down another; just so long as the great arteries of commerce are in the hands of a few corporations and a few individuals, just so long do you put it into the power of those few men to kill and make alive. A trust in transportation is a fertile producer of trusts in business enterprises.

Again, just so long as the quantity of legal-tender money in this country is contracted, or is in the hands of a combination that can contract and expand it at its pleasure, just so long will trusts thrive and grow. The gold standard and the transportation monopoly are responsible for 99 trusts out of every 100 which exist in America to-day. You can not remove trusts until you remove the evils which produce them. Transportation and the issuing of money are natural trusts and therefore should be used as Government functions. But these great natural trusts in the hands of private individuals are the most fertile and pernicious trust breeders.

How is a trust formed to-day? Suppose a dozen Senators put their capital together; suppose we put it together and say that we will control the commerce in sugar or in beef or in oil. If we gather enough capital together to make us powerful enough to undersell the other competing concerns until they go out of business or sell out to us, then we establish ourselves in the market and can keep anyone else from coming in to compete. But mark you, Mr. President, no trust can be formed in this country in an article of commerce (except where discriminating transportation rates are responsible for it) unless the trust is able to lose more money than every competitor in the business and frighten others from going into the business to compete; and when they are able to lose more than their competitors and money is scarce and hard to command, then no new competitor rises up to compete. But with a sufficient volume of money and with rising prices a thousand competitors would spring up to compete with every trust to-day in America. Enough competitors would break any trust. A given trust may be able to lose more money than ten competitors, but not more than a thousand competitors.

To-day capital is timid. If I ask a half dozen men to put their capital with mine and to go into an enterprise, they turn and point me to Mr. A or Mr. B, who has been broken up by the trust, and you say, "If we put our money in they will break us up; they can afford to lose more than we can." That has stagnated business; it has caused capital to go into the stockings and into the banks and into the lockers to hide itself away. To-day capital that would otherwise go into business is locked up because it is afraid to go into enterprises. The trust is a highwayman, a holder-up, a bandit which scares other capital from investment.

Let prices begin to rise, let a stimulating influence from a sufficient volume of legal-tender money come behind the industries of this country, and there will spring up enough competition to wreck every trust in this country that is not supported by rebates upon transportation; and equitable transportation rates would wreck the others, by giving to all citizens a free and equal opportunity.

Mr. President, a sufficient quantity of legal-tender money, to increase as population and business increases, would cause the trusts that have been formed on falling prices to vanish like fogs before the rising sun. Take the Standard Oil trust, take the anthracite-coal trust, which are the largest built up by discrimination in transportation rates. If they had to pay just what their competitors pay for transportation, that would simply leave them as a legitimate business, and take from them every power that makes them an odious and oppressive trust.

Mr. President, the kind of antitrust legislation that I want to vote for is legislation that will give equal opportunities to every individual and enterprise in America. When you have done that, then I shall be glad to see any man make his millions who can do it under those conditions. Then you will remove popular prejudice against rich men and corporations. Then you will remove popular prejudice against great, successful enterprises, for no one will feel that he has been wronged, and all can prosper according to their own merits.

That is the kind of antitrust legislation that is based on equity; it is the kind that will restore prosperity; it is the only kind that will remove trusts; it is the only kind that will make this country prosperous, as it once was, for its general population and the general diffusion of industry and enterprises. With conditions like this the tariff will not produce trusts.

If we would to-day cast a majority vote to remove the causes which have produced trusts, then this antitrust legislation would not be necessary. These proposed remedies are not the proper way to treat the disease. It is as foolish as it would be for a physician to attempt to treat a disease of the blood by putting salve upon the skin where the sore spot appeared. It is just as ineffectual. What we need is a blood purifier for the lifeblood of commerce, not salve, not ointment, applied to the effects of the disease. We need to take the monopoly of money and transportation from private hands and use them as a function of government. This will restore equal opportunity; this is the blood purifier that will make our industrial system strong and healthy and restore prosperity.

Mr. STEWART. Mr. President, I do not wish to take up time, but I simply wish to remark that when the antitrust legislation was passed some years ago I appreciated its operation just as I do now. I said then that it would never be effective except where it ought not to be effective; that is, it would be used against labor organizations and other organizations which would be formed to resist the reduction of wages and falling prices.

Falling prices are resisted by combinations of capital, and always will be. In fact, falling prices give the citizen only the option to join a trust or to go into bankruptcy, and those who have not joined the trusts in this country are pretty much all in bankruptcy.

If they can not get into a trust, they can not protect themselves, because individual competition is impossible while prices are falling. The only way to relieve the situation is to give the people more money, which will bring about prosperity, and trusts can not survive the prosperity of the country, because the old concerns which are encumbered with heavy salary lists, large establishments, and many officers decay at once. In good times, when men enter into these enterprises they distribute money, and business springs up everywhere, enterprises are undertaken, and trusts decay. But trusts are the necessary result of falling prices, and they are a matter of self-defense.

I vote against these amendments because they are entirely ineffective to reach the difficulty. They will do no good. They are a false pretense. Some Senators may believe that some good may be accomplished in this way, but I do not believe in pretending to do a thing and not do it. How can you stop trusts when it is necessary to form trusts and to combine together to save themselves from the poorhouse? When you restore prosperity by proper financial legislation, you will get rid of trusts.

The VICE-PRESIDENT. The question is on the amendment proposed by the Senator from Texas [Mr. CHILTON], on which the yeas and nays have been ordered.

The Secretary proceeded to call the roll.

Mr. GRAY (when his name was called). I am paired with the senior Senator from Illinois [Mr. CULLOM], and therefore withhold my vote.

Mr. KENNEY (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. PENROSE]. As he is not present, I withhold my vote.

Mr. PETTUS. I am paired with the Senator from Massachusetts [Mr. HOAR].

Mr. FAIRBANKS (when the name of Mr. PLATT of New York was called). I am requested to announce that the junior Senator from New York [Mr. PLATT] is paired with the senior Senator from the same State [Mr. MURPHY].

Mr. PRITCHARD (when his name was called). I am paired with the junior Senator from South Carolina [Mr. McLAURIN]. If he were present, I should vote "nay."

Mr. THURSTON (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN], who is absent. The senior Senator from Georgia [Mr. BACON] has a pair with the junior Senator from Rhode Island [Mr. WETMORE]. We have arranged to transfer our pairs, so that the Senator from Georgia and I are at liberty to vote. I vote "nay."

Mr. TURNER (when his name was called). I am paired with the Senator from Wyoming [Mr. WARREN].

Mr. WHITE (when his name was called). I am paired with the Senator from Nevada [Mr. JONES]. Were he present, I should vote "yea."

The roll call was concluded.

Mr. GEAR. I am paired with the senior Senator from New Jersey [Mr. SMITH]. If he were here, I should vote "nay."

Mr. BACON. Under the arrangement already announced by the Senator from Nebraska [Mr. THURSTON], I will permit my vote in the affirmative to stand, although the junior Senator from Rhode Island [Mr. WETMORE] is absent.

Mr. MORGAN (after having voted in the affirmative). Understanding that the Senator from Pennsylvania [Mr. QUAY] has not voted, I withdraw my vote.

Mr. FRYE (after having voted in the negative). The senior Senator from Maryland [Mr. GORMAN] is detained from the Senate by sickness. On this vote I wish to announce my pair with that Senator, and to withdraw my vote.

The result was announced—yeas 28, nays 31; as follows:

YEAS—28.

Allen,	Clay,	Lindsay,	Pettigrew,
Bacon,	Cockrell,	Mallory,	Rawlins,
Bate,	Daniel,	Mantle,	Roach,
Berry,	Faulkner,	Martin,	Teller,
Butler,	Harris, Kans.	Mills,	Turpie,
Caffery,	Heitfeld,	Mitchell,	Vest,
Chilton,	Jones, Ark.	Pasco,	Walthall.

NAYS—31.

Allison,	Elkins,	Lodge,	Sewell,
Baker,	Fairbanks,	McBride,	Shoup,
Burrows,	Foraker,	McMillan,	Spooner,
Carter,	Gallinger,	Mason,	Stewart,
Chandler,	Hale,	Nelson,	Thurston,
Clark,	Hanna,	Perkins,	Wellington,
Davis,	Hansbrough,	Platt, Conn.	Wilson.
Deboe,	Hawley,	Proctor,	

NOT VOTING—30.

Aldrich,	Harris, Tenn.	Morrill,	Tillman,
Cannon,	Hoar,	Murphy,	Turner,
Cullom,	Jones, Nev.	Penrose,	Warren,
Frye,	Kenney,	Pettus,	Wetmore,
Gear,	Kyle,	Platt, N. Y.	White,
George,	McEnery,	Pritchard,	Wolcott.
Gorman,	McLaurin,	Quay,	
Gray,	Morgan,	Smith,	

So the amendment of Mr. CHILTON was rejected.

Mr. CAFFERY. I offer the amendment which I send to the desk.

Mr. ALLEN. I have an amendment pending, Mr. President, which has been pending since Saturday last.

The VICE-PRESIDENT. There are three or four amendments pending. The Senator from Nevada [Mr. STEWART] has a pending amendment.

Mr. ALLEN. I supposed the amendments pending were to be taken up in their order.

Mr. CAFFERY. I ask the Senator from Nebraska to let my amendment be read.

The VICE-PRESIDENT. The Chair understands the amendment offered by the Senator from Nebraska [Mr. ALLEN] is first entitled to a hearing.

Mr. ALLEN. I yield to the Senator from Louisiana [Mr. CAFFERY].

The VICE-PRESIDENT. The amendment proposed by the Senator from Louisiana [Mr. CAFFERY] will be stated.

The SECRETARY. On page 63, paragraph 206, line 20, after the word "color," it is proposed to strike out "and on all sugar which has gone through a process of refining, 1 cent and ninety-five one-hundredths of 1 cent per pound" and in lieu thereof to insert "and which is of 97 degrees or more of saccharine strength by the polariscope, one one-hundredth of a cent per pound."

Mr. CAFFERY. That amendment is simply designed to strike off all differential between the refined and the raw sugars.

The VICE-PRESIDENT. The question is on the amendment proposed by the Senator from Louisiana.

Mr. CAFFERY. I call for the yeas and nays.

The yeas and nays were ordered; and the Secretary proceeded to call the roll.

Mr. GRAY (when his name was called). I am paired with the senior Senator from Illinois [Mr. CULLOM].

Mr. PETTUS (when his name was called). I again announce my pair with the senior Senator from Massachusetts [Mr. HOAR].

Mr. FAIRBANKS (when the name of Mr. PLATT of New York was called). By request, I again announce the pair of the junior Senator from New York [Mr. PLATT] with the senior Senator from New York [Mr. MURPHY].

Mr. PRITCHARD (when his name was called). I have a general pair with the Senator from South Carolina [Mr. MCLAURIN], but I transfer that pair to the Senator from Pennsylvania [Mr. PENROSE], which will enable the Senator from Delaware [Mr. KENNEY] and myself to vote. I vote "nay."

Mr. THURSTON (when his name was called). The announcement of the transfer of the pairs of myself and the Senator from Georgia [Mr. BACON] on the last vote is to continue until further announcement. I therefore vote "nay."

Mr. TURNER (when his name was called). I am paired with the Senator from Wyoming [Mr. WARREN].

Mr. WHITE (when his name was called). I am paired with the Senator from Nevada [Mr. JONES]. If he were present, I should vote "yea."

The roll call was concluded.

Mr. GEAR. I am paired with the senior Senator from New Jersey [Mr. SMITH]. If he were present, I should vote "nay."

The result was announced—yeas 28, nays 34; as follows:

YEAS—28.

Allen,	Clay,	Kenney,	Pasco,
Bacon,	Cockrell,	Lindsay,	Rawlins,
Bate,	Daniel,	Mallory,	Roach,
Berry,	Faulkner,	Mantle,	Teller,
Butler,	Harris, Kans.	Martin,	Turpie,
Caffery,	Heitfeld,	Mills,	Vest,
Chilton,	Jones, Ark.	Mitchell,	Walthall.

NAYS—34.

Allison,	Fairbanks,	McBride,	Sewell,
Baker,	Foraker,	McEnery,	Shoup,
Burrows,	Frye,	McMillan,	Spooner,
Carter,	Gallinger,	Mason,	Stewart,
Chandler,	Hale,	Nelson,	Thurston,
Clark,	Hanna,	Perkins,	Wellington,
Davis,	Hansbrough,	Platt, Conn.	Wilson.
Deboe,	Hawley,	Pritchard,	
Elkins,	Lodge,	Proctor,	

NOT VOTING—27.

Aldrich,	Harris, Tenn.	Murpby,	Tillman,
Cannon,	Hoar,	Penrose,	Turner,
Cullom,	Jones, Nev.	Pettigrew,	Warren,
Gear,	Kyle,	Pettus,	Wetmore,
George,	McLaurin,	Platt, N. Y.	White,
Gorman,	Morgan,	Quay,	Wolcott.
Gray,	Morrill,	Smith,	

So the amendment of Mr. CAFFERY was rejected.

Mr. WHITE. As a contribution to the history of the subject which has just eventuated in the last vote, I beg to refer to the proceedings of May 31, 1894, of this body, to be found in volume 26, part 6, pages 5517 and 5518, when the then Senator from Ohio, the present distinguished Secretary of State, said upon this subject:

> The quotations I have marked in the report made by the Committee on Finance show that it is an industry (sugar refining) which needs no protection; and when they come here and secure a benefit to be conferred upon them, it seems to me that the time has come to call a halt. I had rather cut off my right hand than vote a single cent of bounty to a corporation which has dealt with the Government as these corporations have done.

Mr. CHILTON. Mr. President, there is an amendment, offered by me a few days ago, pertaining to this subject, to be inserted at the end of section 24:

> *Provided*, That in allowing the drawback on sugar hereunder it shall be calculated that refined sugar has been produced in the process of refining in an amount equal to the percentage or number of degrees of pure sugar shown by the polariscopic test at the time of the original importation.

I want a vote on that amendment. I had hoped that the Senator from Iowa [Mr. ALLISON] would accept it. Without taking up the time of the Senate to analyze the exhibits concerning the sugar drawback which have been printed, it is very plain that considerable opportunity for abuse, to say no more, now exists on account of the uncertainty as to the amount of refined sugar which can be produced from a given amount of raw sugar. Great scandals have arisen out of this matter.

You understand, sir, the working of the drawback on sugar. The American sugar trust import, say, 100 pounds of raw sugar. Now, when they reexport it in the shape of refined sugar, they claim, for instance, that on 90 pounds of refined sugar they should get the drawback on 100 pounds of raw sugar. The claim is that it takes 100 pounds in the raw to make the 90 pounds of the refined article. Thus they actually get the drawback on a greater number of pounds than they export. It is believed by many of those who have given this subject investigation that it does not take any such amount of raw sugar to make 100 pounds of refined sugar as that which is estimated by the Treasury Department to be necessary.

It has been shown here that the estimates of the Treasury Department are based entirely upon calculations furnished by different sugar refineries, and, in fact, almost exclusively upon calculations furnished by Mr. Searles and Mr. Havemeyer, the managing agents of the American Sugar Refining Company.

My proposition is simply this: When a sugar importer brings in 100 pounds of raw sugar which tests 96 degrees, or, in other words, 96 per cent of sugar, that when he comes to reexport that sugar it shall be calculated that he got 96 pounds of refined sugar out of the 100 pounds of raw sugar. I think that is fair; I think it is in accordance with the facts. I want to ask Senators on the other side if, with all of the advantages which have been given this sugar trust, and with all the scandals which have been mustered up in connection with its operations, it is not a proper thing to limit its drawback privilege within defined bounds?

Let exporters of sugar be charged with the number of pounds of refined sugar which the polariscopic test showed to be in the sugar at the time of its importation. If there be any doubt about the particular number of pounds of raw sugar required to make a hundred pounds of the refined, the doubt should be solved in favor of the Government. The sugar trust is in a sense an industrial outlaw in this country, and I for one do not believe that it should have any peculiar consideration whatever. So much for that aspect of the case.

There is this other feature: It will save the Government of the United States a considerable amount of revenue if you adopt the particular basis of calculation I have indicated. According to the best authorities, we shall need revenue. I have heard the suggestion that the drawback privilege ought to be withdrawn from sugar importations. I do not know myself but that it would be a wise thing to do. In the nature of the case, it is an article which is so much changed in manufacture, and it is a matter of so much uncertainty as to the particular quantity of materials which are used in refined sugar produced in this country, that there would be abundant reasons on general principles for withdrawing sugar from the scope of this drawback provision.

If we do not go that far, I urge in all seriousness, not as a matter of politics, but of business, that we ought to limit these drawbacks on refined sugar to the polariscopic test of sugar. When that test shows 96 pounds of fine sugar in a hundred pounds imported, let them get the drawback on a hundred pounds, when they reexport 96 pounds, and not when they reexport 90 pounds. I ask the Senator from Iowa if he will consent to the adoption of the amendment?

Mr. ALLISON. Just a word. The Secretary of the Treasury has now, under existing law, full power as respects this question, and it is necessarily an administrative question and not a legislative one. You can not always test by the polariscope the amount of sugar. Practically it must be tested by the polariscope and by analysis of the saccharine strength of the sugar. He has ample and complete power. I know we have had a long contest upon the subject as to what should be the actual rate, as shown by the Senator from Louisiana [Mr. CAFFERY] and others, but I trust the amendment will not be adopted, for it would tie the Secretary of the Treasury to a legislative provision as to the particular method of testing sugar.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Texas [Mr. CHILTON].

The amendment was rejected.

Mr. ALLEN. I offer the amendment which I send to the desk.

The SECRETARY. It is proposed to insert the following as a new section:

SEC. —. That on and after July 1, 1898, and until July 1, 1903, and no longer, to encourage the cultivation of sugar beets and to enable the manufacturers of beet sugar to increase the price of beets per ton to the raiser thereof, there shall be paid, from any moneys in the Treasury not otherwise appropriated, under the provisions of section 3689 of the Revised Statutes, to the producer of sugar made from beets grown within the United States during the calendar year 1898 and each succeeding calendar year until July 1, 1903, a premium of one-fourth of 1 cent per pound, under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe.

The producer of said sugar to be entitled to said premium shall have first filed prior to July 1 of each year, with the Commissioner of Internal Revenue, a notice of the place of production, with a general description of the machinery and methods to be employed by him, with an estimate of the amount of sugar proposed to be produced in the current or next ensuing year, and an application for a license to so produce, to be accompanied by a bond in a penalty, and with sureties to be approved by the Commissioner of Internal Revenue, conditioned that he will faithfully observe all rules and regulations that shall be prescribed for such manufacture and production of sugar.

The Commissioner of Internal Revenue, upon receiving the application and bond hereinbefore provided for, shall issue to the applicant a license to produce sugar from such beets, at the place and with the machinery and by the methods described in the application, but said license shall not extend beyond one year from the date thereof.

No premium shall be paid to any person engaged in refining sugars which have been imported into the United States or produced in the United States upon which the premium herein provided for has already been paid or applied for, nor to any person unless he shall have first been licensed as herein provided, and only upon sugar produced by such person from beets grown within the United States. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall from time to time make all needful rules and regulations for the manufacture of sugar from beets grown within the United States, and shall, under the direction of the Secretary of the Treasury, exercise supervision and inspection of the manufacture thereof.

And for the payment of these premiums the Secretary of the Treasury is authorized to draw warrants on the Treasurer of the United States for such sums as shall be necessary, which sums shall be certified to him by the Commissioner of Internal Revenue, by whom the premiums shall be disbursed, and no premium shall be allowed or paid to any person licensed as aforesaid in any one year upon any quantity of sugar less than 500 pounds.

That any person who shall knowingly refine or aid in the refining of sugar imported into the United States or upon which the premium herein provided for has already been paid or applied for, at the place described in the license issued by the Commissioner of Internal Revenue, and any person not entitled to the premium herein provided for, who shall apply for or receive the same, shall be guilty of a misdemeanor, and, upon conviction thereof, shall pay a fine not exceeding $5,000, or be imprisoned for a period not exceeding five years, or both, in the discretion of the court.

Mr. CHANDLER. Will the Senator from Nebraska yield to me for a moment?

Mr. ALLEN. Certainly.

Mr. CHANDLER. Does the Senator himself propose to vote for the amendment?

Mr. ALLEN. That is my purpose at the present time. I may change my mind, however.

Mr. CHANDLER. Does the Senator intend to vote for the bill itself if the amendment shall be adopted?

Mr. ALLEN. That is a very pertinent question.

Mr. CHANDLER. Or impertinent.

Mr. ALLEN. I am not prepared to answer it at this time.

Mr. CHANDLER. The Senator is quite right in not saying if he does not wish to, but I should like——

Mr. ALLEN. I hope the Senator will not quote my former speech on me until I get started. After a time I shall be glad——

Mr. CHANDLER. My object is to get it in before the Senator starts.

Mr. ALLEN. I shall be pleased to listen to it, because it is an excellent speech, if the Senator will indulge me.

Mr. CHANDLER. It is a very able speech; I intend to compliment it highly; but I think it is a barrier in the Senator's way, and therefore I hope he will let me read a word or two from it now.

Mr. ALLEN. Before doing that, if the Senator will indulge me for a moment—his experience is much larger than mine, and I am entitled to some indulgence—I wish to inquire of the honorable Senator from Iowa if anything has taken place recently to change the determination of the Republican Senatorial caucus as respects this amendment?

Mr. CHANDLER. I hope the Senator from Nebraska will not crowd the Senator from Iowa, who has troubles enough on his hands, as everyone knows, but let me read the resolution which he offered, and on which he made a speech on the 30th of March, 1897.

Mr. ALLEN. I hope the Senator will inject that resolution along about the center of the remarks I am now about to make.

Mr. CHANDLER. The Senator can not resist my appeal to let me read the resolution.

Mr. ALLEN. I yield to the Senator from New Hampshire, of course.

Mr. CHANDLER. I thank the Senator. The resolution is as follows:

Resolved, That the United States is not possessed of constitutional power to impose tariff taxes on articles of daily consumption by the people for the express and avowed purpose of increasing the private fortunes of one class of its citizens at the expense of the masses.

Now, if the Senator will allow me, there follows on the resolution one of the ablest tariff speeches I ever heard.

Mr. ALLEN. I thank the Senator for his compliment.

Mr. CHANDLER. It is a review of the tariff history of this country. It is a great exposition, and demonstrates, as well as it can be demonstrated, that the legislation of the United States should be general and not special, and that Congress has no right whatever, under the Constitution, so to impose taxes as to benefit one class at the expense of another. Here is the closing sentence:

I place myself on the solid and impregnable ground that under our Constitution Congress does not possess power to tax the people to enhance the private fortunes of the few.

Solely to prevent the consumption of time, in order that we may avoid long debate upon this amendment, and knowing the Senator to be a man of candor and fairness, who wants to do right, I ask him in the interest of this resolution and this speech, which is the ablest speech on the subject of the tariff and the fullest and most complete that I ever heard made by any person not a Republican, kindly to withdraw his amendment, and let us substitute this bill of prosperity and plenty for the bill of perfidy and dishonor which the other side in 1894 put upon the statute books.

Mr. ALLEN. Mr. President, I fully agree with my friend from New Hampshire that the speech from which he has quoted is a very able one. I can certainly commend it to his careful consideration and careful reading, and no doubt it has had some influence with him already, and will have more as time progresses. I stand by every word I said in that speech, and I stand by the resolution which is the basis of it; and I will at the proper time during my remarks, which will be very brief on this occasion, contrary, probably, to expectation, take occasion to show that there is no conflict between my position now and the position I took on the 30th of last March.

I believe I will now renew my question to the honorable Senator from Iowa, who is bearing a great many burdens, and I presume is amply able to bear more. I ask him if anything has taken place within a week or so, since the Republican Senatorial caucus determined to present this amendment, to change the conclusion of the caucus and cause it to abandon that purpose; and if so, what?

Mr. ALLISON. The Committee on Finance a day or two ago offered, I believe, substantially the amendment suggested by the Senator from Nebraska, but we were notified by the other side of the Chamber with a great deal of firmness that it would delay the passage of the bill for some time; and therefore, to facilitate its passage, the committee withdrew the amendment, as it was authorized to do. The Senator from Nebraska immediately renewed it. Of course, it is pending before the Senate, and I have no doubt will be ably sustained by him in the remarks he is about to make.

Mr. ALLEN. I understand the Republican party in this Chamber to have surrendered to some person or persons on this side of the Chamber because they said they would filibuster, or, in other words, that our Republican friends have taken fright at a threat of delay on the part of this side of the Chamber.

Mr. ALLISON. Oh, no. It is very important, as we believe, that the bill should come to a final conclusion in the Senate at the earliest moment; and where there are sharply contested conditions here we do not wish to press or oppress the other side as respects those disputed matters. I yesterday withdrew an amendment proposed by the Senator from Wisconsin [Mr. SPOONER] simply because it was leading to protracted debate. I hope the Senator from Nebraska will bear that in mind.

Mr. ALLEN. There are three sides in this Chamber politically. With all due respect to the honorable Senator from Arkansas [Mr. JONES] and the honorable Senator from Missouri [Mr. VEST], they do not represent all on this side of the Chamber, and we are not responsible for all their actions, nor are they responsible for ours. Certainly no threats of filibuster or dilatory tactics were made by Populists. I think we have expressed ourselves repeatedly in favor of the speedy determination of this bill. I think I said so far as I am individually concerned early in the debate that I wanted to see the bill become a law. I do want to see it become a law, not because I have the slightest idea it will bring relief to a stricken country—I do not indulge as wild a hope as that—but because I want to see the Republican party put upon trial before the country, and put upon trial speedily.

Mr. SPOONER. Give us an early trial, then.

Mr. ALLEN. An early trial? It strikes me that is the last thing the Republican party wants at this time.

Mr. VEST. Will the Senator from Nebraska permit me?

Mr. ALLEN. Certainly.

Mr. VEST. The Senator from Nebraska has repeatedly stated here that there was a threat of filibustering, and he has specifically alluded to the Senator from Arkansas and myself to-day in that connection.

Mr. ALLEN. I beg the Senator's pardon. I did not mean to allude to him in that connection.

Mr. VEST. I wish to state, what I think the Senator from Iowa will corroborate, that after the sugar-bounty amendment was offered by the Senator from Iowa and after the debate had gone on for some time, I went over to the other side and informed the Senator from Iowa that there would necessarily be a protracted debate; that there was much opposition among Democrats to the amendment, and that we could not, in justice to ourselves, permit it to be adopted or voted upon until all had spoken who desired to express their opinions upon it.

I said to him, and I volunteered the statement, that in my judgment the amendment would lead to more discussion and more delay than any other amendment offered to the bill. I made no threat of filibustering; I had no such idea; but we intended to say what I say now, that the amendment could not pass without the fullest discussion, and until everybody had spoken on it who desired to do so.

Mr. ALLEN. I do not doubt that at all. I suppose it is understood that it is the right of every Senator to discuss a question to his fullest capacity, both intellectually and physically, if he desires to do so, and that no man under the rules prevailing here has a right to say nay. The Finance Committee, or possibly the Republican party upon the other side of the Chamber, had no occasion to become frightened at the statement of the Senator from Missouri, to discuss the amendment amply and fully, because we are all delighted to hear the Senator from Missouri at any time, and I am satisfied we can sit here many hours during any kind of weather to listen to his charming speeches.

But, whatever the occasion may have been, or whatever may have been said, I submit Republican Senators had no right to betray their trust, had no right to abandon one of the declared purposes of their organization as contained in their platform of 1896, by becoming frightened at anything that may have been said by any Senator on this side of the Chamber.

I regret that the Senator from Arkansas [Mr. JONES] is not here, because I wish to make a statement concerning him which he should have a chance to refute if it is not correct. I have been informed, and if I am incorrect in this respect I hope the honorable Senator from Iowa or whoever may know the truth will correct me, that last week one or more Senators on the Republican side of the Chamber came over on this side and said to Democrats, probably not in words such as I now use, but indicated to them that they would like to be scared on the beet-sugar amendment, and if somebody on this side would only get on his feet and talk a little vigorously and make some intimation that Congress would be held in session for a few days longer, our friends on the other side would find an easy and convenient way to slide downstairs and get out of their present dilemma.

Therefore it was, as I make the deduction, that the honorable Senator from Arkansas, who has had much to do with the bill, rose in his place and declared that he was utterly astounded at the presentation of the proposed amendment, and that it would take a long time to discuss it, thereby intimidating our friends on the other side of the Chamber and hastening their flight from the position they had taken a week or so before.

Mr. President, permit me to say that in my judgment the Senator from Arkansas was talking in a Pickwickian sense, for it has been open and notorious in the Chamber for the last five weeks, well known to every Senator who has taken occasion to inform himself, that an amendment something like this was to be presented and urged to the bill by Republican Senators.

Mr. JONES of Arkansas entered the Chamber.

Mr. ALLEN. I call the attention of the Senator from Arkansas to the fact that I was criticising the language he used last week when he said he was utterly astounded at the presentation of the amendment by the Senator from Iowa, and I took occasion to observe that I thought my friend from Arkansas was speaking in a Pickwickian sense at that time. It was known, and certainly; for as studious and intelligent a Senator as the Senator from Arkansas can not have missed that valuable information. It was contemplated, it was meditated, it was talked among Senators weeks ago that an amendment of this character would be presented.

Mr. BERRY. I did not understand the Senator from Nebraska.

Mr. ALLEN. I say it was talked out aloud in the Chamber weeks ago, it was talked in Senatorial circles, it was not a secret that a proposition of this kind would be made by the Republican members of the Finance Committee.

Mr. JONES of Arkansas. No such statement ever came to me. What I stated I said in good faith. I was absolutely amazed at the proposition. I never had heard a rumor of the amendment or a suggestion of it up to the time it was proposed here. I would be glad if the Senator would repeat what he said. I was out of the Chamber, and I understood the Senator expressed a desire that I should be present, and I came in at once.

Mr. ALLEN. I have repeated what I said when the Senator was absent.

Mr. FRYE. Not with respect to the attempt of this side of the Chamber to get scared.

Mr. ALLEN. I did not repeat that because I did not think the Senator from Arkansas was responsible for the other side of the Chamber.

Mr. JONES of Arkansas. I am glad to say that I am in no part responsible for their conduct on this bill.

Mr. SPOONER. He could safely be.

Mr. ALLEN. I am glad to hear the statement of the Senator from Arkansas. The Senator has responsibility enough of his own right. If the Senator from Arkansas disclaims having had an intimation that an amendment of this character was to be presented by the Republican members of the Finance Committee, I must accept the disclaimer, as I do, and I withdraw my remarks that his utterance was made in a Pickwickian sense. I infer, therefore, that it was made in sober earnest, as is claimed by him.

Mr. JONES of Arkansas. I am in the habit of saying things in sober earnest. That statement I made just as I have made all the others. It was the simple, naked truth. It was the truth when I said it, and is the truth yet.

Mr. ALLEN. I recognize the truthfulness of the Senator's statement that he is never facetious and never mirthful, and that all he says he means, and what he does not say he does not mean. So I accept the statement.

However that may be, it is surprising to me that the Senator from Arkansas, who is diligent in season and out of season, especially when a great question like the tariff, which for over a century has been rolled over in the mouths of politicians as a sweet morsel, is under discussion, should have failed to have discovered this statement, that was known to all other Senators.

Mr. WHITE. Will the Senator from Nebraska permit me to ask him whether it is not his information that the Republican members of the Finance Committee and the other members of the Republican party advising with them had not determined upon this saccharine amendment until the day before it was presented in the Senate, or the evening before, for I believe it was a nocturnal emanation?

Mr. ALLEN. No; I do not think that statement is correct.

I think, if the press is to be believed, that at a Republican caucus held here some three weeks ago it was determined that an amendment of this kind should be introduced by the Republican members of the Finance Committee. While I am not a member of the Republican caucus or of the Democratic caucus either, and therefore am not responsible for anything they may do and am not bound by any action they may take, it is known to me and to every Senator, whether a member of either of those caucuses or not, what the caucus has done within twenty minutes after they come out of caucus. There is no secret about it. Several days ago the Republican Senatorial caucus decreed the presentation and passage of an amendment in substance the same as I have here presented, and I have simply taken the amendment offered by the committee and changed a few words and reoffered it.

Their action was known in this Chamber to everyone except the Senator from Arkansas, and I excuse him for not knowing it, as he says he did not; but it is not denied that some Republican Senators who wanted to get out of a very delicate situation sent their agents on this side of the Chamber and here stirred up hostility to the presentation of the proposed amendment; that in pursuance of that mission a statement came that it would lead to long debate and the consumption of a great deal of time. Therefore, under the pressure of that threat of long debate—avoiding the word "filibuster"—the amendment was withdrawn.

Mr. President, these are matters of important current history the world ought to know. It ought to know there is perfect harmony between Republican Senators and certain Democratic Senators on this important amendment. The country ought to understand, sir, that it is a spectacular performance; that it is a performance calculated to amuse and in some respects to deceive. The country ought to know that Republican Senators called upon their Democratic brethren to help them let go an unpleasant subject. They could not get loose themselves. They were fast. If only their Democratic brethren who sympathized with them could be brought on the scene to scare them, to put them to flight, to threaten them with the dire consequences of a lengthy debate, they would be perfectly willing to take to their heels and flee from the conclusions of the caucus and from the support of this proposed amendment.

I have asked my friend from Iowa why they did so, and the only response I get is the statement that certain Democrats threatened to carry on something of a lengthy debate if the Republican members of the Finance Committee should persist in pushing the amendment. Sir, is that a ground for deserting a good cause? Is it a good ground for an absolute and unconditional surrender? Suppose some man is waging a contest against you and me, and he says if we do not surrender he will contest with us for a week or a month or a year. Is that a reason for our surrendering?

No, Mr. President, if the amendment was right in principle, and of that I say nothing at this time, if it was right in fact, if it was in accordance with the teachings of the Republican platform of 1896, as it is, then the honorable Senator from Iowa and his colleagues can under no circumstances be justified in abandoning it without bringing it before the Senate and having a vote upon it.

No man has a right ever to abandon principle to expediency.

Sir, this world presents every day great difficulties to nations and to individuals. What would be thought of a man who would surrender principles of manhood or convictions of any kind to the mere question of expediency for the purpose of getting around a difficulty that could be overcome by standing firmly by the principles advocated by him or by his party?

I want it understood that I am not criticising individually the action of the Senator from Iowa. He is the spokesman of his party. No conviction came over the Republican party that there was anything wrong in this amendment, as I understand. My friend from New Hampshire [Mr. CHANDLER] does not say that there was anything brought to the attention of the caucus which convinced it that the proposed amendment was wrong in principle. There is no pretense of that kind.

Mr. CHANDLER rose.

Mr. ALLEN. I yield to the Senator from New Hampshire.

Mr. CHANDLER. I will ask the Senator from Nebraska if he thinks that there is anything in the world that we ought to run away from quicker than three weeks of the kind of speeches the other side of the Chamber would make?

Mr. ALLEN. I am satisfied the speeches made on this side of the Chamber are among the very ablest that have been made during this session of Congress, and I do not think my friend from New Hampshire has any right to complain. They have been educational in their character, and doubtless will broaden the views of many a man if he will sit down in the quiet of his study and read them when he leaves this Chamber for his summer's vacation. But the Senator from New Hampshire does not yet answer what there was that came before the Republican Senatorial caucus to convince them that this proposed amendment is wrong. It is in the Republican platform of 1896. I read from the platform of 1896:

We condemn the present Administration—

Referring to the Cleveland Administration—

for not keeping faith with the sugar producers of this country. The Republican party favors such protection as will lead to the production on American soil of all the sugar which the American people use, and for which they pay other countries more than $100,000,000 annually.

That is the declaration of the Republican party, made last year at St. Louis, on which the present Chief Executive was elected to the Presidency of the United States. They condemn the Democratic party for laying the heavy hand of legislation on the beet-sugar industry and for failing to keep faith with it, and yet at the first opportunity presented for a Republican Congress to keep faith with the producers of beet sugar, that moment the Republican party abandons it.

It may be said that they will take up a bill for this purpose at the coming Congress in December next, and push it to a final conclusion. There is not a Senator who is so dull of comprehension that he does not know if the beet-sugar industry is not taken care of in this bill it will never be taken care of until there is a revision of the tariff several years hence. It can not be done. You can not take a separate bill and pass it in the Senate. Senators know that it is only when it is taken in conjunction with other matters contained in a general bill that it can pass through the Senate, and it never will pass the other House of Congress, now in a state of revolution in violation of the constitutional functions of that branch of the Government. It never can pass there—never.

Mr. President, the beet-sugar industry might as well understand now as at any other time that it has been basely and grossly betrayed in the house of its friends. The pleasing consolation will be held out, of course, "Just wait; the weather is very warm and Senators and Members of Congress are anxious to get home. Let us hasten up the bill; just wait until Congress assembles in December, and we will take care of you." Mr. President, this industry is sunk 40 fathoms deep for all time, or until there is a revision of the tariff laws, if it fails to be protected or to find a lodgment in the pending bill.

But it makes no difference about platforms; they count for nothing. Two planks of the Republican national platform have been violated at this Congress openly, notoriously, without any excuse, without an apology, without an attempt to apologize for it. How anxious the Republican party were last fall about Cuba—poor, suffering, bleeding Cuba, struggling for liberty! Metaphorically speaking, the Republican party stood on the southern border of our country and wept in sympathy for the struggling men, women, and children of Cuba. It wept crocodile tears. They only wanted to come back to power and have the people intrust them once more with the Government, and they would raise the tocsin of war and would send war vessels and armies to Cuba, if necessary, to rescue that unhappy island from the iron grasp of the decaying despotism of Spain. What have they done?

Not by Republican votes, but by Democratic, Populist, and some Republican votes, a concurrent resolution was passed through this branch of Congress some time ago, recognizing the belligerent rights of Cuba. What has become of that resolution? It is like Hans Breitmann's Party. "Where is that party now?" What has become of that resolution which inspired so many statesmen here to fine arguments and fiery speeches in defense of Cuban rights; that caused them to weep at the conditions existing in Cuba?

Mr. President, it is somewhere between this Chamber and the pocket of a distinguished statesman from the northeast State of this Union. Nobody can tell exactly where it is, for Congress has gone into bankruptcy—the other branch of Congress. As a distinguished statesman from Kansas said the other day, it is in the hands of a receiver, and the receiver is not doing much at his trade just now.

There it is. There is one of the planks of the platform of the Republican party of last year openly violated and abandoned. Cuba can feel the iron hand of the despotism of Spain. The sons of Cuba may be hunted as animals from their lairs, the women of that desolated island may be violated without restraint, the children driven in herds and murdered, and yet the Republican party sits here and in the other branch of Congress absolutely powerless to act.

Will the American people be long deceived by an attitude of that kind? No, sir; the liberty-loving people of our country, the great yeomanry, the wives and mothers and the daughters of our country, will arouse a public sentiment that will yet rescue Cuba from her thraldom, despite this violation of the Republican platform.

If there are any persons with whom the Republican party should keep faith, it is with those of its own membership. The gentlemen representing the beet-sugar industry are Republicans; they are not Populists or Democrats.

I have no doubt, although I do not know it, that when the Republican hat was passed around last fall they contributed liberally. They gave their voices and their votes and their influence for the triumph of that party. Just the moment it has an opportunity to pay back the debt, that moment it drops them amidstream. No Senator on the other side has yet volunteered to state the reason why, except that somebody on this side said "boo" to them, and they were prepared to run.

How many more planks of the Republican platform will be violated I do not know. I think the more violated outside of the Cuban plank the better off probably the country will be. But I can not miss this opportunity of calling public attention to the peculiar situation here.

Mr. President, I do not know that I have any business to inquire into Republican secrets further than they come to me legitimately; and I should certainly not refer to information that came to me in a confidential way. But it has been talked around here this morning—I have heard it from a dozen different sources—that the Republican Senatorial caucus this morning determined it was not wise to press this amendment at the present time. They did not determine that the amendment was not right, that there were changed conditions since their previous caucus, but that it was not wise to press the amendment at this time, not expedient, possibly, I should say; and that when the cool weather of December came and Congress reconvened for the long session of the Fifty-fifth Congress it should be taken up and treated with some degree of consideration; and I presume that was the intention of the bill which was introduced by my colleague [Mr. THURSTON] a day or two ago.

It is strange to me, sir, that the Republican party, as represented in this Chamber, should double on its tracks. If this were the action of unorganized and undisciplined Populists, men who are just springing from the ground, who know nothing about political maneuvering, it might be looked upon with some degree of allowance or some excuse might be made for it; but coming from a party that is the personification of organization, I can not understand how my friends on the other side can relieve themselves of responsibility to this industry, and how they can square their consciences with the platform they adopted at St. Louis, and upon which they triumphed in the last election, and how they can scatter and fly away under this threat to filibuster.

I have no doubt that when the speeches have been made on this amendment, possibly at the end of my speech, I think I have had an intimation, that all debate will be cut off by a motion to table this amendment. They do not want to confront it. It is an unpleasant thing. They want just as little said about it as possible. And, Mr. President, you will see about two-thirds of our Republican friends over there voting against tabling the amendment, and just enough of them to give a majority of one or two join with our Democratic friends to table it, and thus it will be laid at rest for all time.

If the Republican members of the Finance Committee would bring their party under party lash, as was done a week or so ago, if they would walk these gentlemen up and make them take their positions in the ranks of the party, there is strength enough upon the other side with the votes upon this to carry this amendment by two or three majority. And yet, Mr. President, that would not do. It would not do simply because the amendment is offered by a Populist. It makes no difference whether it is sound or unsound, whether it is good doctrine or poor doctrine, it is offered by a Populist, and it must be voted down. It is not a question of right or wrong; it is simply a question whether you can afford to let a Populist have anything like seeming triumph in the presentation of a measure of this kind. That will be about the fate of the amendment.

I do not know that our friends upon the other side are altogether to blame. I will not say they are to blame altogether, for peculiar exigencies have arisen within the last few hours to make them take the step they have taken. And yet I can not help but accentuate the fact and emphasize it that they have grossly, wantonly, willfully, and deliberately violated their platform and abandoned an industry they gave their solemn pledge to support.

Mr. President, my party is not pledged to the question of beet sugar. I am not pledged to it myself. Fortunately, the Populist party does not believe that tariff is a material issue. It is only an issue thrown out to catch and deceive ignorant men and draw them from the real and the only issue presented in this country to-day. As long as the Republican party can hang out a ball of yarn labeled "protection" to the innocent people of this country, to jump at like kittens at play, and get them to play with it, and as long as our Democratic friends can hang out another labeled "free trade," and get another portion of the people to play with it, and induce them to believe the difference between these two is the real issue, so long the American people will be misled and deceived, to their injury.

The only issue in this country, and, sir, the one that will be and must be fought out to a final conclusion, is the money question, and no attempt in this Chamber or elsewhere to resurrect the tariff corpse and put it in politics again will be successful.

This country has been successful under all kinds of tariff. Under the Walker Act we had prosperity, and yet that tariff was probably not a third of what this tariff will be; it was an average of 20 per cent. The people were prosperous, times were good, men were making money, the people did not complain, and they were not burdened with debt as they are to-day. It was not tariff that did it. It was the great stream of gold and silver that issued from the Rocky Mountain mines and came into our financial channels and swelled the volume of money.

In 1861, when the venerable Senator from Vermont [Mr. MORRILL] presented the bill which bears his name, increasing the line of tariff taxation beyond what it had ever been before, he stood before the other branch of Congress, of which he was a member, and apologized to the country and to Congress for offering it, on account of its extremely high rates. He said, Mr. President, that it found its only excuse in the fact that we were in the midst of war and had to get revenue to meet the expenses of that war. Sir, he said more. He said when the war was concluded and peace once more hovered over this land, that tariff act would be repealed, and we would return to some such duties as were in force in 1857.

We never had better times in this country than we had in 1865, in 1866, and 1867, barring the sorrows of the war that came to every home North and South as a consequence of that gigantic struggle, until Hugh McCulloch began to call in the money of this country and burn it up. He literally burned up millions, until stopped by Congress in 1874. Then came financial depression, then came strikes, then came bloodshed, then came distress and sorrow to every home in the land, and then came tramps.

So it is, sir, that the Populist party does not regard the tariff as an issue. Fortunately for us, a man may be a Populist and be a protectionist, or he may be a Populist and be a free trader, or he may be a Populist and be a revenue-tariff man. We take them all within the fold. Therefore the Populist party is not committed upon this question; and as a Senator and a member of that party I am not committed to this industry; but, Mr. President, I do not like to see an industry betrayed; I do not like to see a promise given and not fulfilled.

I think the most honorable way to deal with a man, if you give him your promise and you see you can not fulfill it, is to go to him in ample time and warn him that circumstances have arisen that will make it impossible for you to fulfill your promise. That kind of a breach of promise can be excused when its cause is genuine, but it can not be excused when you lead him to the point of betrayal and grossly and basely betray him without a moment's notice of the intention to do so.

Mr. President, I am not in favor of a system of bounties. I have declared myself repeatedly as opposed to bounties as a permanent policy. I am as much opposed to that system to-day as I ever was. But when this Government once gives its pledge, when it enters into a contract, the Government itself is base and dishonorable if it violates that contract without compensation for the violation.

In 1890 the Republican party gave the beet-sugar industry and the cane-sugar industry an eleven years' contract—I think it was to extend probably longer—at 2 cents a pound.

Mr. CAFFERY. From 1890 to 1905.

Mr. ALLEN. From 1890 to 1905. That would be fifteen years, during which the beet-sugar producers were to have 2 cents a pound if they would comply with certain conditions. They complied with those conditions; they put their money into the enterprise; they invested their capital; and the Congress of 1894, without any warning and without any compensation, cut off that bounty.

Sir, it was a contract; a contract that could be enforced between individuals, but could not be enforced against the Government, because the Government is supreme and has the power, among other things, to repudiate, and nobody can call it to account. There was the promise on the one hand and the investment upon the other, upon the strength of that promise, which made a contract; yet Congress, because it was supreme, suddenly, without warning, cut off the right of those parties to this bounty. I think the law of 1890 was wrong.

Mr. SPOONER. Did you vote for it?

Mr. ALLEN. The act of 1890?

Mr. SPOONER. No; the act of 1894.

Mr. ALLEN. Oh, yes; I voted for it. I am a good deal like the Senator from Missouri [Mr. VEST]. I voted for that bill under duress, and under several other things that were not pleasant, because there were many better features in it; that is, taking the doctrine of chances, there were more good things in it than bad ones. I had to vote for that or let a worse law stand on the statute books.

I think the act of 1890 was wrong. There is not a thing in the act of 1890 which shows skill or knowledge in the science of taxation; and yet the promise was made; the performance was entered upon by the promisees in good faith, and the law of contracts required Congress to live up to that contract. I believe that yet. I should not have voted for the act of 1890 if I had been in Congress. I should not have voted to grant that bounty in the first instance.

Now, Mr. President, when Congress has it in its power to partially compensate these parties by allowing them one-eighth only of the original promise, and after the Republican party has it in its power to carry out the platform of 1896 and the pledges of the act of 1890, after it has promised this industry to fulfill its obligation as far as possible, it brings the industry right into the Senate in the last days of this bill and deliberately unhorses it without warning.

Well, there is a great deal said about the sugar trust. A great many men seemingly do not dare to speak above a whisper about it, for fear somebody will suspect that they have sugar on their fingers or are dishonorably connected with it in some form. Mr. President, the sugar trust is a gigantic evil; I have not the slightest doubt of that. In 1894 we had a Senatorial investigation of the question of whether certain Senators, or all Senators, had been speculating in sugar stock pending the consideration of the Wilson bill. It was developed that two or three Senators had been speculating during the pendency of that bill; and one Senator, who was a member of this body at that time, boldly said that he had, that he had a right to, and that he intended to continue to do so; and he defied Congress, as he well might, for there is no law against it except the law of modesty, which is not always enforced as a strict statute.

It was developed in that investigation that the officers of the sugar trust had expended money for the election of Democrats in New York and Republicans in Massachusetts at the same election in the same year; that a portion of their money went into the Republican campaign fund in Massachusetts, and at the same time another portion went into the Democratic campaign fund in New York. Here is the report, which never has been contradicted. Certain questions were put to the officers and employees of that organization, which they flatly refused to answer, denying the authority of the Senate to put the questions to them. It is a very convenient thing in an unpleasant situation for a witness to say, "I stand upon my rights, and you have no right to inquire into my private affairs."

The refusal to answer those questions was certified in accordance with the act of 1857 to the Senate. The certificate was signed by the Vice-President of the United States; the evidence and the certificates were taken before the grand jury of this District, and those persons were indicted. Time went on. A demurrer was filed to the indictment in one case—the case of Chapman. The demurrer was overruled, and the case went to the court of appeals of the District and was overruled again, and then to the Supreme Court of the United States, and there overruled, and it was held that the indictment charged a misdemeanor. Then it was remanded to the nisi prius court for trial, and trial was had before Mr. Justice Cole, I think it was.

Another appeal was taken to the court of appeals, another to the Supreme Court on writ of error, or whatever form of appellate proceeding may have been used. Finally Chapman went to jail as a consequence of his violation of that law. That was not altogether to the satisfaction of Mr. Havemeyer and his other associates. By some means, unknown to me, sir, a change of forum took place. Cole and Cox were set aside, and a judge of the name of Bradley appeared on the bench to try the remainder of the indicted persons. They were put upon trial and acquitted as rapidly as the cases were called and the juries could be impaneled.

Like Samantha skinning eels, where she kept an eel in the air all the time, Bradley kept one acquittal in the air constantly, until the parties were all acquitted. I do not know him, and I do not care; but, Mr. President, a man occupying the bench in this District, or elsewhere, who would hold the doctrine that a question put by one member of a committee, when not objected to by the balance of the committee, and when they gave their assent to it by silence, was not a question of the whole committee, ought to be impeached for general incompetency for not knowing a fundamental principle of jurisprudence that has come down to us for six hundred years.

One of the oldest and best rules of evidence, one of the principles upon which we act every day of our lives, and one of the principles upon which all courts act constantly is that silence gives consent. There were questions put to these witnesses by a member of the committee by virtue of his office as a member of the committee, and acquiesced in by the other members of the committee, without contest or protest, with no objection; and yet this distinguished jurist held that it was a contempt of the committeeman and not of the committee.

So those persons were acquitted. They have gone scot-free; and probably the poor fellow who plods along in life's rough paths, thinking in an imperfect way of these matters, sometimes comes to the conclusion that possibly there is some favoritism in the administration of justice as well as in the enactment of laws. Mr. President, he is very frequently right in the conclusion.

So it has come to be something to be avoided, to talk of the sugar trust. The sugar trust is a gigantic evil. It has this country by the throat, metaphorically speaking, and it will hold it until Congress can either be induced to enact more stringent laws against trusts and for their dissolution and the indictment and conviction of their officers and employees take place, and their final dissolution by quo warranto or by some other proper remedy happens, or until the law officers can be induced to enforce the statutes which are now in existence. But, sir, if we have an Attorney-General or a prosecuting attorney or a judge or a jury bowing to the influences of a trust like this, we can not expect to enforce the law. Whenever the judiciary refuses to enforce the law, the Government, in its judicial arm, is a failure and a thing of the past; it is not only going, but it has gone.

We have ample laws for the protection of our country if they were enforced; yet, Mr. President, I want to say to Senators on the other side and on this that this beet-sugar industry has no connection whatever with the sugar trust. Why, sir, so cowardly are we becoming on this sugar question that we dare scarcely speak out plainly and honestly in favor of a legitimate industry which is the victim of the sugar trust. There is the sugar trust on the Atlantic Seaboard, pushing it from one side, and the 225,000 tons of sugar from Hawaii pushing it from the west, and it must struggle for existence and for development entirely regardless of aid.

Mr. President, Claus Spreckels is putting sugar on the market for about $2\frac{3}{4}$ cents from the Hawaiian Islands and from adjoining islands. The beet-sugar industry is about six years old. Beet sugar was first manufactured for about $5\frac{1}{2}$ cents a pound; the price has been reduced until it has reached 4 cents; and any person can readily see that as between sugar which costs 4 cents to manufacture and sugar which can be sold at $2\frac{3}{4}$ cents there is a margin in favor of the lower sugar which will enable it, if properly handled, to close up entirely the manufacture of the former.

If there is anything in the doctrine of obligation, the Republican party is obligated to this beet-sugar industry to assist it at this time. No appeal, sir, to expediency will answer the purpose; no cowardice at this moment can be an excuse. It is an industry which was started under the impetus of Republican legislation, and it is an industry which Republicans are pledged to support, at least to the extent of seeing that it is not crushed out.

I base my support of this measure not upon its constitutionality, not upon the question of its expediency, not because I am pledged to it by word or by deed, but I pledge myself to the support of this amendment on the ground that Congress ought not, as a great sovereign power, to be unfaithful to any contract it makes, however improvident that contract may have been in the first instance.

Let us carry out the contract. Let us carry it out especially to the extent that is offered here; and when the time expires, Mr. President, let us enter upon a new policy, a policy that will confine all forms of taxation and all forms of protection, whether in the form of negative protection or the offering of a bounty, to the raising of revenue to conduct the Government and to meet its legitimate obligations.

Mr. GRAY. I should like to ask the Senator a question, if I may.

Mr. ALLEN. Certainly.

Mr. GRAY. I ask the Senator whether he does not consider that the protection given by the tariff itself is in effect a bounty?

Mr. ALLEN. No, sir; I do not.

Mr. GRAY. I should like to ask, whether the Senator answers affirmatively or negatively, what is the difference between a bounty, that he will admit is directly given to the sugar trust by the differential contained in this and other tariff bills, and the bounty given to the beet sugar and cane sugar or any other producers—whether one is not as much a contract as the other?

Mr. ALLEN. No, sir; one is not as much a contract as the other, because one was developed at the time the offer was made; nothing has been done by the obligees, if I may use the expression, to put themselves in an attitude to claim anything from the Government; while in the latter case everything was done after the law was enacted. The ground was purchased on which these factories were built, the machinery was put in, men were employed, and expenditures of various kinds were made on the strength of the promise; and the Government, while it has, in consequence of its sovereignty, power to repudiate, if it had been an individual, would have been compelled to live up to its contract. All I insist upon is that it shall be required to occupy the position of an individual and carry out its contract obligation.

Mr. GRAY. I want to call attention to the fact that, so far as I can follow the Senator's argument, precisely the same line of reasoning would lead to the preservation of all of the protective taxes, on the ground that they were contracts for bounties and special privileges which could not be abrogated without a breach of faith.

Mr. ALLEN. There is a great deal of difference between a bounty and a protective tariff.

Mr. GRAY. Not a bit.

Mr. ALLEN. There may not be any difference in their operation in certain respects, and yet a protective tariff is a law by which one person can levy from another a certain percentage of profit for his own use. In that case the individual from whom the tariff is levied may or may not, at his option, invest in the article protected, and therefore he may escape the payment of the tax if he sees fit. In the other case, it is the offering of a premium for the engagement in a new enterprise.

Mr. SPOONER. A governmental promise.

Mr. ALLEN. A governmental promise to do something in consideration of a person doing something for the public benefit.

I observe, Mr. President, that my answer does not satisfy the Senator from Delaware. I regret that I can not satisfy him; but, for instance, take one of our county fairs. I suppose such fairs are held in Delaware, as they are held in my State. The managers of one of those fairs say by advertisement to the people of the county that whoever produces the best grade of hogs for meat animals, or the best grade of cattle for milk or for butter, or something of that kind, or whoever produces the best corn or the best wheat, shall have a premium of so much.

Does anybody regard that as wrong in any respect? And yet, Mr. President, it is based upon this thought, that if a man will expend his time and money in producing one of these high-grade articles, whether they be meat products or cereals or articles in any other department of useful industry, it proceeds upon the thought that if he will do that, that that is of some benefit to the world around him, which may improve farming or may improve manufacturing, as the case may be, and will enable the community to profit by it in the years to come, and therefore is entitled to some compensation in the form of a premium.

Mr. President, out of the forty-five States of this Union and the few Territories I doubt if there is one which does not have this system of county fairs, district fairs, and State fairs, all offering premiums for the development of some particular industry or the exhibition of some high-class article the use of which will be of benefit in the community or the State. The premium that is offered is a compensation for the skill and time put into the enterprise.

It is not a largess; it is not a mere gift; it is not throwing away money to one individual or one enterprise for nothing. It is compensating the individual for the benefit he does to the community by devoting his time and skill and money to the production of one of those articles. It takes as much brains, let me say, and just as much thought, to produce good beef cattle and good hogs as it does to produce a painting and works of art.

Mr. GRAY. The Senator from Nebraska knows that the bounty on sugar contained in the act of 1890 was given expressly for the reason that the indirect bounty by tariff on sugar had been taken away by the same act. One was to replace the other. They differed only in form.

Mr. ALLEN. However that may be, the Senator can not escape the proposition that Congress thought it wise, and the President thought it wise, by the approval of the bill, to say to certain citizens, "If you will embark money in the enterprise and develop it and see whether this country is capable of producing sugar from beets successfully, you shall have certain premiums from the General Government for doing so."

When the Government deliberately cut that off before it expired by limitation and without any intention of compensation, it was a repudiator of its honest obligations, ill-advisedly contracted possibly, but nevertheless a repudiator of its honest obligations, and if it had been a citizen or private corporation it could have been sued and mulcted in damages for breach of contract.

Mr. President, that I may not be misunderstood as to my assertion that the beet-sugar industry has no connection with the sugar trust, and that the minds and souls of some anxious Senators may be relieved, permit me to read from the testimony of Mr. Henry T. Oxnard, president of the American Beet Sugar Association, given before the special committee of which the Senator from Delaware [Mr. GRAY] and I were members, in 1894.

I read from pages 474 and 475 of the report. I will not read all Mr. Oxnard says. He goes on to state in his evidence that he and his brothers at one time owned a sugar-refining factory at Brooklyn, N. Y.; that in 1887 they sold their refinery to the American Sugar Refining Company; that they received certain certificates in payment; that they converted those certificates into money, and that with the money they constructed their factories in California and Nebraska. Then Mr. Oxnard swears, and I quote his evidence and the questions put to him by me:

Senator ALLEN. How long has it been since you owned or had any interest in the stock of that company?

Referring to the American Sugar Refining Company.

Mr. OXNARD. Not since I have been in the beet-sugar business; not since 1890.
Senator ALLEN. So that from 1890 until now you have had no interest, directly or indirectly, in the American Sugar Refining Company?
Mr. OXNARD. No, sir; none whatever.
Senator ALLEN. And are not a member of the trust?
Mr. OXNARD. No, sir; not at all. I am a competitor of theirs.
Senator ALLEN. Have you any interest, or have you had any interest since 1887, in what is known as the Oxnard Refining Company, of Brooklyn, N. Y.?

That was the factory which had been sold by them.

Mr. OXNARD. No, sir.
Senator ALLEN. State, if you know, whether that factory has been dismantled.
Mr. OXNARD. I know there is nothing absolutely left of it.

So it is true, this beet-sugar association, which has put its money into these factories, and stands ready to put more money into factories in the South and West to develop the enterprise to its highest capacity, has never had the slightest connection with the American Sugar Refining Company, or the American sugar trust, as it is called. They are as separate and distinct as two things can be, the one, the American Sugar Refining Company or trust, undertaking to crush out the beet-sugar industry, having formed an alliance with Spreckels, in San Francisco, and being joint owners in the Western Sugar Refining Factory there. They have parceled out the territory of the United States among themselves in respect to the distribution of sugar. The Havemeyers have the territory to the Missouri River and Spreckels takes it from the Missouri River west to the Pacific Slope, and if you will go into the territory west of the Missouri River you will find that 93 per cent of the sugar found there is the sugar of Spreckels & Co., coming from the Hawaiian Islands and all the islands of that portion of the world from which sugar can be brought around through Hawaii and relabeled Hawaiian sugar, and this Government is deprived of $7,000,000 revenue annually in consequence of the existing treaty between the United States and Hawaii.

Here is the spectacle of the Western Refining Factory, and Spreckels with his millions, and Havemeyer with his millions, bringing in their cheap sugars along the Pacific Slope, without paying any duty, pouring them into this country at 2¼ and 2¾ cents a pound; and they will absolutely crush out the beet-sugar industry, unless some measure is adopted by Congress to preserve it from extinction. If it is good Republican doctrine to permit that industry to be crushed out under the circumstances, so be it. It is not my view of the way it should be treated.

I understand as well as anybody the risks I am running. Before forty-eight hours roll around some good middle-of-the-road Populist somewhere in the United States will be condemning me for what I say to-day. Up in Maine, possibly, or somewhere else, some good brother who has not yet reached to the full height of genuine Populism, will be criticising me for what I am saying. Mr. President, I will take the consequences of what I say. I would not have a conviction and be cowardly enough to conceal it at a time when it is important to announce it. If my convictions and my statements drive me from public life, well and good. I am capable of going, and going without any regret. My position is right from a legal standpoint; it is right from an ethical standpoint, and it is proper that I should call the attention of the country to the gross betrayal of this interest by the Republican party in this Chamber.

Mr. President, there would be no occasion for these bounties, protective tariffs, and this system of highwaymanship that is going on in the pending bill if we had proper financial conditions; but it is absolutely useless to appeal to this Congress to do anything for the people. It would not be more useless for a dog to sit on his haunches and bay at the moon than it would be for the people to appeal to the present Congress to give them relief along financial lines. It would be just about as harmless and just about as effectual. Every protected trust has its representative in Congress, in one branch or the other, possibly in both.

When gentlemen can be found to stand on this floor and apologize for great trusts that threaten the life of the nation itself, when they come here as quasi representatives of such organizations, or in the other branch of Congress, in God's name how can people expect to receive any relief? Go to the trusts themselves—you might as well go to headquarters—and appeal to them to relax their hold upon the country. You would profit as much by it. No industry which has made its appearance at this session of Congress in connection with the pending bill has been cared for except this industry. Then they are promised—be kind enough to remember that, sir—that in December, when the heat of the campaign and the heat of summer have passed, Congress will get together and pass a distinct bill granting a bounty of one-fourth of a cent. We were deceived here in 1893—grossly deceived. You were deceived. I was deceived. Many of us were deceived.

When, in 1893, we were having the silver discussion as to the unconditional repeal of the purchasing clause of the Sherman Act, my venerable friend from Nevada [Mr. STEWART], who I see before me, and myself and others asked the Senator in charge of the bill why he would not attach to the repealing clause a provision for the free and unlimited coinage of silver. The answer came back to us, "Wait, and let us repeal this obnoxious clause; this makeshift," as it was called.

"Let us sweep that aside, and then following that"—was the assurance of the Finance Committee—"will come a measure for the free and unlimited coinage of silver." Were we not betrayed at that time, sir? There never has come a measure backed by the Finance Committee from that time to this for the free and unlimited coinage of silver. The promise was made to be broken. It was broken. The promise was made to deceive; it did deceive, and the people rest to-day under the curse of that unfulfilled promise.

So it is our Republican friends come to this industry like Greeks bearing gifts, and say, "Wait! Wait! Only wait until fall; until we can go home and get cooled off a little and return, and we will take up your bill and we will put it through." Mr. President, the measure is dead and buried. It never will be resurrected. It never will be passed unless the Finance Committee take it up and put it on the pending bill as a portion of this measure.

Let me go rather obliquely from the discussion of this question to make the observation that in my judgment no amount of tariff, no amount of premiums to any kind of industry will ever bring peace or contentment or prosperity to our country. How strange it is, sir, that we sit here, representatives of great States, representatives of millions of people, chosen representatives of great sovereign States—whether they acted wisely or not it is not for me to say in every case, especially not in my own, but the chosen representatives—we sit here from month to month and take no action along reasonable lines for the relief of the country.

Every man feels it. It is in the air. Every man realizes that there are millions of tramps in the country and millions of poor human beings seeking work and that there is no work for them. Every man realizes that conditions are constantly getting harder and harder. Every man realizes that the right of redemption is being foreclosed on the homes of millions of our people, and that they are walking out under the heavens and into the highways without light and without homes. Every man realizes that there is a haggard and worn look upon the faces of our people, and that their burdens are almost too heavy to bear, too heavy in many instances, and yet we are powerless to offer anything for their relief.

Mr. President, it will not do to be in favor of the free and unlimited coinage of silver, because that is cranky, it is said; it is not popular. To be in politics you must be on the side of the man who has the money, we are told, because if you do not please him, he will go out probably and with his money buy your constituency away from you and make you stay at home. Therefore it is said it is necessary to stand in with him. Mr. President, nine-tenths of the politicians of this country are absolute cowards.

The first thing the politician thinks of is, What can I do to save myself? Sir, he must choke down every emotion; he must abandon the teachings of his mother and his father; he must ignore the convictions of his manhood and all his early teachings and the influences of his surroundings, if he is to succeed. He must be a mere creature to reflect the sentiment of some other man or some organization of men. In other words, he must be in the condition of the fat dog so aptly described by Burns in one of his poems, in the conversation between the dogs—he must have the collar-mark on his neck.

I would rather go to my grave in absolute obscurity, I would rather go with the curses of one-half the world, than to betray for one moment my sense of responsibility to my constituency or to forsake for one moment my manhood convictions as I enjoy them at this time. The man who does that is but a creature, a groveling, crawling creature, without stability of thought and without feeling. Here stands the united money power controlling every branch of the Government, controlling the Army and controlling the Navy, controlling the constabulary, the police force of the cities, all aimed at the suppression of those who suffer, and no measure calculated in reason and justice to bring relief is offered or urged.

I will close my remarks by asking permission of the Senate to attach a small pamphlet by A. J. Warner as a part of my remarks, and have it published in the RECORD in the usual print.

The PRESIDING OFFICER. Without objection, the pamphlet will be printed in the RECORD.

The matter referred to is as follows:

FACTS ABOUT SILVER—EARLY USE OF SILVER AS MONEY.

1. The exact date when silver was first used as money is not known. Gold, silver, and copper were known to the Greeks in the time of Homer, but oxen were still the standard by which other things were estimated.

2. The first use of the metals as money was by weight, and in some parts of the world their use in this way continued for a long time. Lenormant says: "Great and flourishing empires, like those of Egypt, of Chaldea, and of Assyria, have existed thousands of years in wealth and prosperity, with commercial relations as extensive as those of any people of antiquity, making use constantly of the precious metals in their business transactions, but entirely ignorant of the employment of [coined] money."

In this form silver was money "current with the merchants" in Abraham's time.

3. At what time and place coined money first came into use is involved in doubt.

Herodotus credits the Lydians with the invention of the art of coining money.

Pheidon of Argos is said to have coined silver at Ægina in the eighth century before the Christian era.

Silver, at any rate, was coined at an early period in Greece, but gold coins were probably not struck till Philip's time.

There seems to be good evidence, however, that both gold and silver were coined in India prior to the date assigned for the first coins of Greece or Lydia.

4. In ancient Rome copper was weighed out by the pound, but later coined money came into use.

Silver was coined in Rome about two hundred and fifty years before the Christian era and gold about fifty years later, or, as some say, not till the time of Augustus.

The earliest coins were formed by impressing seals on one side of disks of the metal as a certification of weight and fineness.

5. At whatever time or place coins may have been first struck, it is certain that for centuries before the art of coining was known gold and silver were recognized as "precious metals," and in definite proportions had become the common medium of exchange wherever commerce was carried on. That is, gold and silver by common consent had become money metals, and in them and by them the value of all other things was estimated. Their use as money through all the ages of civilization was unlimited, and their supply left to the same laws that govern the supply of other things; and in this lies the principal advantage of metallic money. The moment we depart from the principle of automatic regulation, that moment the chief advantage of metallic money over other kinds of money disappears.

6. The ratio at which gold and silver were first coined was the ratio at which they had previously gone into use by weight. This, in Lydia, in the Greek cities of Asia Minor and in Greece, was about 13½ of silver to 1 of gold, but the ratio fell temporarily to 10 to 1 after the conquest of Alexander.

Many of the tables printed claiming to give ratios at different periods are of little value. The weight, sometimes of gold coins and sometimes of silver coins, was often changed by kings in order to raise or lower the value of the coins, and without any purpose to change the ratio between gold and silver.

Max Mueller, the illustrious Oxford professor of philology, announced, at a meeting at the Mansion House, London, in 1889, as the result of his researches into the weights of ancient coins, that the ratio between gold and silver coin three thousand years ago was 1 to 13½.

In India and the far East the two metals were early used as money in the proportion in which they were found in the mines, which was 4 or 5 to 1.

In Philip's time, and perhaps earlier, gold seems to have been the more abundant metal in Persia, Macedonia, and Asia Minor; but in most parts of the world silver was the measuring metal.

Boeckh, in his Economy of Athens, says: "The value of gold is more variable than that of silver, which, therefore, may be considered as the standard of price for gold as for other commodities."

In like manner the gold of David and Solomon was valued in silver, which was the standard money of Palestine and the Phœnician cities of the Mediterranean.

Even down to Locke's time silver was considered as the measuring metal of nearly all nations.

In his celebrated essay on money Locke says: "I have spoken of silver coin alone, because that makes the money of account and measure of trade all through the world."

7. Silver was the standard money of England till early in the last century, and was full legal tender until 1816, when the gold standard was adopted.

From 1257 to 1664 the value of gold coins, as compared with silver, was regulated in England, from time to time, by proclamation. From 1664 to 1717 silver was the only legal-tender money, and gold coins fluctuated according to the market value of gold. In 1717 the relation of the coins of the two metals was fixed at 21 shillings for a guinea.

By this law gold was overrated, the market ratio being about 20s. 8d., and gold, therefore, became at this time the principal currency of England.

8. Spain, before the revolution which led to the independence of the Spanish-American States, controlled nearly all the gold and silver mines of the new world, and her coins circulated in every country where commerce was known. The Spanish milled dollar, or piece of eight—8 reals—became a standard coin in both hemispheres.

COLONIAL PERIOD.

9. Before the Revolution the colonies were subject to the English common law, because the colonists were Englishmen, and subject to English sovereignty.

Coke laid down the English common law on the subject of money as follows:

"No subject can be enforced to take, in buying or selling or other payment, any money made but of lawful metal—that is, silver or gold. The money of England is the treasure of England, and nothing is treasure trove but gold and silver. And this is the reason that the law does give to the king mines of gold or silver thereof to make money, and not any other metal which a subject may have, because thereof money can not be made."

The coinage of both silver and gold was made free and unlimited in 1666, in the reign of Charles II, and again by the act of 1768, under George III, and continued so till 1698, or twenty-two years after the declaration of independence.

9½. In this country during the colonial period the metallic money consisted entirely of foreign coins.* Of these, the Spanish milled dollar came to be recognized as the money unit and standard of value in all the colonies.

UNDER THE ARTICLES OF CONFEDERATION.

10. By the Articles of Confederation, before the formation of the new Constitution, the Spanish milled dollar was made the unit of value and money of account.†

Public loans were made specifically payable in Spanish milled dollars, or the equivalent of the same in gold or silver.

11. The Articles of Confederation were framed in view of all the common-law rights as possessed by the people before the articles were prepared.

By these articles the right to coin money was reserved to the States, Congress having the right to regulate the alloy and value of coins to be made.

12. At the close of the Revolutionary war, when the Continental paper money passed out of use, foreign coins again became the principal full legal-tender money in this country.

UNDER THE CONSTITUTION.

13. Thus, when the Constitution was formed, the money of the United States consisted of gold and silver coins, wholly of foreign mintage, the recognized standard being the Spanish milled dollar.

14. By the Constitution the right "to coin money, regulate the value thereof, and of foreign coin," is given to the General Government, and the States are prohibited from making "anything but gold and silver coin a tender in payment of debts."

To coin money meant to stamp pieces of gold or silver, thereby making them money.

To regulate the value of coins is simply to determine the weight of fine metal that shall be put into a given coin.

15. The right to have gold and silver coined into money was therefore a right the colonists derived from both the common and statute laws of England. This right was confirmed by the Articles of Confederation and reaffirmed by the new Constitution, which went into effect the first Wednesday of March, 1789.

16. "For one hundred and ten years, as Englishmen, the American colonists, under the common law and by the statute law of England, had and enjoyed the right of free and unlimited coinage of silver.

"Under the Articles of Confederation and resolves of Congress that right was recognized and declared.

"Under the Constitution of the United States that right is clear and unmistakable.

* A few small silver coins were struck in Massachusetts in the seventeenth century. Copper was coined in several other States, but no gold or silver.

† See 2 Jour. Cong., 21.

"And for a period of eighty-one years, after the act of April, 1792, no claim has been made by either the legislative, executive, or ministerial departments of the Government, that the acts of 1792 and 1837 did not properly, lawfully, and rightly define the rights of the people and the duty of Congress in relation to the mint and its use by the people." *

FIRST COINAGE LAWS.

17. The first law relating to coinage, under the new Constitution, was the act of April 2, 1792, establishing the mint. This act provided for striking gold coins, called eagles, "each to be of the value of ten dollars, or units."

The weight of the eagle, by this act, was made 247½ grains of pure gold, or 24.75 grains to the dollar. This act also provided for coining "dollars, or units, each to be of the value of a Spanish milled dollar, as the same is now current."

18. Hamilton, the first Secretary of the Treasury, had a number of the old Spanish milled dollars, as then in circulation, assayed, and they were found to contain 371¼ grains of pure silver, and therefore the new dollar was made to contain exactly 371¼ grains of pure silver, so that the money unit of the colonies, as at that time in circulation, was continued as the money unit under the new Constitution.

19. The first gold coins were eleven-twelfths fine. The full weight of the eagle was 247.50 grains pure gold and 22.50 grains of alloy, making the total weight of the eagle 270 grains. The silver dollar contained 371.25 grains of pure silver and 44.75 grains of alloy, making the full weight of the dollar 416 grains.

20. The act of 1792 also provided for half dollars, quarter dollars, dimes, and half dimes of silver, weighing, respectively, one-half, one-fourth, one-tenth, and one-twentieth the weight of the dollar.

21. As gold coins contained 24.75 grains of pure metal to the dollar and the silver dollar contained 371¼ grains, the ratio at this time was exactly 15 to 1.

FREE COINAGE AND LEGAL TENDER.

22. The same act which established the mint and fixed the weight and fineness of the coins of the United States also provided that any person might take either silver or gold to the mint and have it coined for his benefit "free of expense," and the said coins were made equally legal tender for all debts, public and private. By this act fractional coins were also full legal tender.

23. Thus the first coinage law enacted under the Constitution, as recommended by Hamilton, concurred in by Jefferson, and approved by Washington, provided for the free and unlimited coinage of both gold and silver.

24. Subsequent acts fixed the rates at which foreign gold and silver coins should be legal tender in this country, and various coins, including the Spanish milled dollar, continued to be legal tender until 1857.

CHANGE IN GOLD COINS.

25. In 1834 the weight of the gold eagle, or ten-dollar piece, was changed from 247½ grains of pure gold, or 270 grains of standard gold, to 232 grains of pure gold, or 258 grains of standard gold, making the dollar contain 25.8 grains of standard or 23.2 grains of fine gold.

The pure metal in the eagle was therefore reduced 15½ grains, or 1.55 grains to the dollar. This new piece, however, was made legal tender for all debts, past and future, the same as the old one. No change was at this time made in the silver coins.

By this change in the gold coins the ratio was changed from 15 to 1 to 16 to 1.

26. In 1837 (January 18) the mint laws were revised throughout and the standard for both gold and silver was made nine-tenths fine—that is, nine parts pure metal and one part alloy. And since 1837 all our coins of both metals have been made nine-tenths fine.

27. The alloy of the gold coins consists of silver and copper, and the alloy of silver coins of copper only; the alloy in both cases being provided by the Government.†

28. The pure metal in the gold coins was again slightly changed by the act of 1837 by adding two-hundredths of a grain, so as to make it exactly nine-tenths fine.

NO CHANGE IN THE VALUE OF THE SILVER DOLLAR.

29. By the act of 1837 the alloy in the silver dollar was reduced from 44.75 grains to 41.25 grains, so as to make the dollar just nine-tenths fine, but the weight of pure silver was not changed and its value was, therefore, not changed.

Thus, while the weight of pure gold in the gold dollar has been twice changed, the weight of pure silver in the standard silver dollar has never been changed; it is exactly the same unit and the same standard as the first standard coin minted in the United States.

FREE COINAGE CONTINUED.

30. It will be seen by the foregoing that the ratio between gold and silver coins was changed from 15 to 1, as fixed by the act of 1792, to 16 to 1 by the act of 1834, and to 15.988 + to 1 by the act of 1837; but the free coinage of both silver and gold, as provided by the act of 1792, was continued unaltered until 1873.

* Quoted from George G. Merrick's argument in favor of the constitutional right of the people to have gold and silver coined into money.

† Silver only is now used as alloy for gold.

31. From 1792 to 1853 anyone could have silver coined freely into any of the coins provided for by law, and during this period fractional coins were full legal tender, the same as the dollar piece; and in those times relatively more of the smaller denominations of money were used than now, and most of the coinage was in halves and quarters.

32. Great stress has been laid on the fact that but about $8,000,000, in dollar pieces, were coined from 1792 to 1873; but it did not matter so long as coinage was free and all coins were full legal tender, what particular denominations were coined.

Fractional coins were made legal tender for only $5 by the act of 1853, which reduced their weight. They are legal tender now for $10.

TOTAL COINAGE OF SILVER FROM 1792 TO 1873.

33. The total coinage of full weight and full legal-tender silver coins, from 1792 to 1853, was a little over $87,000,000, and from 1792 down to 1873 over $93,000,000 of full legal-tender silver money had been coined at our mints.

34. More than this, the principal silver coins of the world were full legal tender in the United States until 1857, and they continued more or less in circulation till just before the war. Nobody can tell how many of these coins circulated here. The Spanish milled dollar, the Mexican dollar, the dollar of Peru and Bolivia were legal tender at their face value. The 5-franc piece, the English shilling, and other foreign coins also circulated here, and especially the Mexican and Spanish milled dollars. Certain foreign gold coins were also full legal tender.

The significant fact in all this is that silver and gold equally and without limit were money in the United States prior to 1873 and that coinage was unrestricted and free for both metals. The money standard consisted of the two metals together and not of one alone, and it made no difference where coins were struck.

35. The total coinage of gold from 1792 to 1847, before the gold discoveries of California and Australia, was but $43,000,000.

36. In the three years prior to the passage of the act of 1873 over two and a half millions of standard silver dollars were coined, and over a quarter of a million of these in the few weeks of 1873 before free coinage was shut off by the act of February 12, showing that silver had begun to flow to our mints as the contraction of paper took place.

AT THE LEVEL OF RESUMPTION IN 1874.

37. If the act of 1873 had not been passed this country would have been practically at the bimetallic level before the end of 1874, and all the loss and agony of further contraction necessary to reach the altered level of gold alone would have been avoided. What blunders have beset the world!

THE FRENCH RATIO.

38. In 1803 France by law established the ratio of 15½ to 1, which became the European ratio. As the United States at that time had but little power in the commercial world, the European ratio prevailed, because from 1803 to 1834 an ounce of gold was equal, in our coinage, to but 15 ounces of silver, while it was equal to 15½ ounces in Europe; consequently, gold mostly went to Europe and silver stayed here.

39. But by the change in our ratio to 16 to 1 the conditions were reversed, so that 16 ounces of silver were held in our coinage as the equivalent of an ounce of gold, while 15½ ounces of silver were equal to an ounce of gold in Europe. Hence silver went to Europe, and gold, then the least-valued metal, stayed here.

40. Had our ratio in 1834 been made 15½ to 1, both metals would doubtless have remained in circulation here, except as expelled by paper or lighter foreign coins which were still a legal tender in the United States.

41. But in fact both metals, without limit, were at that time in use as money somewhere, and hence it made practically no difference in the value of coined money whether both kinds circulated equally in every country or whether one country used more of one and less of the other. All there was of both metals was in circulation somewhere, and all there was of both metals was potentially money everywhere. Bimetallism consists in the right to have recourse to both metals for money purposes.

Baron Alphonse de Rothschild, when testifying before the French monetary commission in 1869, made this idea very clear.

He said: "Whether gold or silver dominates for the time being, it is always true that the two metals concur together in forming the monetary circulation of the world, and it is the general mass of the two metals combined which serves as the measure of the value of things. In countries with the double standard the principal circulation will always be established of that metal which is the most abundant."

42. The conditions, however, were changed when the mints of France and other European States were closed against the free coinage of silver on the ratio of 15½ to 1. Otherwise silver would now go there instead of coming to our mints, even with free coinage here, because the ratio of 15½ to 1 is equal to $1.333 in gold for an ounce of silver, while on our ratio of 16 to 1 the value of an ounce of silver in gold is but $1.2929.

43. But the coined silver of Europe still circulates there on a level with gold at the ratio of 15½ to 1, or $1.333 an ounce in gold. Therefore, to send such coins here, if we had free coinage, the

owner must lose the difference between $1.333 and $1.2929 on every ounce; or, to put it in another form, 100 cents of the coins of Europe would make but 96.95 cents in our coins. This is enough to prevent the silver coins of Europe from coming here as long as the present difference in ratio exists.

THE RATIO IN INDIA.

44. In India the ratio is 15 to 1, and the mints of India were open to the free coinage of silver at that ratio until 1893.* An ounce of coined silver, therefore, in India, is equal to $1.37 in gold, so that a dollar there would contain but 348.33 grains of pure silver, against 359.91 in Europe, and 371.25 here. Hence, to send the silver of India here, as some foolishly assert, would be done, a loss of nearly 8 cents an ounce would be incurred.†

45. It is always profitable to send silver from Europe to India; and to the extent of the balance of trade due to India, silver goes there from Europe, and if cheaper silver bullion could not be had the silver coins of Europe would be melted down to go, not to the United States, but to India.

THE PARITY OF GOLD AND SILVER.

46. From the adoption of the ratio of 15½ to 1 by France in 1803 to the time the coinage of silver was limited by the Latin Union ‡ in 1873–74, silver and gold everywhere throughout Europe and America, on that ratio, were kept at a parity by the French mints, there being no variation throughout this period not accounted for by the variation in the exchanges and the cost of taking one or the other of the metals to the mints.

The two metals were held together by the unrestricted coinage of both on the ratio of 15½ to 1, and the parity was broken only when free mintage was denied to silver.

47. The coinage of silver was first limited in all the States of the Latin Union in January, 1874, and in August, 1876, the coinage of 5-franc pieces was stopped altogether.

GERMANY ADOPTS THE GOLD STANDARD.

48. In December, 1871, Germany decreed the gold standard and commenced the coinage of gold and stopped the coinage of large silver coins. Before this, Germany had very little gold, but had about $400,000,000 of silver. These silver coins were not demonetized until July, 1873, when the exclusive gold standard was established, with the mark as the unit. Silver was made subsidiary and limited to 10 marks for each inhabitant, with legal tender limited to 20 marks. Germany did not, therefore, fully demonetize silver till after the United States had demonetized it.

49. Germany began the sale of silver in 1873 and continued it at intervals till 1879, during which time she sold about 7,000,000 pounds of fine silver at from 59¼ pence to 50 pence an ounce, when sales were stopped. The proceeds from what she sold were $141,785,000. The rest of her silver has been much of it recoined and is still held in circulation.

SILVER DEMONETIZED BY THE UNITED STATES.

50. The free coinage of silver was stopped in the United States by the act of February 12, 1873, and by the act of June 22, 1874, adopting the Revised Statutes, legal tender was taken away from any standard dollars then in existence.

WHY WAS SILVER DEMONETIZED?

51. England demonetized silver in 1816, after the Napoleonic wars, and by so doing largely increased her enormous war debt.

52. But why did Germany demonetize silver?

First, she had exacted a war indemnity from France of one thousand million dollars, which, it was calculated, would easily enable her to change her money from silver to gold; second, an immense debt had grown out of the Franco-Prussian war, and if the money standard could be increased by increasing the value of gold, the debt would be increased in the hands of those who held it.

It was foreseen, too, that if Germany demonetized silver France would sooner or later close her mints against silver, and gold would thus be still further enhanced in value. Shrewd bankers and credit holders, seeing the opportunity to make a great gain for themselves, did not hesitate to seize upon it. Bismarck afterwards saw the mistake, and said that he had left this matter to others, who proved to be bad advisers.

WHY WAS SILVER DEMONETIZED IN THE UNITED STATES?

53. In the United States everybody had possessed the right from before the foundation of the Government to take gold and silver to the mint and have it coined for his benefit into standard coins, which were legal tender for taxes, debts, and other obligations of every description.

54. What reason was there for depriving the people of this right in 1873?

There was neither gold nor silver in circulation in this country at that time. The resumption act was not passed till nearly two years later. It was expected, however, of course, that, sooner or later, we would return to the metallic standard. Let us first see what that meant.

THE VOLUME OF PAPER MONEY.

The volume of currency reached its maximum in 1865, and according to the report of the Secretary of the Treasury of that year, consisted of the following items: (See Statistical Abstract, No. 9.)

Gold	$189,000,000.00
Subsidiary silver	9,500,000.00
State-bank circulation	142,919,638.00
Demand notes	472,603.00
One and two year notes of 1863	42,338,710.00
Compound-interest notes	193,756,680.00
Fractional currency	25,005,828.76
National-bank notes	146,137,860.00
Greenbacks	431,066,428.00
Total	1,180,197,147.76

Or nearly $50 per capita for the population using it.*

CHANGES IN THE VOLUME OF MONEY.

57. Two changes in the volume of money took place rapidly after 1865.

First. The money then in existence was spread over the Southern States, being soon divided among 35,000,000 people instead of 24,000,000.

Second. The volume was rapidly contracted, till in 1869 it was reduced to less than $700,000,000 for 40,000,000 people, and was no larger in 1879, when resumption took place, for 50,000,000 people, being reduced at this time to $14 per capita.

58. Of course prices fell in proportion. We were told, however, that the cause of the fall of prices was overproduction. People did not understand as well then as they do now that the real cause was the change in the money volume.

Commodities are always weighed against money, and where there is little money more commodities must be given for a dollar.

THE PUBLIC DEBT.

59. In August, 1865, the public debt which grew out of the war reached its highest point. At this date the interest-bearing debt was $2,381,530,000. The total debt reached $2,844,649,000. The debt, less cash in the Treasury, was $2,756,431,000.

The bonds had all been bought with greenbacks, and had cost in gold but from 42 to 65 cents on the dollar.

THE CHANGE IN THE METALLIC MONEY.

60. But while the volume of paper money was being rapidly contracted from 1865 to 1873, both gold and silver were money, and we had the right to fall back on the two metals at the ratio of 16 to 1 for money supply; and every dollar of the vast debt stated in the preceding paragraph, as well as a much larger sum of State, municipal, and private debts, if not payable in legal-tender paper, was, at any rate, payable in either gold or silver coins, at the option of the debtor.

The general understanding at the close of the war was that the public debt was payable in greenbacks.†

Could there, then, be any excuse in the world for striking down half of the metallic money in 1873?

61. No bonds or other Government obligations were ever made specifically payable in gold. The interest on the bonds was payable in coin; the principal of the original bonds in lawful money, and of the refunding bonds in coin. No man on the earth had the legal or moral right to demand gold payment; much less had any one the right to demand that silver be demonetized and gold made dearer, and then that the payment of all debts should be made exclusively in gold.

62. Why, then, was the money standard changed? There can be but one reason. A change in the money standard, from gold and silver to gold alone, would correspondingly increase all debts in the hands of those who held them.

63. A proposition to directly increase the bonded debt of the United States, or any other debts, would have been too barefaced a

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*The mints of India were closed to free coinage by the order in council, June 6 1893.

†This relation may be shown in tabular form as follows:

	Gold.
371¼ grains silver, ratio 16 to 1	$1.0000
371¼ grains silver, ratio 15½ to 1	1.0315
371¼ grains silver, ratio 15 to 1	1.0660

Or in the following form:

1 ounce silver, ratio 16 to 1, worth in gold	1.2929
1 ounce silver, ratio 15½ to 1, worth in gold	1.3337
1 ounce silver, ratio 15 to 1, worth in gold	1.3781

Or again:

Our silver unit, 371.25 grains	1.00
Unit of France, 359.90 grains	1.00
Rupee of India, 348 grains	1.00

Which shows that the silver unit of the United States has more silver in it, relatively to gold, than that of Europe or India.

‡The States forming the Latin Union, formed in 1865 are France, Italy, Belgium, Switzerland, and Greece.

*The above does not include the $829,992,500 of 7.30 notes issued under the acts of July 17, 1861, June 30, 1864, and March 3, 1865, which were legal tender, and of which $182,000,000 were of denominations below $100, the lowest being $10. Mr. McCulloch, in his report for 1865, said of the 7.30 notes: "Many of the small denominations of which were in circulation as money, and all of which tend in some measure to swell the inflation," etc.

Mr. F. E. Spinner, Treasurer of the United States, when these bonds were issued, said these bonds were intended to circulate as currency and did circulate as currency. The Treasury statement issued in 1891, giving the per capita volume of money at the close of the war and since, does not take into account the absorption of currency by the Southern States after the war, nor does it include all the legal-tender paper put in circulation, and is at variance with former Treasury reports.

†See platform of Republican party of Ohio for 1868; also, letters of Governor Morton, Thad. Stevens, Sherman, and others.

fraud to be made by anyone. Nor would anyone have dared to propose an increase in the weight of coins as a means of increasing debts; but if one of the money metals could be dropped out the effect on the other and on debts would be the same as if the weight of coins had been increased. Hence the device to demonetize silver, and in that way to increase the value of money, and with it all debts, was brought forward and clandestinely put through Congress.*

WHO IS RESPONSIBLE.

64. Nobody publicly petitioned for such a change in the money standard. Nobody except a few cunning beneficiaries knew of the act till long afterwards. There was no public discussion of the question, for nobody knew of it. There was no honest reason for passing it.

65. President Grant, who signed the bill, did not know he was approving an act that demonetized silver. The Speaker of the House, Mr. Blaine, did not know it. It is not certain that any Member of the House, except Mr. Hooper, of Massachusetts, who had charge of the bill, and possibly one or two others of the committee, knew that it demonetized silver, and it is pretty well settled that no one in the Senate but Mr. Sherman, who had charge of the bill in that body, and perhaps Senator Bayard, knew that the bill changed the money standard of the United States from gold and silver to gold alone. The people of this country were not fools enough to begin preparation to pay their great war debt by deliberately destroying half the money by which it could be paid.†

The claim recently widely published that the act demonetizing silver was several times printed and freely and fully discussed, in Congress and out, is absolutely untrue.

There was no discussion at the time of the passage of the act, in either House, to lead anyone to suppose a change was being made in the money standard. It is true that the Deputy Comptroller had recommended that no more silver dollars be coined, and that this was indorsed by Secretary Boutwell and printed as a Senate document as far back as 1871-72, but nobody saw it or heard of it outside of the printer who set the type and those who were at that time intriguing to get the money standard changed.

Mr. Hooper also printed a speech in the Congressional Globe advocating a gold standard; but when the bill that finally became a law was afterwards up in the House it was denied by the chairman of the committee that any change whatever was made in the coins of the country. In the Senate the remarks of the chairman of the Finance Committee in calling up the bill bear evidence on their face of intended deception, and Senators were deceived into voting for the measure, and the President of the United States was misled when he signed the bill, as attested by his own letters and by the declarations of his Attorney-General, Mr. Edwards Pierrepont.

For proof of what is here said, see also the testimony of Beck, Thurman, Conkling, ALLISON, Blaine, Holman, Garfield, and others of both Houses; and, as further proof that the deed was consummated in the dark, it is perfectly safe to say that the entire population of important States knew nothing of the act till long after its passage. Not a newspaper anywhere gave notice to the people of any such purpose.

It is perfectly safe, even, to say that not a man from the great State of Ohio, except the chairman of the Finance Committee of the Senate, knew that such a wrong was being perpetrated upon the people of the United States as was involved in this change of the money standard, which would change all debts and contracts, public and private, in the United States.

66. The act was undoubtedly a foreign device. It came from Lombard street, and whatever London advises Wall street accepts, and Congress, if it relates to the finances, usually carries out.

But whoever is responsible for the act, it was a fraud upon the people—an act which at one stroke increased enormously the public debt and changed every contract involving the payment of money in the United States. It was an act that no more admits of justification than spoliation or piracy.

67. Somebody ought to be held responsible. Mr. Hooper, of Massachusetts, Mr. Sherman, of Ohio, Director Linderman, and John Jay Knox, of New York, seem thus far to be the only ones who knew just what was going on. Were these representatives of the people dupes of cunning, far-seeing spoliators, or did they themselves comprehend the true economic significance of the plundering scheme they foisted on the country? Let them answer.‡

68. The people have themselves to blame for submitting as long as they have to the wrong thus perpetrated upon them.

THE TRADE-DOLLAR DEVICE.

69. The substitution of the trade dollar—fitly characterized as the "trick" dollar—in the act of 1873 for the old dollar was a ridiculous performance all through. It was originally limited in legal-tender power to five dollars; it was claimed at the time that this dollar, which was made to weigh 420 grains instead of 412½ grains, would go better in China and the East than the old dollar. But who was ever fool enough in the East to take 100 trade dollars in preference to 101.82 standard dollars, which contain the equivalent in weight of fine silver? Who was ever foolish enough to suppose that more per ounce could be got abroad for our silver if coined into pieces of 420 grains instead of into pieces of 412½ grains?

It is hardly possible, therefore, to give credence to the claim that the trade dollar was submitted in good faith as a coin better than the "dollar of the fathers."

LAW OF VALUE OF MONEY.

70. The value of gold depends upon the quantity of gold in the world as compared with its use—not its use in the arts alone, nor its use as money alone, but all its uses combined.

If 70 per cent of all the gold in the hands of man is devoted to monetary use and 30 per cent to other uses, then 70 per cent of its value comes from its use as money and 30 per cent from its other uses—that is, the demands upon the stock of gold would come from these uses, and the effect of each on the value of gold would be in proportion to its intensity.

The same law governs the value of silver; and generally the value of money depends upon the quantity as compared with its use or the demand for it. This is the fundamental law of money, and the most important law in economics.*

71. The conditions which determine need for money or demand for it are population and wealth—that is, number of people to make exchanges and the quantity of things to be exchanged.

THE EFFECT OF SILVER DEMONETIZATION.

72. The first effect of demonetizing silver was to set up the single gold standard and then to augment that standard by increasing the value of gold.

73. The value of gold was increased by increasing its use as money at the same time that its production fell off. In 1873 neither the United States, nor Germany, nor Italy, nor Holland, nor Denmark, nor Norway and Sweden used gold, but after silver was demonetized all these countries, containing a population of 150,000,000 people, adopted the gold standard and went to using gold, and in ten years these seven States took $1,200,000,000 of gold, so that the gold money then in use was divided up among more than twice as many people as used gold in 1873, while the production of gold fell off from a maximum of $155,000,000 in 1853 to about $110,000,000 in 1890.†

INCREASE OF POPULATION.

74. On the other hand, the world's population is increasing more rapidly than ever before. The population of the United States doubles in a period of about thirty-four years. There is no prospect of any material increase in the supply of gold, while its use in the arts and dentistry increases every year. With the single gold standard what other result is possible than for gold to go on increasing in value from year to year and prices to continue to fall?‡

STOCK OF GOLD AND SILVER.

75. Jacobs, in his History of the Precious Metals, estimates that at the beginning of the Christian era the precious metals in the Roman Empire amounted to $1,640,000,000, but this volume had so shrunk that at the date of the discovery of America the stock of money in all Europe, according to the same authority, did not exceed $170,000,000. Prices were then the lowest ever known.

RECENT PRODUCTION.

76. But on the discovery of the new continent and the opening to civilization of the mines of Peru and Mexico, or from about 1550 to 1600, the stock of money of Europe was increased to $700,000,000, and, according to Adam Smith, prices increased in this short period fourfold.

The production of the metals kept up through the seventeenth and eighteenth centuries until the coin money of Europe rose to $1,600,000,000, besides large stores that drifted to the far East. During this period the production of silver was from two to three times that of gold.

77. From 1809, on account of the wars between Spain and her American colonies, the production of the metals fell off until the stock of money for the Western World—Europe and America—fell from $1,900,000,000 to $1,500,000,000, and, according to Jacobs, Jevons,

* The national debts of Europe had all been contracted in silver and could have been properly liquidated in silver. Suddenly, and without a word of warning, every contract in Europe was violated by the closure of every mint to silver. Still, it is only when we pass on to the deed done at Washington that the silver question fairly emerges as the biggest and the best planned financial coup of the century. The whole affair was a vast "job," and I believe that any grand jury would find a true bill on the evidence that comes to us from America.—*Moreton Frewen*, address at Easton Lodge, England, October 4, 1889.

Lincoln says: "If a government contracts a debt with a certain amount of money in circulation and then contracts the money volume before the debt is paid, it is the most henious crime a nation can commit against a people."

† Mr. David Watney, testifying before the royal commission in 1886-87, said: "I do not suppose all men to be wise, but think of the folly of a great debtor nation like the United States adopting the gold standard. They know nothing about currency matters. They did not know that it vastly increased their debt."

‡ For a full history of the act of 1873, see "Silver in the Fifty-first Congress;" also speech of Senator Stewart, United States Senate, June 1 and 2, 1892, and "Shylock," by Gordon Clark; also Monograph No. 28, "The Crime of 1873," issued by the American Bimetallic Union.

* Ricardo (reply to Bosanquet) says:

The value of money in any country is determined by the amount existing. * *

That commodities would rise or fall in price, in proportion to the increase or diminution of money, I assume as a fact that is incontrovertible. * *

† The production of gold has increased since 1890 by new finds in Africa and Australia, but no geologist believes a continued increase possible, while the population using gold is constantly increasing.

‡ During the year 1893, the mints of India have been closed to silver and the purchase of silver in the United States has been stopped. Austria-Hungary has at the same time decreed the gold standard. By these acts silver is excluded from money supply, while at the same time more than 350,000,000 people are added to those competing for gold.

and others, the value of metallic money during this period more than doubled, and prices fell in the same proportion.

78. But from 1849 to 1873 a great change took place. The production of gold became about three times that of silver. From 1849 to 1873 the production of gold was $3,000,000,000 and that of silver about $1,000,000,000.

79. The production of gold between 1873 and 1890, as given by the Director of the Mint, was $1,796,000,000, or an average of about $105,000,000 a year. The production of silver during the same period is given as $1,790,000,000, or about the same as that of gold; the production of both averaging about $211,000,000 a year. Deducting from this annual supply the consumption of the two metals in the arts, and there would still have been left something like $120,000,000 a year of both metals for money—little enough, surely, for the whole world.*

80. But if money supply be limited to gold alone, after deducting the consumption of gold in the arts and what is required to make good losses by wear and otherwise, there will be little, if any, left out of the annual production for money.

81. Jacobs estimates that gold in circulation wears out on an average in two hundred and forty years.

THE CONSUMPTION OF GOLD AND SILVER IN THE ARTS.

82. On the other hand the consumption of gold in the arts and dentistry is rapidly increasing.

From $20,000,000 to $22,000,000 were used in the arts in the United States alone in 1891, and at the present rate of increase of over a million a year, in ten years more the United States will consume its entire production of thirty-two millions of gold in the arts alone.

83. The consumption of gold in the arts and dentistry throughout the world is variously estimated at from $65,000,000 to $85,000,000 a year. The consumption of silver in the arts is usually estimated at about half that of gold.

MORE PEOPLE USING GOLD FOR MONEY.

84. On the other hand, as shown in paragraph 73, many more nations and more than 300,000,000 more people† use gold as their only money standard than used it in 1873.

So that we have a rapid increase in the use of gold in the arts, with a large increase of wealth and seven times as many people using gold as before 1873.‡

Again, the value of the total annual products of the United States probably reaches, in prosperous years, $15,000,000,000. The annual supply of gold left for money for the world would not much exceed 1 per cent of the value of the total wealth of this country alone; and there is room for doubt whether there is really any new gold now left over for monetary use after the demand for the arts is supplied and loss in various ways made up; and almost certainly it will not be long until the present stock of gold money will be drawn upon for the arts.

85. Need any further reason but these facts be sought for the rise in the value of gold, or in the value of the money unit? When will this rise stop? Never, so long as the present conditions exist.

THE EFFECT OF THE RISE OF GOLD ON FARM PRODUCTS.

86. In 1873 corn was worth to the farmer 40 cents a bushel, and yielded a return of $11.41 an acre.

In 1893 corn brought the farmer not more than 25 cents a bushel, and yielded a return of $5.50 an acre; the yield per acre and the price both being low.

87. In 1873 the home value of wheat was $1.15; average yield, 12.7 bushels, and worth $14.59 per acre. In 1893 the home value was $0.45; yield per acre, 11.3 bushels; value per acre, $5.08. The quantity per capita was less in 1893 than in 1873, and the world's supply relatively less.

88. Oats, in 1873, were worth $0.37; in 1893, $0.20, and yielded to the farmer $6.26 an acre, instead of $10.37 in 1873.§

89. In 1872 milch cows were worth $33 each; in 1893 not over $20 each. The number of cows in 1872 was 1 to a little less than 4 of population; in 1893 the number was 1 to a little more than 4 of population; so that, relatively to population, the number of cows had decreased, and their value at the same time had fallen 40 per cent.

CHANGE IN THE VALUE OF LAND.

90. Great as has been the fall in agricultural products, the fall in the price of farm lands has been greater still, notwithstanding the fact that the area of arable land, relatively to population, is rapidly decreasing; and nowhere has the value of land fallen more than in the old-settled parts of the country.

* Taking the whole period from 1849 to 1893 and the production of gold has been $4,915,722,000, and that of silver $3,574,444,000. That is, the production of gold for this period has exceeded that of silver by $1,341,278,000. It can not, therefore, be the excessive production of silver that has produced the recent great disparity in the metals. (See Appendix.)

† During 1893, by the repeal of the Sherman law and the closing of the mints of India and the extension of the gold standard over Austria-Hungary, 350,000,000 more people are made competitors for gold for money supply.

‡ This year (1896) west of the Mississippi River, it takes 10 bushels of oats, 6 bushels of corn, 2½ bushels of wheat, 12 bushels of potatoes, and from 30 to 40 pounds of side meat to get a dollar.

§ Just at this time there is some increase in the production of gold from the discoveries in Africa, but geologists agree that in the near future the production must undergo a decline. See The Future of Silver, by Eduard Suess, of Vienna.

IS THE CHANGE IN THE LAND AND COMMODITIES OR IN THE MONEY?

91. There must be some cause for this change in the relation of money to land and commodities. Is the change in the goods or in the measure—in the land and commodities or in the money?

92. It is plainly in the money.

Since the demonetization of silver the world's standard money has been shrinking in volume relatively to population and wealth, and its value has correspondingly increased.

The gold in the world has been spread over larger and larger areas, and divided among more and more people, and gets dearer and dearer every year.

LOSS SUSTAINED BY FARMERS.

93. At the price of wheat in 1873 the value to the farmers of the crop of 1893 would have been $455,000,000, instead of $178,000,000, a difference of $277,000,000. This would have gone a long way toward paying off mortgages.

The corn crop of 1893, at the price of 1873, would have yielded $660,000,000, instead of $412,000,000.

The cotton crop of 1893, at the price of cotton in 1873, would have been worth to the South $496,000,000, instead of $184,000,000, its actual value in 1893.

94. The difference in the value of farm products in 1873 and in 1893 correctly marks the difference between prices with free coinage of silver, as well as gold, and prices as measured by the single standard of gold. The value of farms and farm lands has fallen even more than farm products.

It is not easy to calculate the loss to farmers and planters in the twenty years from 1873 to 1893 by the fall in the value of farms and farm products, as the direct result of the change in the money standard. Their ability to pay debts and taxes at any rate, has been reduced in the exact ratio to the fall in prices.*

EARNINGS OF LABOR.

95. The earnings of labor, counted in money, have been reduced also. While many things which the laborer uses have fallen with his earnings, taxes, debts, cost of education, and many other things have not been reduced, the net result being a proportional loss to labor; the greatest loss being, perhaps, in loss of employment, and consequently in the total earnings of the laboring class.

THE EXTENT OF THE FALL OF PRICES.

96. The extent of the fall in the general range of prices can not be exactly stated, but tables made at different times by Soetbeer, Sauerbeck, Palgrave, the London Economist, and various tables in this country, brought down to 1893, show an average fall of prices of from 33 to 45 per cent, which is equivalent to a rise in the purchasing power of gold of from 50 to 80 per cent.

97. That is, on an average, three to three and a half measures of everything, or three to three and a half days' labor must be given for the same quantity of gold which two measures or two days' labor would obtain before silver was demonetized, and the fall continues and will continue as long as the single standard of the gold is adhered to.

THE CONTINUATION OF THE FALL OF PRICES.

98. The London Economist of July 2, 1892, says: "There has as yet been no cessation of the fall in the prices of commodities."

The table published in the Economist shows that the index number adopted years ago by this journal, representing the prices of twenty-two leading commodities, has gone down from 2259, where it stood July 2, 1890, to 2081 for July 1, 1892, which shows a fall in the general range of prices of 7.9 per cent in two years; but from January 1, 1892, to July 1, 1892, the fall has been 2.4 per cent, or at the rate of 4.8 per cent per annum, and the fall is still greater for 1893.

As a fall of 33⅓ per cent in prices is the same thing as a rise of 50 per cent in the value of money, so is a fall of 4.8 per cent in the general range of prices in the year equivalent to a rise in the money standard of over 5 per cent. That is, at the rate of fall in prices shown by the London Economist, 95.2 cents will buy as much at the end of a year as $1 would at the beginning.†

99. This continued fall of prices is irrespective of tariff, which proves conclusively that neither protection nor free trade can prevent, under existing conditions, the continued downward tendency of prices. It would be idle to claim that there had been any material change in the past six months in the labor cost of producing any of the twenty-two articles included in the table of the London Economist. There can be, therefore, but one explanation, and that is that the change is in the money standard and not in the commodities, and what is here called the fall of prices is nothing but an increase in the value of the money unit, arising out of the growing scarcity of gold. The fall of prices and the rise of money are here, in fact, one and the same thing.

An increase of 7½ per cent in the value of money in a single year, means, of course, an increase in all taxes and debts in the same proportion.

Does anybody need to be told that there must be an end to this

*At prices which prevailed in 1873 the value of all the crops of 1894 would have yielded $1,300,000,000 more than at the prices that prevailed in 1894, or an average of more than $200 to every farm family. The crop of 1895, at the prices which prevailed in 1873, would have yielded the farmers $1,500,000,000 more than at the prices received in 1895.

† The fall of prices since 1893 has been 20 per cent, which is the greatest ever known in so short a period. Dun's Review shows a fall of 7½ per cent for 1895-96.

some day, or that revolution and repudiation for half the nations of the world must be the final outcome of such a monetary policy?

STABILITY OF SILVER BULLION.

100. On the other hand, it is admitted that silver bullion has remained practically stable as compared with commodities generally, although as compared with some staple commodities, as wheat, cotton, pig iron, etc., silver bullion has risen slightly since 1873.

101. Eight and a half pounds of cotton would buy an ounce of silver in 1873. In 1890 it took $12\frac{1}{2}$ pounds to buy an ounce of silver bullion.

Less than a bushel of wheat, at the seaboard, would buy an ounce of silver in 1873. In 1890 it took a bushel and an eighth to equal an ounce of silver bullion.

In 1873 a barrel of mess pork was equivalent to $12\frac{1}{8}$ ounces of silver bullion. In 1890 a barrel of mess pork would buy less than 11 ounces of silver.*

A ton of pig iron in 1873 was equal to $34\frac{1}{2}$ ounces of silver. In 1890, 20 ounces of silver was equal in value to a ton of pig iron.†

In 1873, $2\frac{1}{2}$ pounds of wool would exchange for an ounce of silver. In 1890 it took 3 pounds to get an ounce of silver bullion.

A comparison of silver with labor, except where the rate of wages has been kept up by labor organizations, would show similar results.

THE DIRECT RELATION OF WHEAT AND COTTON TO SILVER.

102. Prices generally might advance as the result of an increase in the volume of money, without materially affecting wheat and cotton and other products that come in direct competition with India.

103. The reason for this is that silver bullion is admitted to free coinage into rupees in India on the ratio of 15 to 1, or $1.37 an ounce.‡

Prices in India in silver have not materially changed since 1873, and in a country of such extent, where habits are fixed as they are there, changes, if at all, must be very slow; consequently, as silver bullion falls, it takes less gold to get the silver to convert into rupees to pay for wheat or cotton. In other words, the same number of rupees will buy a given quantity of cotton or wheat in India, regardless of the gold cost of the rupees; hence, as silver goes down, the gold cost of wheat and cotton in India is reduced, and as our surplus wheat and cotton goes to Liverpool in direct competition with the wheat and cotton of India, it must go down as the gold cost of the same products in India goes down.§

104. India never did compete with us in the markets of Europe, in wheat and cotton, until the so-called decline of silver—but in realty the rise in gold—made it profitable to the European buyers to purchase these products with exchange bought at a heavy discount on account of the fall of silver.

She could not now compete with western energy and skill were that cause removed by lessening the abnormal value of gold, which the restoration of silver will do.

105. When silver went up in 1890 the shipments of wheat from Calcutta, and also from Odessa, Russia, were checked.

Wheat advanced all over the world; cotton also.‖

THE COMMON INTEREST OF FARMERS, PLANTERS, AND MINERS IN MAINTAINING SILVER.

106. The farmer and planter, therefore, have as much interest in maintaining the price of silver as the miner, and when the aggregate value of our wheat and cotton crops, as compared with the silver production and their relation to other products, is considered, it will be seen that farmers and planters have a much larger interest in upholding silver than the miners.

RELATIVE PROFIT TO MINERS AND FARMERS OF A RISE IN SILVER.

107. The total production of silver in the United States in 1890 was about 54,000,000 ounces. Twenty-five per cent on the value of that would be but from $13,000,000 to $14,000.000, while 25 per cent on the value of the wheat and cotton crops alone of 1889 would be $150,000,000.

108. While wheat and cotton (and indirectly other agricultural products in a greater or less degree) rise and fall with silver bullion, prices generally will rise only as the volume of money is increased relatively to population and wealth.

Economists agree that with a shrinking volume of money prices always tend downward, and with falling prices industrial prosperity is impossible.

THE EFFECT ON LABOR.

109. It is self-evident that labor fares best when industries are active; industries are active when they are prosperous. In other words, labor finds steadier employment and earns more in good times than in hard times. Good times never go hand in hand with scarcity of money.

110. Wages of labor can not be increased by making money scarce and dear any more than they could be increased by increasing the weight of coins.

If in times when the money volume is shrinking and money is growing dearer, the rate of wages of those who are fortunate enough to get work is kept up by labor organizations, this fact is many times overbalanced by the loss of all earnings by the increased number who can find no employment.

111. Thus, since 1873, while the rate of wages in some industries may have been kept up by strong organizations, and possibly in some few even advanced, yet the total earnings of the entire labor population have been largely reduced.

112. The only way possible to increase the earnings of all labor is to increase products; for in the last analysis wages are but the share of products which labor gets.

113. A condition, therefore, which tends, as money stringency always does, to lessen the total products of labor and capital combined, tends to lessen the earnings of the laborer on which the maintenance of himself and family depends. No class, therefore, has a greater interest in maintaining conditions that promote good times than the laboring class, and no class knows better than they that stringency in money is strangulation of industry and starvation of labor.

EFFECT OF CONTRACTION.

114. Allison says "the downfall of the Roman Empire, so long ascribed in ignorance to slavery, heathenism, and moral corruption, was in reality brought about by a decline in the silver and gold mines of Spain and Greece."

115. The total stock of the precious metals in the Roman Empire, referred to in paragraph 75, fell from $1,640,000,000 at the beginning of the first century to $170,000,000 in the ninth century.

116. After the discovery of America the precious metals were tripled, and prices, before a century had expired, of every species of production had quadrupled. Not till then did Europe begin to emerge from the gloom of the dark ages.

REQUIREMENTS OF SILVER.

117. To supply the annual increase in the world's population with $10 per capita would require a production of the precious metals devoted to money use of from two hundred to two hundred and fifty million dollars each year.

118. The production of silver in 1892 was about $160,000,000 and of gold $120,000,000, or $280,000,000 of both metals. But probably $85,000,000 of the gold is used in the arts and dentistry and $35,000,000 of the silver, leaving but $35,000,000 of gold and $125,000,000 of silver for monetary use (if there was no restriction on the use of silver), or $160,000,000 of both metals; and as wealth and luxury increase, more and more gold and silver are used for plate and ornaments.*

119. Thus, the supply of the two metals falls short of the needs of the world for money, but when the silver stream is shut off and the world is left with only the insignificant supply of gold, what must the consequences be? Are we not facing the dark ages again, and that, too, with mountain loads of debt never dreamed of in the middle ages—debts to be discharged by the ever-increasing standard of gold?

THE DEBTS OF THE WORLD.

120. It is impossible to state with even an approximation to accuracy the debts of the world. Moreton Frewen estimates the debts of Great Britain of all kinds at $20,000,000,000, and of the world at as high as $150,000,000,000. This is almost inconceivable. But suppose the world's debts are but half that. They would then exceed all the wealth of every description in the United States.

121. Are all these debts to be discharged from the tiny stream of fifty or sixty millions of gold a year? Who believes that there is enough of both metals even to ever discharge this huge pile of debts? And ever-increasing debts mean ever-increasing taxes.

122. And if the money standard is rising at the rate of 5 per cent per annum, as shown in paragraph 98, or at half that rate, debts and taxes are increased at the same rate.

MONEY SECURITIES—INCREASE OF.

123. The official list of the London Stock Exchange for the beginning of 1892 shows securities quoted on that exchange of the market value of $31,750,000,000, of which $12,500,000,000 were foreign securities.

The increase in the securities dealt in on this stock exchange in

*The difference has gone on increasing from year to year.

†Twelve ounces of silver this year, 1896, are equal to a ton of pig iron.

‡The mints of India were closed to silver June 6, 1893.

§In June, 1886, an important meeting of the British and colonial chambers of commerce was held in London, England, at which there was an animated discussion of the silver question and its bearings upon the commerce of India.

Sir Robert N. Fowler, M. P., the London banker and ex-lord mayor, said that "the effect of the depreciation of silver must finally be the ruin of the wheat and cotton industries of America, and be the development of India as the chief wheat and cotton exporter of the world."

‖Moreton Frewen made the following clear statement of the relation of wheat to silver bullion before the second national silver convention, at Washington:

"But while many intelligent people here are not always alarmed at the imaginary dangers of free coinage, they do not always recognize the immense importance to your farmers of higher rates for silver—they do not recognize that whenever the price of silver falls, the price of wheat, cotton, and other produce must fall also. This is a question to which, when in India, I gave very close study, and I should like to make this general statement, which I am convinced the experience of the past and of the future will amply confirm. Let me put it briefly in this way: The price of wheat in this country is its price in London or Liverpool, less the cost of carriage from here there, and the London price of wheat is, under ordinary conditions, one ounce of silver per bushel of wheat. Your farmers will always have to sell a bushel of wheat, say in Chicago, for an ounce of silver, less freight charges to London. If, then, silver is worth $1.29 per ounce, the London price of American wheat is $1.29, while, if silver is worth 90 cents, then your wheat will only realize 90 cents. This is a statement that will bear close examination, and it is the sum of the importance of the silver question to your nation."

*The production of gold for 1895 was about 10,000,000 ounces, and of silver about 145,000,000 ounces, or $185,000,000 of gold and about $175,000,000 of silver.

the five years from 1886 to the end of 1891 was $3,350,000,000, or at the rate of $670,000,000 a year.*

124. The interest on the foreign securities alone reaches about $600,000,000 per annum in gold. This is the tribute other nations pay to England.

Every increase in the value of gold increases pro rata these debts. Great is the power of gold.

WHO OWNS THE WORLD'S DEBTS?

125. The people of one race, the Semitic, are the owners of a large part of the debts of the world. To them all Christian nations pay tribute. No people understand the power of money or the laws of money as do this race of ancient money lenders. They secured the demonetization of silver in order to increase the value of gold. They oppose the remonetization of silver because they want the increase in the money standard to go on, for every increase in the value of the money unit increases their holdings.

BIMETALLISM.

126. Bimetallism is the unlimited use of gold and silver for money, or the right to the unlimited use of both these metals for every money purpose.

127. The theory of bimetallism is that if there is any falling off in the production of one metal as compared with the other, or any tendency from any other cause for either the gold or the silver to increase in value, the other is taken up and its use for money increased and its value thereby upheld.

128. History shows that the production of the two metals, while they may vary relatively, has been much steadier than the production of either alone, and at no period of the world's history has the production of one been sufficient to keep up the supply of money for the world.

129. It has been shown that it was by legislation, and by legislation alone, that the operations of this law by which the parity of the two metals was maintained was broken. As illustrating this fact, it has also been shown that during the first half of this century the supply of silver was in the proportion of about 3 of silver to 1 of gold.†

130. But from 1849 for about twenty years the supply of gold was about 3 to 1 of silver and in single years reached 4 to 1.

131. At the present time the production is about 1 of silver to 1 of gold. The present production of silver, however, little exceeds the production of gold in 1853, which was $155,000,000.

132. But during the periods when the production of silver was three times that of gold, and when the production of gold was three times that of silver, the two metals, with free coinage in Europe on the ratio of 15½ to 1, were everywhere kept at parity, except as varied by the state of the exchanges between different countries.

133. It was the same as if the metals as they came from the mines had been melted together and coined as a compound metal—sometimes more of the yellow and sometimes more of the white metal—but the value of the whole depending on the total quantity of both metals in the world and the total annual supply.

134. If, with the two metals fused together and coined, one-half the coins should be suddenly destroyed, everybody would see at once that a change would be made in the value of money, and that there would be a great fall in the price of all commodities.

But the fact that the two metals are coined separately does not change the effect of reducing the quantity of money by the demonetization of one of them.

135. The law of bimetallism, under free coinage, operates precisely the same whether the two metals are coined as a compound metal, the compound varying as the supply of the metals respectively varies, or whether they are coined separately as now.

THE BLAND ACT.

136. The act of February 28, 1878, commonly known as the Bland act, restored to the silver dollar its legal-tender character, but instead of restoring free coinage provided for the purchase of silver bullion by the Government at its market price and the coinage of not less than $2,000,000 or more than $4,000,000 worth each month. Certificates in denominations of ones, twos, fives, and multiples of five were issued under this act and amendments thereto on the deposit of silver dollars in the Treasury. Hence, when the certificates are out the coin is always in the Treasury, and when the coin is out the certificates are in, but both can never be out at the same time. The same is true of gold certificates.

There was coined under the Bland Act, from February, 1878, to the passage of the act of July 14, 1890, $378,166,790.

* Our debt abroad increased from 1879 to 1893 at the rate of over $200,000,000 a year, and can hardly be less now, including railroad securities and other investments of foreign capital here, than $5,000,000,000, calling for not less than $200,000,000 a year interest. Add to this the cost of the carrying trade and the gold spent by American travelers abroad, and the annual demands upon us for gold, after imports are offset by exports, can hardly be less than $400,000,000.

The debt abroad has been increased from June 30, 1894, to June 30, 1895, by over $200,000,000.

If this increase of debt abroad, and the increase at the same time in the value of gold is not soon stopped, this country will find itself in the condition of Egypt, India, and the debtor colonies of Great Britain.

For English investments abroad, see Gladstone and Thorald Rodgers. (See also Monograph No. 11.)

† See paragraphs 76-78 and Appendix.

137. Under the act of July 14, 1890, and March, 1891, there was coined to November 1, 1894, $43,609,615, making in all $421,776,408 of silver dollars, with about $70,000,000 of subsidiary silver.

THE ACT OF JULY 14, 1890.

138. By the act of July 14, 1890, the Secretary of the Treasury was authorized and required to purchase each month at its market price 4,500,000 ounces of silver, and issue therefor Treasury notes redeemable in coin. Consequently, under this act notes to the amount of the market value of the silver purchased were added to the volume of money each month. If silver was worth $1 an ounce, then $54,000,000 a year would be added to our currency. If silver cost more than a dollar an ounce, then more than $54,000,000 would be added; but if silver cost less than a dollar an ounce then the increase of the money volume would be less than $54,000,000.

HOW NOTES ISSUED UNDER THE ACT OF 1890 ARE REDEEMABLE.

139. The notes issued under the above act are redeemable, at the option of the Government, in coin, and to give to the payee the option amounts to the abrogation of the law of legal tender. The option belongs always to the payer, and it is the duty of the Secretary of the Treasury to exercise on behalf of the Government the option to redeem notes issued under the act of 1890 in coin of either gold or silver.*

140. It is claimed that the Secretary of the Treasury may sell bonds and buy gold, if need be, to redeem the notes issued under the act of 1890. But in the first place, no act of Congress confers this power upon the Secretary, and in the second place the conditions which make the purchase of gold necessary would send the gold out again unless it was kept locked in the Treasury.

WHAT IS TO BE DONE WITH THE BULLION PURCHASED UNDER THE ACT OF 1890?

141. The question of first importance in connection with this store of bullion is: Is it held as money or is it a mere commodity, held as collateral security for notes redeemable in gold? If money, then it should be coined—that is, put into the form of money, as fast, at any rate, as may be required to redeem notes issued for its purchase. If this bullion is not monetized, and is not to be monetized, but is to be treated merely as a commodity, then some day it may be sold off for what it will bring, and what then would become of the silver market?

Unless, therefore, the silver purchased becomes, or is to become, money, it were foolish to continue the purchase of silver bullion. Greenbacks might as well be issued at once.

FREE COINAGE NOT A PURCHASE.

142. Under free coinage the Government does not purchase the silver or the gold. It simply receives the bullion at the mint, sees that it is brought to the proper standard of fineness for coins, and if the bullion requires to be refined, the Government makes a charge equal to the cost of bringing the metal to standard fineness; that is, nine-tenths fine. Then the Government puts its stamp on each piece and turns the coin over to the depositor, and that is all there is to it. Or the Government may, if it has the coins on hand, at once deliver to the depositor coin for the bullion; but the Government in no proper sense, under free coinage, buys the bullion, nor does it become the owner of it. It belongs, and the coins made from it belong, to the depositor. Separate provision, however, has been made on account of the greater convenience of a paper circulation, for the issue of notes, dollar for dollar, for the coin or bullion, which, in that case, the Government hold in trust for whoever holds the notes or certificates.

THE EFFECT OF FREE COINAGE ON THE VALUE OF SILVER.

143. It is often said, "put a dollar's worth of silver in a dollar," as if that were solid wisdom. Such a proposition requires that silver shall have the value of money before it is made money! Would gold have the same value if the coining of it into money were prohibited and its use limited to the arts? Is it possible for either silver or gold to have the same value if limited to use in the arts that they have or would have if given full monetary use in addition to their use in the arts? Of course not.

As has been shown, over 70 per cent of the value of gold comes from its monetary use, and less than 30 per cent from its use in the arts.

144. Silver must have the same mintage right that gold has before it can have the same value. If the right to make bread of spring wheat were taken away, would spring wheat have the same value winter wheat has, or the value that winter wheat would have if bread could be made from that alone?

145. First monetize silver, give back to it its ancient mintage rights, and then if it does not circulate at par with gold a good reason might be found for changing the coinage ratio, as in 1834, when the weight of the gold coins was changed.

WILL FREE COINAGE DRIVE OUT GOLD?

146. It is claimed that free coinage in the United States will immediately expel all our gold.

* In his instructions to the Assistant Secretary at Boston, Secretary Foster said the holder of a note had the right to demand gold. This is the abrogation of legal tender, and a transfer of the option of the Government to the creditor, a position that can not long be maintained. Secretary Carlisle sustains in practice the instructions of Secretary Foster.

In the first place it is admitted that a purely metallic money becomes distributed among the various commercial nations in proportion to their trade; also, that a currency part coin and part paper convertible into coin, obeys the same laws as to distribution that govern a purely metallic money; but in the latter case only the metallic part passes from country to country.

147. The United States at this time has a volume of money of about $1,500,000,000 consisting of, say:

Gold	$500,000,000
Silver	500,000,000
Paper	500,000,000
Total	1,500,000,000

This volume, under the law stated above, falls to us as our distributive share of the world's money, and is necessary to maintain an equilibrium of prices with the rest of the world. If we did not have this volume prices would be lower here than abroad, and money would come here until the general level was restored.

148. Therefore, all our gold can be expelled only by at once substituting some other money, dollar for dollar, for the gold. Moreover, nearly two millions of people are added yearly to our population, which means at least 500,000 new workers in the fields of labor each year. Not less than $50,000,000 of new money each year is required for this new population.

RETIREMENT OF NATIONAL-BANK NOTES.

149. There are yet $176,000,000 of national-bank notes to be retired, and if the place of these notes is not supplied with other money contraction of the currency to that extent must follow. We may safely calculate, therefore, that some $25,000,000 a year will be required to take the place of bank notes retired in order to prevent contraction.*

150. Now, where is the silver to come from for the $500,000,000 to take the place of our gold, besides supplying the $75,000,000 needed for new population and to prevent contraction?

DISTRIBUTION OF SILVER.

151. The annual production of silver has been already stated. The following table shows how this has heretofore been distributed:

India	$35,000,000
The United States for coinage purposes	42,000,000
Japan	10,000,000
Mexico, about	10,000,000
Asia and Africa	18,000,000
Europe and America, for subsidiary coinage, say	10,000,000
Total	125,000,000
Leaving for the arts	35,000,000
Total	160,000,000

152. Under the law of July, 1890, the United States took 54,000,000 ounces a year instead of $24,000,000, as under the Bland Act. So it is quite apparent that silver to displace our gold could not be got from the annual production if we had free coinage.

153. Where, then, is it to come from? The gold monometallists say that the coined silver of Europe will come here.

In paragraphs 43 and 44 the relative value of the silver coins of the United States and other countries is given, from which it is clear that European coins can not come here as coins.

154. The following table, furnished by the Director of the Mint, gives the coined money of the various countries. It is proper, however, in this connection to state that the money of India, China, and the Straits, and probably some other countries, is an estimate but little better than a guess, for there are no reliable statistics concerning the money of these countries, which for ages have been known as the sink of the precious metals.

*Instead of gradually retiring the bank circulation, it is now proposed to retire the greenbacks, and turn over to the banks the issue and control of the entire paper circulation of the country. With the founders of our Government "sound currency" meant gold and silver with free mintage for both, but with paper currency regulated and controlled by the General Government. Webster said in his speech at New York, 1840, "I hold that the regulation of the currency, whether metallic or paper, that a just and safe supervision over that which virtually performs the office of money, and constitutes the medium of exchange, whatever it may be, necessarily pertains to Government, that it is one of the necessary and indispensable prerogatives of Government." The late idea of "sound currency" seems to be metallic money limited to gold alone, with the issue and control of paper currency turned over to 10,000 banks, to be put out or called in as their own interests may dictate.

Table showing the estimated stock of silver held by foreign countries, the statement of each, and the ratio of gold to silver in coinage.

Country.	Full legal tender.	Limited tender.	Total.	Standard.	Ratio of full legal-tender silver to gold.	Ratio of limited tender silver to gold.
United Kingdom		$100,000,000	$100,000,000	Gold		1—14.28
France	$650,000,000	50,000,000	700,000,000	Bimetallic	1—15.5	1—14.38
Germany	102,000,000	43,000,000	145,000,000	Gold		1—13.957
Belgium	48,400,000	6,600,000	55,000,000	Bimetallic	1—15.5	1—14.38
Italy	25,800,000	34,200,000	60,000,000	do	1—15.5	1—14.38
Switzerland	11,400,000	3,600,000	15,000,000	do	1—15.5	1—14.38
Greece	1,800,000	2,200,000	4,000,000	do	1—15.5	1—14.38
Spain	90,000,000	35,000,000	125,000,000	do	1—15.5	1—14.38
Portugal		10,000,000	10,000,000	Gold		1—14.08
Austria-Hungary	90,000,000		90,000,000	Silver	1—15.3	
Netherlands	61,800,000	3,200,000	65,000,000	Bimetallic	1—15.5	1—15
Scandinavian Union		10,000,000	10,000,000	Gold		1—14.85
Russia	22,000,000	38,000,000	60,000,000	Silver	1—15.5	1—15
Turkey		45,000,000	45,000,000	Gold		1—15.1
Australia		7,000,000	7,000,000	do		1—14.28
Egypt		15,000,000	15,000,000	do		1—15.68
Mexico	50,000,000		50,000,000	Silver	1—16.5	
Central American States	500,000		500,000	do	1—15.5	
South America	25,000,000		25,000,000	do	1—15.5	
Japan	50,000,000		50,000,000	Bimetallic	1—16.18	
India	900,000,000		900,000,000	do	1—15	
China	700,000,000		700,000,000	do		
The Straits	100,000,000		100,000,000	do		
Canada		5,000,000	5,000,000	Gold		1—14.95
Cuba, Haiti, etc	1,200,000	800,000	2,000,000	Bimetallic	*1—15.5	
Total	2,929,900,000	408,600,000	3,338,500,000			

*Haiti.

155. All full-weight coins are full legal tender in their respective countries, while the subsidiary coins are under weight, and, like our subsidiary coins, legal tender for limited amounts, generally up to about $10.

By reference to the table of values of the standard silver coins of Europe and India, as compared with our dollars, the loss on sending these coins here can easily be calculated.

156. Before the silver coins of any country will go to a country where silver is rated lower, as compared with gold (as 15½ pounds of silver to 1 of gold in Europe, and 16 pounds of silver to 1 of gold in the United States), the coins must first be demonetized.

157. It is claimed, again, that whether silver comes here to displace the gold or not, gold will go to a premium and go out of circulation and out of use as money, and that we will be left with a volume of only $1,000,000,000 instead of $1,500,000,000, and that the $1,000,000,000 will be at the same time depreciated—that is, prices would rise. This is queer logic. How can a dollar of a volume of $1,000,000,000 in the same country at the same time be worth less than a dollar of a volume of $1,500,000,000? The absurdity of this proposition is self-exposed.

158. If by any possibility the volume of our money could be reduced to $1,000,000,000, it would be appreciated; money would rise and prices fall. In other words, it would be the smaller volume of money that would go up, and not gold, which amounts to saying that what is predicted can not possibly take place. If money should rise here, prices fall, gold would come to us instead of leaving us.

BANK CREDITS.

159. But gold, silver, and paper are not the only kinds of money that act on prices. Bank credits, or credits on the books of banks subject to check, perform within certain limits the chief functions of money. They not only take the place of money, but they effect exchanges and close transactions the same as actual money, and to the extent they do this they affect prices the same as so much money would.

160. So that the real effective currency, acting on prices, is made up of gold, silver, paper, and bank credits, which might fittingly

be called confidence money, since the extent of this character of currency depends largely on the confidence people have in it.

161. The relative proportion of this credit currency to the actual money in the country is difficult to state accurately, nor can the relative efficiency of this form of currency, dollar for dollar, be closely estimated; but the report of the Comptroller of the Currency for 1893 (pp. 134 and 240) gives the deposits of 5,685 State, private, and savings banks and trust companies as.. $3,125,333,000
And for 3,830 national banks as..................... 1,910,000,000

Making a total for all the banks of	5,035,333,000
Against this the national banks held in lawful money.	322,800,000
And all the other banks..............................	193,187,000
Or a total of	515,987,000

162. Thus, altogether, the banks held but $515,987,000 of actual money, and on this built up a structure of credit currency of $5,035,333,000.

163. The real condition of the currency of the United States July, 1893, may therefore be stated in round numbers as follows:

Actual money in the hands of the people..........................	$1,000,000,000
Actual money in the vaults of banks..............................	515,000,000
Total actual money..	1,515,000,000
Bank credits...	4,500,000,000

165. This is currency as much as if notes were issued for this amount—currency as much as were the old State bank issues—and it inflates and contracts in the same way.

This volume of credit is a creation from nothing—resting on confidence alone, and amounts to more than eight dollars to one of the money it is based upon.

166. A withdrawal of $100,000,000 of actual money from the banks, therefore, compels the contraction of their credit volume of eight hundred millions. It is plain enough to see that right here, in this purely credit currency, is where all the sudden contraction and expansion of money takes place. It is in this credit currency that our money troubles originate. Here all panics begin.

The withdrawal of a large part of the reserves from the banks in July and August of 1893 practically extinguished, for the time being, a large part of this volume of bank credits.

Even in times of undisturbed confidence the relative efficiency of actual money and bank credits, or confidence money, is by no means equal, dollar for dollar. If it were, the proportion of the whole business done by each kind of currency would be in the proportion of $4,500,000,000 to $1,600,000,000, or of 73 to 27. But bank credits are created and destroyed with each transaction, while actual money works on all days and all seasons, and the proportion of work actually done by money is undoubtedly much larger than the above proportion, and in times of panic the work falls mainly on ready money.

Hence it will be seen that the claim so often made that 95 per cent of the business of the country is done by credit appliances has no real foundation, for in and by this volume of money and bank credits all transactions of every nature and kind calling for money are liquidated; there is nothing outside, and we see in the above figures the proportion in which the two kinds of currency exist, and from that judge of the work done by each. One thing is made apparent to all reflecting minds by these proportions and by the experience of 1893, that stability and security can not be gained by narrowing the basis of actual money and increasing the superstructure of credit. They who would withdraw half of the metallic money from the foundation of our present currency system, and then proceed to raise higher the superstructure of credit, can hardly be counted sane, and to call such a policy "sound finance" is cold irony.

167. It is by loaning this form of credit at interest, this currency created from nothing, that banks derive their large dividends. Their loans must be largely on call, so that when confidence is shaken they can call in their loans and let the borrower take the consequences.

DANGER TO SAVINGS DEPOSITORS.

168. It is claimed that the restoration of silver would reduce the value of the savings of poor people in savings banks and trust companies.

But who ever sustained a loss from a bank having too much actual money in its vaults, or from too much gold and silver in a country? The real danger, and the only danger, to savings deposits comes from the overexpansion of bank credits and loss of value in their securities, and not from too much gold and silver money.

WHAT THE BANKS WANT.

169. The great banks of the cities want the single gold standard maintained, silver and paper restricted and made redeemable in gold, and the supply of currency left for them to provide in the manner just set forth. This is the English system; only their bank credits reach 10 to 1 of actual money.

WHICH SHALL IT BE?

170. Which, then, shall it be—an enlargement of basic, primary money, accessible to all through the mines, or bank-credit currency created, contracted, and expanded as the interest of the banks alone may dictate?

171. The wise thing to do at once, it would seem, would be to restrict bank credits and enlarge proportionately the metallic basis, and, if this is not enough to make up for the restrictions of credit, enlarge the volume of paper money.

172. This would be but substituting a substantial kind of money for a very unsubstantial kind, and one not regulated in the interest of the few, but self-regulating through the mines, or, if paper, regulated in the interest of all and not of one class.

173. No question before the people so deeply concerns all classes—the farmer, the laborer, the producer—as this, which affects the welfare of all.

HOW DEBTS ARE PAYABLE.

174. When in any country there is more than one kind of money which is a legal tender in the payment of debts, the debtor may elect which kind of money he will pay in. If the creditor had the choice there would be no need of legal tender.

175. When the public debt was refunded the new bonds were made by law payable in "coin of the standard value of 1870," and this provision is printed on the face of the bonds. The Government, therefore, has the option to pay the bonds in either gold or silver coin. It is sometimes claimed that the creditor has the right to choose whether he will take gold or silver; but this is not so. The option is with the Government. There is no debt of the Government of any kind not legally and equitably payable in coin of either metal.*

176. Prior to 1873 every obligation of every description was payable in either silver or gold coin, at the option of the debtor. These two metals were universal solvents in which all obligations could be liquidated. No obligation could be made stipulating value that could not be discharged in coins of either metal. If the creditor was left to choose the kind of money he would take in payment of debts, legal tender, as already stated, would be of no effect, and there would be but one kind of money, and that the dearest.

177. Recently, and since gold has been tending upward, there has been a tendency to make contracts payable specifically in gold. But States have the right, under the Constitution, to make gold and silver coins legal tender for everything, and States may find it necessary to provide that all debts shall be dischargeable in coin or paper made legal tender by the Government, stipulations in contracts to the contrary notwithstanding.

THE BEST MONEY AND THE WORST.

178. The best money is that which is most stable and constant; the worst money is that, no matter of what it is made, which is constantly increasing in value, for that means that everything else is decreasing in value. From no other cause, in no other way, has mankind suffered greater wrong or more injustice than from alterations in the value of money. By no other agency have those who did not create wealth, and were not entitled to it, been able in times past to gather to themselves what rightfully belonged to others, as by changing the money standard; and the creation and perpetuation at the present day of vast debt unknown a century and a half ago increases enormously this power and multiplies beyond calculation the danger.†

179. Gold as a money standard is itself a commodity, and, like all other commodities, is governed by the law of supply and demand. Hence, under a diminishing supply and increasing demand, as has been shown, it is rapidly increasing in value and prices as rapidly declining.

180. The two metals, it is believed, would afford a supply sufficient for a long time, at any rate, to maintain comparative stability in the value of the money unit, but there has never yet been an excessive supply of the two metals.

INTERNATIONAL BIMETALLISM.

181. A consensus of leading commercial nations on a common ratio between gold and silver, with an agreement to keep open mints for the free and unlimited coinage of both metals at an agreed ratio, is no doubt a thing to be desired, but all efforts to that end have thus far failed.

182. Creditor nations gain by making gold dear, and England, as the greatest creditor nation, with large incomes from other countries, payable in gold, has refused all overtures looking to international bimetallism.

BORROWING OUR FINANCIAL SYSTEM.

183. Have we not long enough depended on London and Frankfort for our financial system?‡

184. Our accumulated wealth exceeds that of any other country. The value of our annual products is equal to that of any other two nations. We save up annually more than England, France, and Germany combined.

185. By the middle of the next century, at the present rate of increase, our population will be 250,000,000.

*This statement does not apply to gold or silver certificates for which the Treasury merely holds the gold or silver in trust for the depositor.

†Since the above was written, in 1893, the rise of gold has been 20 per cent. How long will it take, in this way, for the world's debts to absorb all its wealth?

‡What our financial system shall be is a question that can no more be left to the control of foreign powers than can our industrial system.

To supply this population alone with $25 per capita would take as much silver as the Continent of America, from Alaska to Patagonia, has yielded since its discovery by Columbus four hundred years ago, or as much of both metals as was produced in the first three hundred years after its discovery. Little danger, then, of an oversupply of the precious metals.

THE ACT OF 1890—THE SO-CALLED "SHERMAN LAW."

186. This act, as stated in paragraphs 138 and 139, provided for the purchase of 4,500,000 ounces of silver each month, and the issue therefor of legal-tender Treasury notes. It also provided that the Secretary of the Treasury should coin $2,000,000 a month till July 1, 1891, and after that time the act provided that he should "coin of the silver bullion purchased under the provisions of this act as much as may be necessary to provide for the redemption of the Treasury notes herein provided for."

Section 2 of the act provided that the Secretary of the Treasury should "redeem such notes in gold or silver coin, at his discretion."

187. Two million dollars a month were coined up to July 1, 1891, and there the coinage of the bullion stopped.

While the Secretary of the Treasury has the option to redeem the notes issued under this act, designated as coin notes, in either gold or silver coin, whichever might be most convenient, the only provision made by the act for supplying the coin for redemption purposes was to coin the bullion, for the purchase of which the notes were issued. But this was not done, and both Secretary Foster and Secretary Carlisle, instead of exercising the option to redeem these notes in silver, gave the option to the holder of the notes, and, of course he took the gold, especially if he wanted it for export.

188. By giving the option to take gold to the holder of the notes the Treasury reserves of gold were left absolutely unprotected, and at once became the main source of supply for speculators and exporters to satisfy the foreign demand. Indeed, it has come to light that the syndicate contracting to supply Austria-Hungary with gold, to enable that country to establish the gold standard, did not close the deal till they had ascertained definitely that gold could be drawn from our Treasury without let or hindrance. The Bank of France regularly refuses gold to speculators for export; so does the Imperial Bank of Berlin. The Bank of England protects her gold by raising the rate of interest. But, under the policy of our Secretaries, our stock of gold is open to all comers, and in this way over $108,000,000 were withdrawn from the Treasury in a few months in 1893.

MAINTAINING THE PARITY OF THE METALS.

189. It is claimed by the Secretary of the Treasury that the law requires him to maintain the "parity of the metals," and that to do this the option to take gold or silver must be given to the holder of the notes. That is exactly the reverse of what should be done if he would uphold the value of silver coins.

Bimetallism rests upon the law of legal tender, which gives the option to the payor and not to the payee. If the one who receives money is given the option to say which kind of money he will take, legal tender is annulled, and without legal tender, as before stated, there never would long be but one kind of money, and that the dearest; for as soon as any one kind of money tended to become more valuable than other kinds, everybody would choose that kind of money.

The principle on which bimetallism rests is the same as that of legal tender. With the right to pay in either metal, if one becomes more abundant and tends to become cheaper, or can be more easily obtained, this is the metal that is selected to pay in, and in that way its use is extended and the use of the other metal is restricted. It is not by increasing the use of the metal tending to become dearer and restricting the use of the other that the two metals can be kept together, but by the opposite policy of using less of the dearer and more of the other.

If the two metals were at a parity to begin with, parity would be broken by the course pursued by the Secretary of the Treasury.

190. Equally ineffectual will be the policy to borrow gold by issuing new bonds.

Gold that does not come to us in the course of trade will not stay here when bought with bonds. This is so evident a truth that elucidation is hardly necessary.

PURCHASE AND COINAGE OF SILVER UNDER THE ACT OF 1890.

191. There was purchased under the act of 1890, from August 13, 1890, to November 2, 1893, when the act was repealed, 168,674,590 fine ounces, at a cost of $155,930,940, or an average of $0.9244 per ounce.

Of this silver there has been coined to December 3, 1893, 27,911,259 ounces, making $36,087,285. The seigniorage on this coinage was $6,977,098. There was left on hand at the date given above 140,699,760 fine ounces, which would make, if coined, $181,914,840.

182. What is to be done with this silver? Why not coin it, and keep on hand the amount required to redeem the notes issued for it, and cover the seigniorage into the Treasury for current use, instead of issuing bonds to buy gold? This would give us as new money the difference between the uncovered notes and the coin this bullion would make, which amounts to about $61,000,000.

OUR STOCK OF SILVER, COIN, AND BULLION.

193. The total amount of standard dollars coined under the act of 1878 was	$378,166,793
The total coined under the act of 1890 has been	$43,609,615
Total	$421,776,408
Subsidiary silver coins	$77,521,478
Silver bullion on hand, ounces	140,699,760

The fractional silver coins here given include all that have been coined since 1853. No doubt some of these have left the country or otherwise disappeared.

INFLUENCES WHICH LED TO THE REPEAL OF THE ACT OF 1890.

194. In January, 1890, Austria-Hungary decreed the gold standard and entered into a contract with a syndicate of bankers to provide $150,000,000 of gold for resumption purposes. A new scramble for gold set in.

Next came the failure of nearly all the banks of Australia as the result of long continued shrinkage in prices.

European holders of American securities began to send them back, and as gold could be obtained without restriction on the presentation of coin notes, gold began to go abroad. This was declared by the banks to be the result of the Sherman law, and a clamor was raised for its repeal.

The banks at the same time, apparently with the sanction of the Government, determined to give the country an "object lesson" by "squeezing the South and West"* in order to force immediate repeal. The course pursued by the banks precipitated a panic, which reacted on the banks and led to a withdrawal of their cash reserves, until there was scarcely a bank that was not imperiled, and at one time nearly all the banks in the large cities refused currency on checks, except in very limited amounts.

THE EXTRA SESSION.

195. An extra session of Congress was called to meet August 7, 1893, for the sole purpose of repealing the act of 1890.

The repeal bill passed the House August 28, by a majority of 131. The vote for repeal by parties stood 138 Democrats and 101 Republicans; against repeal, 76 Democrats, 24 Republicans, and 8 Populists. In the Senate, after perhaps the ablest debate ever conducted on an economic question in any parliamentary body, the final vote was taken October 31, with the following result:

For repeal, Democrats, 20; Republicans, 23. Against repeal, Democrats, 19; Republicans, 10; Populists, 3.

The bill was signed by the President and became a law November 2.

THE CLOSING OF THE MINTS OF INDIA.

196. In June, 1893, by an order in council, the mints of India were closed against the coinage of silver on private account. The repeal of the act of 1890 stopped the purchase of silver for coinage in the United States, and thus during the year 1893 silver as a source of money supply has been shut off from the United States and all India.

WHAT THE EXCLUSION OF SILVER FROM THE MONEY SUPPLY OF INDIA AND THE UNITED STATES MEANS.

197. For ages, India, with a population of 270,000,000 people, has derived her money supply from imports of silver, which has been converted, without limit, into rupees for the benefit of the holder.

In the United States, since the passage of the Bland-Allison Act in 1878, from 20 to 50 million silver dollars a year have been added to our money volume. The total increase in the money volume since 1878 from this source has been, including the coin notes of 1890, nearly $600,000,000. This is now shut off entirely, and money supply for all Europe, Australia, India, and the United States is limited to gold, while at the same time, including Austria-Hungary, which, within the same year, has decreed the gold standard, more than 350,000,000 of people have been added to those competing for gold.

198. Is it possible that such a tremendous change can be made in the monetary condition of the world without unsettling everything? Such a disturbance of the money standard in so short a period of time was never known before in the whole history of the world, and we have as yet but seen the beginning of the consequences that must follow this change. The pricing instrument has thus at last been completely changed from gold and silver to gold alone, while gold, under present conditions, must rise in value faster than ever, which means that prices must go down faster and go lower than ever. But the number of dollars required to discharge debts and pay taxes will not be less. How long will it take under such conditions for those who own the money and the debts of the world to own the world? At the same time nearly all the gold is hoarded in a few great banks and treasuries and is controlled by, at most, a few hundred men.

The following table will show where most of the gold is held. Admitting the general estimate that Asian hoards contain

*There is now no longer room to doubt that a collusion was entered into between the banks and the Treasury to produce a "squeeze," or, in other words, bring on the country such a financial stress as would aid those determined to repeal the so-called Sherman law. See pamphlet by J. W. Shuckers, 1894.

$1,250,000,000 of gold, there remains to the rest of the world somewhere about $2,500,000,000, the bulk of which is stored in the banks and treasuries here given:

Bank of France	$345,000,000
Imperial Bank of Germany	215,000,000
Russian war chest	500,000,000
Bank of England	130,000,000
Other banks in England	95,000,000
Austria-Hungary, for resumption	150,000,000
Spain, Netherlands, Italy, and Turkey	125,000,000
United States Treasury, May 1, 1893, including that covered by certificates	189,000,000
Banks of the United States	175,000,000
Total	*1,925,000,000
Leaving for the rest of the world, perhaps	575,000,000

199. While the mints were open to the coinage of silver the people had a source of supply of money that could not be controlled by combinations of banks. But this is the case no longer.

THE REMEDY.

200. The only remedy is the restoration of the bimetallic standard of money, leaving the supply of metallic money to be regulated by the same laws that govern the supply of everything else.

The people themselves, in this country, must take the matter in their own hands and rescue themselves, or suffer the consequences; and the consequences will be that they will lose their homes and their independence, and find themselves, in no very long time, in the condition of the laboring classes of Europe or the serfs of Russia and the tenant farmers of Ireland.†

APPENDIX.

THE PRODUCTION OF GOLD AND SILVER, BY PERIODS, FROM 1792 TO 1892.

Production of gold from 1792 to 1850	$848,186,000
Production of silver from 1792 to 1850	1,690,217,000
Excess of production of silver over gold	842,031,000
Production of gold from 1850 (gold of California and Australia) to 1873	2,724,825,000
Production of silver from 1850 to 1873	1,150,025,000
Excess of production of gold over silver	1,574,800,000
Production of gold from 1873 to 1892, inclusive	2,060,897,000
Production of silver from 1873 to 1892, inclusive	2,264,419,000
Excess of production of silver over gold	203,522,000
Total production of gold from 1850 to 1892, inclusive	4,785,720,000
Total production of silver from 1850 to 1892, inclusive	3,414,444,000
Excess of the production of gold over silver from 1850 to 1892, inclusive	1,371,278,000
Total production of gold from 1792 to 1892, inclusive	5,633,908,000
Total production of silver from 1792 to 1892, inclusive	5,104,961,000
Excess of production of gold over silver for one hundred years, from 1792 to 1892	528,947,000

An analysis of these figures shows that from 1792 to 1850 the production of silver was about double that of gold (for a part of this period, or prior to the increase in the production of gold from Russia, the production of silver was more than three times that of gold), yet, with coinage free, the ratio of silver to gold did not change; on the other hand, from 1850 to 1873 the production of gold exceeded that of silver by	1,574,800,000
And still there was no change in the ratio, as all of both metals was absorbed in coinage or used in the arts.	
Again, the production of silver has slightly exceeded that of gold from 1873 to 1892, the excess, however, being but	203,522,000
But with silver demonetized, a change in the ratio has gone on till it has reached about 30 to 1.	
If, again, we take the entire period from 1850 to 1892, the production of gold has exceeded that of silver by	1,371,278,000

Showing conclusively that it is not the excess of silver production has caused a fall in silver, but the exclusion of silver from coinage, thus concentrating the entire demand for money on gold, that has caused the enormous rise in gold, and a corresponding fall of silver, and of prices generally.

Del Mar gives the world's production of gold for 1893 as $132,000,000 and the production of silver as 80,000,000 ounces of the value of (at the average price of $0.77+) $61,600,000, or, if taken at its coining value in the United States, $103,200,000, which is a material reduction from 1892. The mint report gives the production of gold for 1894, $179,965,600; silver, coining value, $215,404,600, or of the commercial value of $105,757,300. The Treasury estimate of gold production for 1895 is $203,000,000, which is doubtless excessive. The Treasury estimate of silver for 1895 is 174,000,000 ounces, which is also excessive.

Average price of wheat, cotton, and silver bullion, by years, from 1872 to 1895.

Year.	Wheat (per bushel).	Cotton (per pound).	Silver (per ounce).
		Cents.	
1872	$1.47	19.3	$1.32
1873	1.31	18.8	1.29
1874	1.43	15.4	1.27
1875	1.12	15.0	1.24
1876	1.24	12.9	1.15
1877	1.17	11.8	1.20
1878	1.34	11.1	1.15
1879	1.07	9.9	1.12
1880	1.25	11.5	1.14
1881	1.11	11.4	1.13
1882	1.19	11.4	1.13
1883	1.13	10.8	1.11
1884	1.07	10.5	1.10
1885	.86	10.6	1.06
1886	.87	9.9	.99
1887	.89	9.5	.97
1888	.85	9.8	.93
1889	.90	9.9	.93
1890	1.08	10.1	1.04
1891	.85	10.0	.98
1892	.80	8.7	.87
1893	.62	7.0	.75
1894	.51	5½	.65
1895	.50	5¼	.645

Shipment of wheat from British India to England increased from 730,485 bushels in 1873 to 56,566,393 in 1892.

Average value per acre of farm products from 1866 to 1895.

Product.	1866-70.	1871-75.	1876-80.	1881-85.	1886-90.	1893.	1895.
Corn	$12.84	$11.30	$9.62	$10.25	$8.81	$8.35	$6.75
Wheat	13.16	11.90	12.00	10.20	9.07	6.00	5.95
Oats	10.92	9.81	8.58	9.17	7.50	5.75	4.00
Hay	13.28	14.38	11.57	11.15	10.19	10.00	8.75
Cotton	28.01	28.55	17.65	15.63	13.84	10.65	9.25
Total	78.21	75.94	59.42	56.40	49.44	40.75	34.70
Average per acre	15.64	15.19	11.88	11.28	9.89	8.15	6.94

The above tables, up to 1893, are taken from an editorial in the New York Sun of September 10, 1893. The column for 1895 is made up from the most reliable current reports.

Nor is it the increased production of wheat, nor the increased acreage devoted to supplying food, that has caused the fall in price, as the following table will show:

Year.	World's production.	Average home price in the United States.
	Bushels.	
1891	2,432,000,000	$0.839
1892	2,403,000,000	.624
1893	2,306,000,000	.538
1894	2,440,000,000	.491
1895	2,415,000,000	.479

The number of people classed as bread eaters now aggregate 470,000,000, as against 398,000,000 in 1870. The average acreage devoted to food supply in 1870 was 1.37 per capita; in 1895, 1.24.

Average gold price of forty-five principal commodities, by index numbers, according to tables of Mr. Sauerbeck.

1873	1.02	1881	0.85	1889	0.72
1874	1.02	1882	.84	1890	.72
1875	.96	1883	.82	1891	.72
1876	.95	1884	.76	1892	.66
1877	.94	1885	.72	1893	.63
1878	.87	1886	.69	1894	.62
1879	.83	1887	.68	1895	.59
1880	.88	1888	.70		

THE TRUE VOLUME OF MONEY OUTSIDE OF THE UNITED STATES TREASURY SEPTEMBER 1, 1895.

1. The Secretary of the Treasury, in his report for 1893, puts the volume of money outside of the United States Treasury at $1,718,544,882, consisting of gold and silver, silver certificates, greenbacks, national-bank notes, and coin notes.

But is this the true volume in circulation? *

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*Ellissen (London, 1895) puts the hoards as high as $2,500,000,000. The great hoards of Europe have absorbed not only the entire excess of the production of gold over consumption in the arts, since 1892, but have absorbed more than $100,000,000 of the stock previously on hand.

†This condition is being hastened by the destructive competition which the fall in the gold price of silver enables silver-using nations to maintain against debtor gold-standard countries.

In his recent prize essay on this subject Mr. George Jamieson, British consul at Shanghai, China, says: "The result of all this must be that in the competitive manufacturing industries of the world the divergence of value between gold and silver will inevitably lead to a gradual transfer of the seat of all the great manufacturers from gold-using to silver-using countries."

Nor can a debtor nation prevent this by protective tariffs.

*The total volume September 1, 1895, is stated as $1,603,583,028, a decrease of $114,961,852. Estimated population, 70,127,000. The total volume for July 1, 1896, is given as $1,506,631,026, a further reduction in less than a year of over $96,000,000.

GOLD.

Take first the volume of gold.

The total gold, coin and bullion, in the country, according to the Treasury statement for September 1, 1895, was	$629, 198, 579
Deduct from this the free gold in the Treasury belonging to the United States	89, 202, 384
And we have as held or owned by the banks and in actual circulation	539, 996, 195
Of this $49,290,909 were certificates for which gold was held in the Treasury.	
Of this the banks hold about	175, 000, 000
Leaving, as in circulation outside of the banks	364, 996, 195

This would give over $5 per capita of gold in actual circulation among the people.

Now, where is this gold? Who has it? There are possibly $40,000,000, outside of the banks, on the Pacific Slope and in the mountain States and Territories, and if we add to this $10,000,000 for the rest of the territory west of the Missouri River, making $50,000,000 of gold coin in actual circulation west of the Missouri, we have given what is believed to be a full, if not an excessive, estimate. This leaves $314,996,195 in circulation east of the Missouri River, and outside of the Treasury and the banks.

Does any sane man believe that any such sum, or half of it, or one-third of it, is in actual circulation, or is held in any way by the people east of the Missouri River? The best estimate of the gold in circulation in the whole of Great Britain, where they have an almost exclusive gold currency, is only between $350,000,000 and $400,000,000. We are obliged, therefore, to say there is absolutely no foundation for this extravagant estimate of gold in the country which has been running for years through public statements.

These estimates have been made up from guesses and from statistics of production, exports and imports, without sufficient allowance being made for consumption in the arts and for gold coin taken out of the country by Americans traveling abroad. Such estimates are not only wild, but dangerously misleading. Foreign statisticians have commented upon our extravagant estimates of gold in this country, and for good reasons. At least $150,000,000 should be deducted from this estimate of the stock of gold in the country, which would make the total volume, say, $475,000,000 instead of $629,198,579, and would leave outside of the Treasury about $325,000,000. Deduct from this the amount held by the banks—say, $175,000,000—and we would still have left as in actual circulation in the country, or held by the people, gold coin amounting to $150,000,000, or over $2 per capita, which is undoubtedly a full, if not still an excessive, estimate.

GREENBACKS.

2. Take next the greenback currency.

The nominal amount of this currency is $346,681,016, no allowance being made for loss. But the greenbacks have been in circulation since 1862, or more than thirty years. Many people do not believe more than $300,000,000 are left in circulation. But although the loss during the war and in first extending the new circulation over the country, when there were fewer banks and safes and more were carried in the pockets of the people than now, and especially by such fires as that of Chicago, was doubtless greater than in later years, still so high an estimate of loss is hardly warranted by any actual data in our possession. But if we put the loss at twenty millions, or all over $326,000,000, which is a little less than one-fifth of 1 per cent per annum, we include, it is believed, every dollar now in existence.

Deducting from this estimated volume of $326,000,000 the amount held in the Treasury, January 1, viz, $44,139,202, and it would leave in circulation in the country, and in the banks, in round numbers, $282,000,000.

In addition to this volume of notes, there were outstanding, January 1, certificates for currency deposited in the Treasury amounting to $39,045,000.

These certificates, however, are always given in very large sums, and are mostly held by the banks and used principally in clearing-house transactions, forming no part of the real circulation. But, counting the certificates as a part of the volume of outstanding greenbacks, and it gives in round numbers $321,000,000 as the true effective volume in circulation and in the banks.

NATIONAL-BANK NOTES.

The treasurer reports the total issue of national-bank notes, January 1, as $208,538,844. From this should be deducted $12,375,628, as cash in the Treasury; also $6,817,395, fund held for redemption of uncurrent national-bank notes; also $23,015,908, held now under the act of July 14, 1890, for the redemption of notes of banks failed, in liquidation, etc., making a total of $42,190,133, which would leave in circulation, $166,347,911.

But, as in the case of greenbacks, no allowance has ever been made for loss of national-bank notes. The same proportional allowance for national-bank notes as is made for greenbacks would require a deduction of at least $10,000,000, which, taken from the above total, would leave, in round numbers $156,000,000 as the true volume of national-bank notes in circulation, or held as cash in the banks.

SILVER COIN.

3. The amount of standard silver dollars outside of the Treasury January 1 was $57,869,589.

SUBSIDIARY SILVER.

4. The report of the Treasurer gives for January 1 $77,494,207 as the volume of subsidiary silver in the country.

This rather large amount of subsidiary silver is made up by first estimating that some $21,000,000 of the fractional coins, minted under the act of 1853, and which entirely disappeared in 1862, had come back again in 1879; and to this has been added all the subsidiary coinage since, no allowance whatever being made for loss or exportation since 1879. The original estimate of the return to this country of $21,000,000 of the old coinage is believed to be excessive. For this reason, and for losses since, a deduction of from $5,000,000 to $7,000,000 would still leave us with as large a volume, no doubt, as actually exists in the country. If, therefore, we allow $72,000,000 as the total volume of fractional coin in the country, instead of that above given, and deduct from this the amount in the Treasury, say $12,000,000, we will have left in circulation $60,000,000, which, it is believed, is all there is of this kind of currency.

SILVER CERTIFICATES.

5. The volume of silver certificates outstanding January 1 1894, was $329,545,650.

COIN NOTES ISSUED UNDER THE ACT OF 1890.

The volume of coin notes outstanding January 1 was $151,965,267.

Putting these several amounts together, we have a total volume of gold, silver, greenbacks, silver certificates, national-bank notes, and coin notes, outside of the Treasury, as follows:

IN THE BANKS AND IN ACTUAL CIRCULATION.

Gold, coin and bullion	$386, 000, 000
Standard silver dollars	57, 869, 589
Subsidiary silver	60, 000, 000
Greenbacks, including currency certificates	321, 000, 000
National-bank notes	156, 000, 000
Silver certificates	329, 545, 650
Coin notes of 1890	151, 965, 267
Making a total actual volume of	*1, 461, 380, 506

Which, for 68,000,000 people, gives a per capita of $21.49.

The next question is as to how this volume of money is distributed.

The latest report of the money of all kinds in all the banks of the United States is for July 12, 1893, when it amounted to	$515, 987, 740
(It was much less later in the summer, when individual deposits were drawn out, but has, doubtless, much increased again since October.)	
The above taken from the total volume outside of the Treasury of the United States, viz	1, 461, 380, 506
Leaves as in actual circulation—that is, in the pockets of the people, the tills of merchants, etc., performing the every-day work of money	945, 392, 766

Which gives $13.90 as the per capita circulation outside of the Treasury and the banks.†

These amounts are not separated on the theory that money in the banks is not performing a part of the legitimate work of money—for while in the banks it really becomes the basis of an enlarged credit currency—but to show how the actual volume of money is distributed. We might go further and show its distribution over the country, but that would be outside of the object of this analysis of the constituent parts of our money volume and its division between the banks and the people.

DENOMINATIONS OF CURRENCY NOTES.

There is, however, one other feature pertaining to the currency of the country, which has an important bearing on the efficiency of currency for performing the office of a circulating medium; that is, the denominations in which the currency is put out. If, for instance, half the currency issued were in $1,000 notes it would be almost equivalent to a reduction of the volume by one-half, except for clearing house purposes.

The report of the Treasurer for December 31, 1893, shows that out of a total of $1,160,156,065 in notes of all denominations, $913,340,155 were in denominations of $50 and under; $82,583,000 in denominations of $100; $164,205,000 in denominations over $100, $67,220,000 of this last amount being in certificates of $10,000 each, with $27,840 reported as "fractional" and one of $1,000,000 as "unknown."

Of course, the larger denominations are mainly in the banks.

The Treasury statement of gold and silver coins and certificates,

*Or say $1,400,000,000 for July, 1895. But even of this volume, at least $125,000,000 besides the gold reserve in the United States Treasury must be held as redemption money, and while so held does not affect prices, thus reducing the actual, effective per capita circulation to something like $18 per capita.

†How much of this is on the average held in State and other public treasuries we have no means of knowing.

United States notes, and national-bank notes in circulation September 1, 1895, is as follows:

Gold coin	$479,787,653
Standard silver dollars	52,584,843
Subsidiary silver	60,090,158
Gold certificates	49,081,089
Silver certificates	323,772,261
Treasury notes, act July 14, 1890	109,436,662
United States notes	247,536,753
Currency certificates, act June 8, 1872	76,555,000
National-bank notes	204,738,609
Total	1,603,583,028

If the same deductions are made from this table as from the above table for January 1, 1894, we will have the following as the true amount of currency in the banks and in circulation in the United States, except that there should still be deducted the amount required by law to be held as reserves by the banks, since such reserves do not affect prices:

Gold and gold certificates, $328,000,000; standard silver dollars, $52,584,843; subsidiary silver, $53,000,000; silver certificates, $323,772,261; Treasury notes, act July 14, 1890, $109,436,662; United States notes (greenbacks), $227,000,000; currency certificates, $76,555,000; national-bank notes, $162,000,000; total, $1,332,348,766. If from this the reserves of banks, as required by law, be deducted, it will reduce this sum by about $70,000,000, which leaves $1,262,348,766, or about $18 per capita.*

Mr. THURSTON. Mr. President, I shall occupy but a few moments in replying to my colleague [Mr. ALLEN], and in doing so I shall confine myself strictly to the consideration of the pending amendment providing for a bounty in favor of the producers of beet sugar. In 1890 the Republican party, having repealed the high protective tariff on sugar which had theretofore been upon our statute books, enacted a law under which a promise was made to the sugar producers of this country of what seemed to the Republican party at that time to be an equivalent protection, and under that law what my colleague calls a governmental promise was made that there should be paid to the producers of sugar in the United States for a period of fifteen years a bounty of 2 cents per pound.

I agree with my colleague that that was a governmental promise. I agree with him that it was one which in honor ought to have been kept. I agree with him that its repeal was an act of perfidy and dishonor, and I turn to the RECORD to see who it was cast the first vote for what my colleague now says was an act of governmental dishonor.

I read from the RECORD of June 5, 1894. The amendment then pending before the Senate was as follows:

That so much of the act entitled "An act to reduce revenue, equalize duties, and for other purposes," approved October 1, 1890, as provides for and authorizes the issue of licenses to produce sugar, and for the payment of a bounty to producers of sugar from beets, sorghum, or sugar cane grown in the United States, or from maple sap produced within the United States, be, and the same is hereby, repealed, to take effect January 1, 1895; and it shall be unlawful to issue any license to produce sugar or to pay any bounty for the production of sugar of any kind under the said act after January 1, 1895.

And the first Senator to answer "yea" upon that roll, which he now says was a roll of governmental dishonor, I regret to say, was my colleague the Senator from the State of Nebraska. The act on the part of the National Government which struck down the beet-sugar manufacture in the State of Nebraska was passed by the vote of my colleague on that occasion. Nay, more, his then colleague, my predecessor, Mr. Manderson, after that amendment had been carried, moved the following:

That until July 1, 1905, the provisions of the act entitled "An act to reduce revenue, equalize duties, and for other purposes," approved October 1, 1890, authorizing the issue of licenses to produce sugar, and for the payment of a bounty to the producers of sugar from beets, sorghum, or sugar cane grown in the United States, or from maple sap produced within the United States, contained in paragraphs 231, 232, 233, 234, 235, and 236 of said act shall continue in full force and effect.

And the first Senator on this floor to vote "nay" upon that amendment was my honorable colleague the Senator from the State of Nebraska.

Mr. President, there were two beneficent influences set at work under which two great beet-sugar factories were erected in the State of Nebraska, and under which influences an industry sprang up in that State that if the conditions had continued would have made my State to-day one of the greatest and grandest and most successful agricultural communities under God's bright sun.

I say two influences, because before the Congress of the United States had acted in this matter a Republican legislature and governor of the State of Nebraska had enacted a law placing a bounty on beet sugar produced in the State. On March 19, 1889, the legislature of the State of Nebraska passed an act—a legislature that was largely Republican under a State Republican administration—which I ask to have incorporated as a part of my remarks, and which act provided for a bounty of 1 cent per pound upon each and every pound of sugar manufactured in the State of Nebraska.

* The Treasury statement for July 1, 1896, shows a reduction from September 1, 1895, to July 1, 1896, of $96,952,002, which would reduce the actual per capita now to less than $17.

The act referred to is as follows:

CHAPTER 70.

[House roll No. 337.]

An act to provide for the encouragement of the manufacture of sugar and paying a bounty therefor.

Be it enacted by the legislature of the State of Nebraska:

SECTION 1. That there shall be paid out of the State treasury to any corporation, firm, or person engaged in the manufacture of sugar in this State from beets, sorghum, or other sugar-yielding canes or plants grown in Nebraska a bounty of 1 cent per pound upon each and every pound of sugar so manufactured under the conditions and restrictions of this act.

SEC. 2. No bounty shall be paid upon sugar not containing at least 90 per cent of crystallized sugar. The quantity and quality of sugar upon which bounty is claimed shall be determined by the secretary of the State, with whom all claimants shall, from time to time, file verified statements showing the quantity and quality of sugar manufactured by them, and upon which such bounty is claimed. The said secretary shall, without unnecessary delay, visit or cause to be visited by such person as he shall designate in writing the factory where said sugar has been produced or manufactured, and take such evidence by the sworn testimony of the officers or employees of such factory, or others, as to amount and quality of sugar so manufactured as to him, or the persons so designated by him, shall appear satisfactory and conclusive.

The sugar so manufactured shall be placed by the manufacturer in original packages, which shall be examined and branded by the said secretary, or person by him designated, with a suitable brand showing the quantity and quality of sugar contained in each of said several packages, of which an accurate account shall be kept by said inspector, and filed in the office of the secretary of state.

SEC. 3. It shall be the duty of the secretary of the State to appoint a resident inspector at each town where one or more manufactories of sugar may be located in this State, the aggregate output of which factories shall exceed 2,000 pounds of sugar per day, and such examiner shall make such examinations, take such evidence, and make such records and reports as is specified in section 2 of this act. The compensation or fee for such services of said resident inspector shall not exceed the sum of 25 cents per package for each package so branded, nor the sum of $5 per day for any one day's services, and such resident inspector shall be required to give a good and sufficient bond in the sum of not less than $2,000 to the State of Nebraska, contingent on the faithful performance of his duties, said bond to be approved by the said secretary of the State. Said fees or compensation, together with the cost of said brand and any and all analysis that the said secretary of the State or other authorized inspectors shall require to be made, shall be borne and paid by the claimant for said bounty.

SEC. 4. When any claim arising under this act is filed, verified, and approved by the secretary of the State, as herein provided, he shall certify the same to the auditor of state, who shall draw a warrant upon the State treasurer for the amount due thereon, payable to the party or parties to whom said sum or sums are due: *Provided*, That no bounty as herein provided shall be paid before the 1st day of January, 1890.

Approved March 19, 1889.

Mr. THURSTON. Under that act, and under the bounty act of the Congress of 1890, two great factories were built in my State, standing as they did the centers of two prosperous communities that remained active, business, prosperous communities even through all the period of depression that followed.

In 1890, at our State election, the party of which my colleague is a distinguished representative was swept into power in the State of Nebraska, and they elected a legislature that was two-thirds Populist in both branches over both Republicans and Democrats. At the same election we elected a Democratic governor of the State of Nebraska. On the first Thursday of January, 1891, the Republican control of our affairs ceased and passed into the hands of a Democratic governor and a Populist legislature.

What was the first act to encourage the production of beet sugar and to build up the beet-sugar industry in the State of Nebraska on the part of the party of my colleague? On the 5th day of March, 1891, the Populist legislature of my State repealed the entire sugar-bounty chapter, and the Democratic governor of my State approved the act. That act is as follows:

CHAPTER 3.

[House roll No. 65.]

An act to repeal chapter 70, laws of Nebraska, 1889, entitled "An act to provide for the encouragement of the manufacture of sugar and paying a bounty therefor."

Be it enacted by the legislature of the State of Nebraska:

SECTION 1. The whole of chapter 70, laws of Nebraska of 1889, approved March 19, 1889, be, and the same is hereby, repealed.

Approved March 5, 1891.

Not only that, but let us follow a little further along and see what party has been for sugar and for beet culture in my State, and what party has been against it.

In 1893 our legislature was again lost to the Republican party, and it was not until the legislature of 1895 assembled that the Republicans were once more in control, but with a Populist governor, the joint leader with my colleague of the Populist party in the State of Nebraska. Having once more the power, the Republican legislature of 1895 again passed an act which I ask to have incorporated in my remarks without reading. This act provided for a bounty of five-eighths of 1 cent upon each and every pound of sugar manufactured from beets in the State of Nebraska.

The act referred to is as follows:

GENERAL LAWS—CHAPTER I.

[House roll No. 67.]

An act to provide for the encouragement of the manufacture of sugar and chicory, and to provide a compensation therefor.

Be it enacted by the legislature of the State of Nebraska:

SECTION 1. That there shall be paid out of the State treasury to any person, firm, or corporation engaged in the manufacture of sugar in this State from beets, sorghum, or other sugar-yielding canes or plants grown in Nebraska the sum of five-eighths of 1 cent per pound upon each and every pound of sugar so manufactured under the conditions and restrictions of this act.

Provided further, That if any person, firm, or corporation shall, from and after the passage of this act, establish and operate other and additional factories for the manufacture of sugar from beets, sorghum, or other sugar-yielding canes or plants grown in the State of Nebraska, then there shall be paid out of the State treasury to any such person, firm, or corporation, in addition to the five-eighths of 1 cent hereinbefore provided for, the sum of three-eighths of 1 cent upon each and every pound of sugar manufactured in such manufactory built in this State under the conditions and restrictions of this act.

SEC. 2. No money shall be paid upon sugar not containing at least 90 per cent of crystallized sugar, nor upon sugar produced from beets for which as much as $5 per ton shall not have been paid to the producer, nor upon sugar produced from beets raised by a manufacturer of sugar. The quantity and quality of sugar upon which said money is to be paid shall be determined by the secretary of state, with whom all claimants shall from time to time file verified statements showing the quantity and quality of sugar manufactured by them, the price paid the producer for the beets, and upon which said money is claimed. The said secretary shall, without unnecessary delay, visit or cause to be visited by such person as he shall designate in writing the factory where said sugar has been produced or manufactured, and take such evidence by the sworn testimony of the officer or employees of such factory, or others as to the amount and quality of sugar so manufactured, and the price paid for beets, as to him, or the persons so designated by him, shall appear satisfactory and conclusive. The sugar so manufactured shall be placed by the manufacturer in original packages, which shall be examined and branded by said secretary, or person by him designated, with a suitable brand showing the quantity and quality of sugar contained in each of said packages, of which an accurate account shall be kept by said inspector and filed in the office of the secretary of state.

SEC. 3. It shall be the duty of the secretary of state to appoint a resident inspector in each town where one or more manufactories of sugar may be located in this State, the aggregate output of which factories shall exceed 2,000 pounds of sugar per day, and such examiner shall make such examinations, take such evidence, and make such records and reports as is specified in section 2 of this act. The compensation or fee for such service of said resident inspector shall not exceed the sum of 25 cents for each package so branded, nor the sum of $5 per day for any one day's service, and such resident inspector shall be required to give a good and sufficient bond, in the sum of not less than $2,000, to the State of Nebraska, contingent on the faithful performance of his duties, said bond to be approved by the said secretary of state. Said fees or compensation, together with the cost of said brand and any and all analyses that the said secretary of state or other authorized inspectors shall require to be made, shall be borne and paid by the claimant of said money.

SEC. 4. It shall be the duty of the secretary of state to appoint at each sugar manufactory in this State where the output of such manufactory shall exceed 2,000 pounds of sugar per day a person who shall weigh all beets received by the person, firm, or corporation operating such manufactory. Such person shall be known as the weighman, and he shall keep accurate record of all duties performed by him. He shall discharge all duties pertaining to his position in an impartial manner, and shall furnish the secretary of state with a good and sufficient bond in the sum of $2,000 for the faithful discharge of his duties as prescribed by this act. The secretary of state may appoint such person or persons to assist said weighman as the service to be performed may require. Each person so appointed shall give bond, as provided by this section. The weighman shall take into his possession, promptly on receipt of beets at such manufactory, such samples of beets as he deems fair and equitable, from which to remove dirt or other dockage. He shall then promptly weigh all beets from which such samples have been taken and keep an accurate record of all weights, and all such records shall show the names of both the seller and the buyer. The weights furnished by said weighman shall be accepted by both the seller and the buyer, and upon such weights so furnished settlement between the seller and the buyer shall be made. The compensation or fee allowed such weighman shall not exceed the sum of $5 per day for time actually employed, and for his assistants a sum not to exceed $3 per day for time actually employed. All expense arising from the duties of said weighman or his assistants, as prescribed by this act, shall be paid by the person, firm, or corporation operating such manufactory where such expense is incurred.

SEC. 5. That there shall be paid out of the State treasury to any person, firm, or corporation engaged in the manufacture of chicory in the State from chicory beets or plants grown in Nebraska, the sum of five-eighths of 1 cent per pound upon each and every pound of chicory so manufactured under the conditions and restrictions of this act: *Provided further*, That if any person, firm, or corporation shall from and after the passage of this act establish and operate other factories for the manufacture of chicory from chicory beets, then there shall be paid out of the State treasury to any such person, firm, or corporation in addition to the five-eighths of 1 cent hereinbefore provided for, the sum of three-eighths of 1 cent upon each and every pound of chicory manufactured in such manufactory built in the State under the conditions and restrictions of this act.

SEC. 6. No money shall be paid upon chicory not containing at least 99 per cent of pure chicory, nor upon chicory produced from beets for which as much as $10.50 per ton shall not have been paid to the producer. The quantity and quality of chicory upon which money is to be paid shall be determined by the secretary of state, with whom all claimants shall from time to time file verified statements, showing the quantity and quality of chicory manufactured by them, the price paid the producer of beets, and upon which said money is claimed. The said secretary shall, without unnecessary delay, visit, or cause to be visited by such person as he shall designate in writing, the factory where said chicory has been produced or manufactured, and take such evidence by the sworn testimony of the officers or the employees of such factory, or others, as to the amount and quality of chicory so manufactured, and the price paid for beets, as to him, or the person so designated by him, shall appear satisfactory and conclusive.

SEC. 7. It shall be the duty of the secretary of state to appoint a resident inspector in each town where one or more manufactories of chicory may be located in this State, the aggregate output of which factories shall exceed 2,000 pounds per day, and such examiner shall make such examination, take such evidence, and make such records and reports as are specified in section 6 of this act. Compensation or fee for such service of said resident inspector shall not exceed the sum of $5 per day for any day's service, and such resident inspector shall be required to give a good and sufficient bond in the sum of not less than $2,000 to the State of Nebraska, contingent on the faithful performance of his duties, said bond to be approved by the secretary of state. Said fee or compensation shall be paid by the claimant of said money.

SEC. 8. When any claim arising under this act is filed, verified, and approved by the secretary of state, as herein provided, he shall certify the same to the auditor of state, who shall draw a warrant upon the State treasurer for the amount due thereon, payable to the party or parties to whom said sum or sums are due.

SEC. 9. This act shall apply for a period of three years: *Provided*, That no money herein provided for shall be paid upon sugar or chicory manufactured prior to the taking effect of this act.

I hereby certify that immediately after reading of the message of his excellency Silas A. Holcomb, governor of Nebraska, vetoing the passage of this bill, it was put upon its passage, and by a vote of 68 to 23 was passed by the house of representatives, the veto of the governor to the contrary notwithstanding, March 29, A. D. 1895.

Attest:

W. M. GEDDES,
Chief Clerk of the House of Representatives.

I hereby certify that immediately after reading of the message of his excellency Silas A. Holcomb, governor of Nebraska, vetoing the passage of this bill, it was put upon its passage in the senate of Nebraska, and by a vote of 25 to 5 was passed, the governor's veto to the contrary notwithstanding, March 29, A. D. 1895.

T. E. SEDGWICK,
Secretary of Senate.

Mr. THURSTON. When the Republicans of the Nebraska legislature passed the beet-sugar-bounty act of 1895, they did it over the veto of Governor Holcomb, our Populist governor. He vetoed the bill, and so far as was within the power of the Populists of the State of Nebraska they continued their consistent record of enmity to the beet-sugar industry.

The votes cast for the bill were all cast by Republicans; the votes cast against it were all cast by Populists.

Once more the Republican party stood for the encouragement of this great industry. Once more it declared in favor of a local policy under which our beet-sugar manufactures would have greatly increased, for Mr. Oxnard, who has been referred to here, has repeatedly stated that with a bounty such as the Republican legislatures of the State of Nebraska have twice placed upon the product of beet sugar there would be no need for any further bounty from the National Government.

Once again in the mutation of parties the Populist party came into power in the legislature of 1897. The Populist legislature swept into power at the last election, in which our State furnished the candidate for the joint political aggregation of the opposition, met, and one of the first things they did last winter was for the second time to repeal the Republican bounty act. The Populist party of the State of Nebraska, aided and abetted by what few Democrats are resident therein, once more left the beet sugar of our State at the mercy of the free sugar from the Hawaiian Islands.

So much for records, Mr. President; so much for consistency, Mr. President; so much for national and party honor, Mr. President. But my colleague says that the Republican party stands pledged in its national platform to another bounty. Not at all. The Republican party at the St. Louis convention declared that—

We condemn the present Administration for not keeping faith with the sugar producers of this country. The Republican party favors such protection as will lead to the production on American soil of all the sugar which the American people use, and for which they pay other countries more than $100,000,000 annually.

For protection that will lead to the upbuilding of the beet-sugar manufacture, not to any particular form of protection, not to a tariff per se, or a bounty per se, or a combination one with the other, but for whatever protection will adequately develop and build up and render successful this great national possibility, that, in my judgment, is one of the most promising features of our present industrial, agricultural, and commercial situation.

What has the Republican party done to keep this pledge? It has taken sugar from the list where my colleague placed and left it, without a bounty or an adequate compensatory tariff. So far as was in his power he stopped beet-sugar manufacture in Nebraska, and made it utterly impossible to build another factory.

Yes, Mr. President, I say my colleague virtually left sugar on the free list without a bounty so far as the State of Nebraska is concerned, because the tariff of the Wilson Act amounted to nothing to the sugar producers of my State. It amounted to nothing because it did not stand as a bar to the Hawaiian free sugar coming on low ocean and transcontinental rates into the Missouri Valley; brought across the mountains by the transcontinental roads on the plea that they had more traffic westwardly than easterly and therefore were entitled to carry sugar at nonremunerative rates, as the steamship carries ballast. Yea, my colleague from Nebraska, you withdrew every particle of protection from the beet-sugar industry in the State of Nebraska—you and your party, both national and in the State, and your vote in the Senate sanctioned and aided what you now term an act of national dishonor. The vote of every member of your party in the Nebraska legislature did it in the State. Your governor vetoed the last bounty bill in our State, and it was passed over his veto; and your last State platform approved the administration and the acts of Governor Holcomb. Vetoing the second bounty bill of the Republican party was one of his acts. Let the country see where the responsibility is. Let the men in my State place it where it belongs.

Mr. President, the Republican party in the Senate undertook to keep the utmost letter of the party pledge to the sugar producers and the prospective sugar producers in the United States. In the first place, we raised the tariff on sugar, and raised it to an extent, as explained by the chairman of the committee, that could only be justified on revenue grounds, and for the purpose of encouraging the growth and development of our own national sugar industry.

Not only that, but our committee, backed by the solid Republican vote of the Senate, proposed, in the utmost good faith, an amendment which the Senator from Nebraska afterwards reintroduced. When that amendment was presented, the honorable Senator from Arkansas in charge of the combined forces on the other side of the Chamber, the acknowledged leader and spokesman of the opposition in the Senate, rose and said:

Mr. JONES of Arkansas. I should like to suggest to the Senator from Iowa that I take it, in view of the proposition to put a bounty on sugar, the Senator will expect the Senate to remain in session for some time to come.

And then followed a debate, which I ask to have inserted as a part of my speech, in which both the Senator from Arkansas [Mr. JONES] and the Senator from Colorado [Mr. TELLER] said to the Republicans of the Senate that they saw no reason why the bill could not come to a final vote on that day, last Saturday, except for the consideration of this sugar-bounty amendment.

Mr. TELLER. Will the Senator allow me to correct him? He will not find that I made any such statement. All I did in reference to it was to say that the committee should give us information whether they intended to keep the amendment before the Senate or withdraw it. I expressed no opinion as to whether a vote could be reached on that day or not.

Mr. THURSTON. It may be that I have fallen into a pardonable error——

Mr. TELLER. If the Senator will allow me, I did not express any objection to the amendment.

Mr. THURSTON. The Senator will pardon me; I may have fallen into the error of coupling together the remarks of the Senator from Arkansas and those of the Senator from Colorado. We have lately become accustomed to grouping all the opposition forces in the Senate notwithstanding the fact that they did not always act and work together.

But the Senator from Arkansas did say, and it is in the RECORD as I now present it, and he said it as spokesman for the combined opposition to the Republican party in the Senate, that except for the consideration of the beet-sugar amendment brought forward by the committee, he saw no reason why a final vote on the bill might not be taken on that day, last Saturday; and he did further say in his remarks that it was utterly impossible, with that amendment before the Senate, to think of reaching a final vote in one week, in two weeks, or three weeks, or in a month. There was a threat, Mr. President, on the part of the leader of the opposition, to hold the tariff bill up here if the sugar amendment were insisted upon.

The matter referred to is as follows:

Mr. JONES of Arkansas. I should like to suggest to the Senator from Iowa that I take it, in view of the proposition to put a bounty on sugar, the Senator will expect the Senate to remain in session for some time to come. The weather is intensely hot, the dog days are coming on, and I think we ought to change the hour of meeting to 12 o'clock, so that we can go along and consider this bill a little more deliberately. It will require a good long discussion before we can get through with the sugar-bounty proposition. It can not be passed, I imagine, except after a very long and protracted debate. The amendment will be obstinately resisted, and as there are possibly a number of clerical and other errors made in hurriedly passing through the bill, it may be well to have the bill printed, so that we may have a little longer time to look over it and correct those errors.

As there is no probability of passing the bill for some time to come, I think we ought to have time to correct these inequalities, and to do it somewhat more leisurely and with less hurry. I suggest, therefore, to the Senator to allow the Senate to now adjourn, so as to have the bill printed, that we may be enabled to have these corrections made.

Mr. ALLISON. I supposed we were going on with the expectation of passing the bill to-night.

Mr. JONES of Arkansas. Not with any idea of passing the new proposition providing for a sugar bounty, which has been brought in here by the Senator, and which is an absolute departure from anything which has ever heretofore been proposed in the Senate. It is utterly impossible to think about passing this bill now, or passing it next week, or the week after next, in my opinion, with that proposition in it.

Mr. BURROWS. Why can we not go on and dispose of all the other propositions?

Mr. JONES of Arkansas. I suggest, as the prospect is that the bill will be here for two or three weeks, and possibly a month, it might be well not to be in a hurry about these other things. I came here this morning supposing that we might probably dispose of this bill to-day, but I was absolutely astounded to have a proposition brought in putting a bounty on beet sugar at this late stage in its consideration.

This bill has been under discussion for over a month, and there has never heretofore been a proposition to pay a bounty on sugar, or anything approaching it. Here is a new departure, absolutely unlike anything that has ever before been proposed, except once, and that resulted disastrously, and when a proposition of such importance is brought in to be taken up and discussed, we must have time to look into it and fully consider it and to expose its wrongs in all its bearings.

I hope, in view of the hot weather and the probability of the protracted session which we are likely to have, that the Senate will agree to go back to meeting at 12 o'clock, so that we may proceed without detriment to our health in this intense heat. I was willing to do any amount of work and to do anything in my power to facilitate the passage of the bill, to endure the excessive heat, and to stay here any length of time daily that might be necessary, but when we are going to have this protracted session, there is no use of being in a hurry.

Mr. HALE. Does the Senator think, without this new feature which has been raised by the introduction of the proposed sugar bounty, that we may possibly be able to conclude the bill to-night?

Mr. JONES of Arkansas. I hoped so very much, and came here with that idea this morning; but this new proposition simply makes it impossible to think about finishing the bill now or at any other time in the near future.

Mr. ALLISON. I suggest to the Senator that we go on as rapidly as we can with other matters, and see if we can not later on make some arrangement which will be satisfactory.

Mr. GRAY. Later on to-day, you mean?

Mr. ALLISON. Yes; later on to-day; and I hope there will be no suggestion of meeting daily at 12 o'clock.

Mr. JONES of Arkansas. So far as I am concerned, if we have got to continue this session, I shall insist on meeting at 12 o'clock. I do not know whether we can have it done or not, but in view of the length of time we remain in session, in these hot days from 12 o'clock until 5 is sufficient; and now that a new question of this sort has been introduced, which will probably lead to a protracted debate, I do not know, of course, what the Senate will do, but I shall very earnestly favor meeting at 12 o'clock, and shall insist upon it by every legitimate means in my power.

I confess my absolute amazement at this new departure in this bill. I am astounded. I am satisfied the Senators on this side will generally want to take part in the debate, and that it will be quite protracted, and as the result of it we shall have to continue for a long time in session. In that case what is the use of undertaking to hurry these smaller matters?

There will be, as I have stated, probably a number of clerical omissions and errors and mistakes, commas inserted where there ought not to be commas, and commas left out where they should be inserted, and all that sort of thing, which ought to be looked after. It will take time and deliberation to properly prepare these things; and if the majority are determined that this bill shall not pass for the next two or three or four weeks, they might as well take time while they are about it to correct the inequalities which may appear in the bill.

Mr. TELLER. Mr. President, it is impossible that the committee can have anticipated the passage of this bill to-day or on Monday or Tuesday next, or even in the next ten or twelve days, with this beet-sugar amendment. If the committee are really desirous of passing this bill soon, say on Monday or Tuesday night, or to-night if they can, they certainly will have to withdraw that amendment.

If they persist in the amendment, we might as well understand that the committee propose to defer action upon this bill until that subject is debated; and they know very well that those who are opposed to a beet-sugar bounty—and I do not say that I am one of them—will debate that question, and ought to debate it. Those who do not believe in a bounty on beet sugar, or a bounty on anything else, have a right to debate it, and the committee have no right to expect that a bill of this kind can be hurried through with such a controverted question as that put upon it, without any previous notice, at this late hour in the progress of the bill.

Mr. President, there has been a very general feeling in the country that the Republicans in this body would be delighted if, by some management for which they would not be held responsible, this bill could be defeated. That opinion prevails very generally in this country. They know very well that this beet-sugar proposition does not give them a single vote that they would not get without it, and without indicating who it may be, I believe they know also that if they persist in it they will lose one vote at least—and it seems to me they ought to—that they have been expecting.

Looking upon this in a practical way, it seems as if they were not in a hurry to pass this bill. As to the little discussion we had about enabling certain importers to get their goods in, I think they need not worry about that, for there will be plenty of time to get the goods that are not yet ordered if the debate goes on, as it will go on, on this beet-sugar question.

I think it is due to us to know right now whether or not the committee intend to insist upon that amendment. If they do, I shall govern myself accordingly. I am disposed to hurry this bill so far as it can be hurried consistently with the decent administration of public affairs; but I am not in favor, as I said yesterday, of allowing the committee to come in here and propose amendments at the last hour and then demand the final vote on the bill. If we had agreed to vote on Monday or Tuesday or Wednesday or Thursday, with this new, exciting, and debatable question now introduced, it can easily be seen in what an awkward predicament the Senate would have been.

I am willing that a vote shall be taken whenever the Senate is in proper condition to vote, and I want to repeat that if the committee insists upon that amendment they should so state to us now. If they are going to withdraw it, in justice to the Senate they should say they are going to withdraw it.

Mr. THURSTON. Mr. President, I love the interests of my State. I have been, perhaps, more instrumental than any other Senator in securing favorable action upon this beet-sugar bounty question from my Republican associates. But, Mr. President, I said then, and I say now, that I hold over and above any mere local interests of my State the interests of my country.

I know that a prosperity that will come locally to Nebraska will fall far short of what I hope and expect the people of my State will receive from that greater and more widespread benefit which, in my judgment, is surely coming to the people of the United States, and that is to begin with the passage of this bill now before us for consideration. In view of that, and in view of the demand of the American people that there shall be no more delay, that this bill shall come to a speedy passage, that the business of the country may make its calculations, and manufactures, agriculture, and commerce begin anew upon a fixed and a certain basis, I did yield to the threat of the opposition and consent to the withdrawal of the amendment.

Mr. President, it is no fault of the Republican party that this situation confronts us here. We have done all that we could have done. We were put to the stress of either withdrawing this amendment or else holding the Senate in session indefinitely and delaying the passage of this bill beyond all just limit. We did what we believed to be right. For myself, I have no apology to make. On that record I can face the American people and my constituents as well; and God knows, Mr. President, upon this question of beet-sugar encouragement in the State of Nebraska I will put that record beside the record which my colleague in this Chamber has deliberately made for himself.

The Republican party on this side of the Chamber is for an adequate protection to the beet-sugar industry. It stands to-day, and it will stand at the first available opportunity, for the passage of a law that will give the beet-sugar producers of my State fair and reasonable protection against free importations from the Hawaiian Islands. The Republican party on this side of the Chamber stands ready to meet that issue; but it does not dare, in view of the greater interests of the whole country, to delay the pássage of this bill another month in order to settle the question now. In good time, and in ample time to have the provision go into effect as soon as it would by the terms of the amendment proposed by my colleague, the Republicans in this Chamber, in my judgment, will act favorably upon this question.

Mr. President, we are nearing the end of this long tariff discussion; we are about to begin the business of the country under new conditions; we are about to place before the country a new schedule of tariff duties upon which the business calculations and figures of the future must be based. I am one of those who believe that whenever a great tariff schedule has been determined upon, whenever it is ready to be enacted into a law, it is better to stand hopefully by and encourage the country in its belief that prosperity is to come, that business is to revive, that manufactures will increase, that prices of agricultural products will rise—I believe it is better, without regard to my political affiliations, to encourage the country in this belief than it is to be eternally, day in and day out, warning the country that disaster is sure to follow the enactment of the law.

For one, Mr. President, I am willing to stake the chances of my party, I am willing to stake my own chances as a member of that party, upon this completed tariff bill which the American people have been anxious, lo! these many days, to see become a statute of the United States.

Mr. ALLEN. Mr. President, the remarks of my colleague necessarily call from me a reply, and I shall confine myself as nearly as I can to the issue as he has presented it.

The first thing I am confronted with—and I have been confronted with such things from childhood to some extent—is the charge of inconsistency. Well, I am not particularly grieved about that, and I am not particularly worried about it.

When I came into this Chamber, in March, 1893, I found the United States bankrupt. It did not have a dollar, speaking in round numbers—it did not have a dollar of surplus money in the Treasury. It became bankrupt under Republican administration. I found also a tariff which went into effect October 1, 1890, commonly known as the McKinley law, which had produced a deficit in the revenue of that year. From 1890 to 1893 there was a deficit in the revenues under that law of, I think, something like $4,500,000, possibly more, but that much at least.

I found also that the Republican Administration of Benjamin Harrison had prepared to issue bonds to be placed upon the market and sold to raise money with which to pay the running expenses of the Government. I found also that Mr. Foster, the Secretary of the Treasury under the Harrison Administration, had gone to the extent of directing the Superintendent of the Bureau of Engraving and Printing to engrave the bonds, and had given him the script to engrave on them. The letter is on file now. Mr. Harrison and his friends have never denied that fact.

Mr. President, something had to be done. Here was a bankrupt Government under a Republican Administration. Mr. Cleveland, who has received some commendation and a good deal of condemnation for his late Administration, was compelled as a matter of necessity to issue bonds in accordance with the plan of the Harrison Administration and place them upon the market in order to raise money with which to meet the current expenses of the Government. Of course it was done under the guise of supplying the gold reserve, but the money was immediately taken out and used for current expenses.

Under such conditions and under such circumstances it was necessary for me, as a Senator, to take some attitude respecting the matter. We could not have the Government running along with a deficit in its revenues from the act of 1890. I could not as a Populist afford to have the Government issuing bonds, if I could prevent it in any way by my vote or by my voice. So it became necessary to enact a law that would be productive of revenue and by that means stop the issuance of Government bonds and put into the Treasury money enough to conduct the Government and pay its current expenses. Under those circumstances the present law, the act of 1894, called the Wilson law, was presented.

It met with constant opposition on the other side of the Chamber, until, I think, about the 14th day of August, 1894, and every obstructive tactic that could be used to prevent its passage was resorted to. Finally at that time it passed Congress. It was sent to the President, and by lapse of time under the Constitution became a law, the President condemning it because it was a protective-tariff act and not a revenue-reform act. He condemned it very severely in a letter written to Mr. Wilson, the chairman of the Committee of Ways and Means of the House of Representatives at that time, probably unnecessarily severely.

Mr. President, that act produced revenue, and it is producing a surplus of revenue to-day. My colleague says that I voted against beet sugar in 1894, and cites the RECORD on me. Mr. President, that is true; that is perfectly correct; but at that time we had upon that bill a proviso that called for $40,000,000 of revenue from the great fortunes of this nation as an income tax. We had other provisions in it that counterbalanced, in my judgment, the evils that might grow out of it.

Was it my duty when the bill was put before me to accept or reject its provisions simply upon the ground that it did not continue the sugar bounty, when my party was not pledged to the bounty and refuse to accept it, and when the bill provided for ample revenue, and especially when it carried into execution one of the Populist doctrines of a tax on the incomes of the people and corporations of the United States? If that is a contradiction, sir, I rejoice in contradictions of that kind, and my colleague can herald it from California to Maine and from Maine to Texas if he desires to do so. The Republican party can inscribe it upon its banners in letters of gold or silver, if it wants to. I rejoice in contradictions of that kind; I rejoice that I have a record of that kind.

Mr. President, what furthermore? My colleague cites some of our local legislation in Nebraska. I want it distinctly understood as I proceed that I am not criticising my colleague personally at all; our relations are of the most harmonious character, and this is a political play, nothing more. He cites some local legislation in my State, and my party is charged with responsibility for repealing certain acts of the State legislature. In 1889 the Republican legislature of Nebraska did pass an act granting a bounty to the manufacturers of beet sugar.

In 1891 a Populist legislature repealed that act. Let that go in the RECORD, too. Why did it repeal it? A Republican Administration had forced the price of cereals and meat products in my State down to that point where the people could hardly subsist. The people were appealing to the railway companies of that State to carry their corn and wheat and oats and other products to market cheaper than they were doing, and hundreds of thousands of bushels of corn were consumed for fuel that winter.

Were the people to be burdened, in addition to the burdens that came to them through Republican misrule and through Republican legislation, by a bounty to the local factories at that time? It was eminently wise to repeal that law, and it was eminently wise, because the Populist party was never pledged to a law of that kind, and is not pledged to it to-day. How can a man be inconsistent or a party be inconsistent relative to its treatment of a thing that it is not pledged to support?

In 1895 a Republican legislature passed an act providing for the payment of five-eighths of a cent a pound bounty for sugar manufactured from beets in Nebraska. That looks very plain and simple upon its face, but, sir, according to the constitution of Nebraska there must be an appropriation made by the legislature before money can be paid out.

The Republican legislature that granted a bounty of five-eighths of a cent was guilty of refusing to make an appropriation to carry out the provisions of its own act. It said it would give a bounty of five-eighths of a cent, and refused to do so; and when the beet-sugar interest appealed to the Republican supreme court in the State of Nebraska to compel by mandamus the issuance by the auditor of the State of a warrant upon the treasurer, that court refused the writ upon the ground that the constitution required an appropriation for the purpose before the money could be paid. If the Republican party were pledged in good faith in the State or the nation to carry into execution a policy of this kind, why this fatal omission in the act of 1895?

Then my colleague complains of the action of the legislature last winter. Of course, from a Republican standpoint, it was wrong, but from a Populistic standpoint it was right. It makes a good deal of difference where we stand when we look at a question or an object.

In 1896 corn had gone down to 7 or 8 cents a bushel, oats to a like price, and wheat was correspondingly low. There was universal distress among the farming classes of the State of Nebraska and many other of the Western States.

Sir, when the governor of the State of Nebraska vetoed the act to which my colleague referred, he was conscious that a Republican administration had stolen from the State treasury $538,000, and that the State was practically bankrupt. I regret to be compelled to refer to these unpleasant facts, but they are a part of the history of the country to-day. Five hundred and thirty-eight thousand dollars were literally stolen from the treasury of the State of Nebraska under the last Republican administration—that is, the administration of the office of treasurer and all the other offices except the office of governor. The State treasurer stands to-day a convicted felon for the crime, sentenced to twenty years in the penitentiary and to pay a fine of one hundred and fifty or two hundred thousand dollars.

What was the governor to do under those circumstances? I appeal to the fair-minded American people, I appeal to men who I do not think can be blinded by passion or by prejudice, that with farmers in the condition the farmers of Nebraska were, and with this knowledge of the chief executive of this great defalcation, he would have been derelict in his duty if he had not vetoed that act. That, Mr. President, is about all there is to it.

I do not want to condemn the Republican administration of my State beyond what is necessary; but, sir, I can not stand here and permit the chief executive of my State to be arraigned and denounced for his refusal to follow out Republican policies under the circumstances which confronted him at that time. That will not do. No, Mr. President, whenever the Republican party will live up to its own pledges nationally, as it pledged itself in 1896, this industry can be properly cared for by it.

Do the alleged inconsistencies of myself or of my party in Nebraska, or the inconsistencies of my party nationally, if we have been inconsistent, atone for the offense of the Republican party in refusing to carry out the policy announced by it for a quarter of a century or more?

What excuse have gentlemen on the other side, what excuse has my colleague for his party, when it refuses with 43 votes here, within 2 of enough to carry this measure, and votes enough on this side of the Chamber to help them carry it—what excuse can be offered to this industry or to the American people for the perfidy in refusing to carry out the provisions of your platform? You may heap obloquy upon the Populist party if you want to; we can carry it; it is not a new burden to us. You may say we are inconsistent as much as you want to, but we welcome the imputation.

You can lay the responsibility at whatever door you may see fit, but you can not shift responsibility from the Republican party when, in these expiring hours of Congress, it has the strength to put this amendment upon the bill in accordance with the pledges of its platform; you can not shift your responsibility or your absolute bad faith in refusing to do so. No, Mr. President; pointing to me and saying, "You are another;" "You are another," will not do; pointing to the Populist party and saying that party is composed of long-haired and wild-eyed individuals will not do. Let the Republican party walk up and take the responsibility for its refusal to act. I arraign it at this moment in the Senate Chamber as false to the pledges it has made to the people, and I predict that it will be false to its pledges in the future.

Mr. ALLISON. Mr. President, in order that the sense of the Senate may be taken upon the pending amendment, I move to lay it upon the table.

The PRESIDING OFFICER (Mr. Faulkner in the chair). The Senator from Iowa moves to lay the amendment of the Senator from Nebraska on the table.

Mr. ALLEN. I hope the Senator will let us have a direct vote upon the amendment. Why not take a direct vote?

Mr. ALLISON. Very well, I am willing to take a direct vote, if there be no further debate.

Mr. ALLEN. All right.

Mr. VEST. I trust the Senator from Iowa will insist upon his motion to lay on the table. That is the proper way.

Mr. ALLEN. Why?

Mr. VEST. Because that is a test vote as much as the other, and it is preferred by a good many Senators.

Mr. ALLEN. It is no test vote at all. It is simply a way to evade responsibility.

Mr. ALLISON. I renew my motion to lay the amendment on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Iowa, that the amendment submitted by the Senator from Nebraska [Mr. Allen] be laid upon the table.

Mr. ALLEN. I call for the yeas and nays.

The yeas and nays were ordered; and the Secretary proceeded to call the roll.

Mr. GEAR (when his name was called). On this vote I am paired with the Senator from New Jersey [Mr. Smith].

Mr. MORGAN (when his name was called). I am paired with the Senator from Pennsylvania [Mr. Quay].

Mr. PETTUS (when his name was called). I am paired with the senior Senator from Massachusetts [Mr. Hoar], but I have been informed by the Senator from New Hampshire that he would vote "yea," if present.

Mr. LODGE. My colleague I think would undoubtedly vote "yea" on this vote.

Mr. PETTUS. Therefore I conclude to vote. I vote "yea."

Mr. FAIRBANKS (when the name of Mr. Platt of New York was called). By request, I make the announcement that the Senator from New York [Mr. Platt] is paired with his colleague [Mr. Murphy].

Mr. PRITCHARD (when his name was called). I am paired with the junior Senator from South Carolina [Mr. McLaurin], but I transfer my pair to the junior Senator from Pennsylvania [Mr. Penrose], and will vote. I vote "yea."

Mr. THURSTON (when his name was called). Under the transfer of pairs heretofore announced, I will vote. I vote "yea."

Mr. TURNER (when his name was called). I am paired with the Senator from Wyoming [Mr. Warren]. If he were present, I should vote "nay."

Mr. WHITE (when his name was called). I am paired with the Senator from Nevada [Mr. Jones]. Were he present, I should vote "yea."

The roll call was concluded.

Mr. GEAR. I am paired with the Senator from New Jersey [Mr. Smith], but I understand that if he were present he would vote "yea." I will therefore vote. I vote "yea."

Mr. KENNEY. I have a general pair with the junior Senator from Pennsylvania [Mr. Penrose], but under the transfer of pairs announced by the Senator from North Carolina [Mr. Pritchard] I will vote. I vote "yea."

Mr. BATE. My colleague [Mr. Harris] is absent and is paired with the Senator from Vermont [Mr. Morrill]. If my colleague were present, he would vote "yea."

The result was announced—yeas 57, nays 9; as follows:

YEAS—57.

Allison,	Davis,	Kenney.	Pritchard,
Bacon,	Deboe,	Lindsay,	Proctor,
Baker,	Elkins,	Lodge,	Roach,
Bate,	Fairbanks,	McBride,	Sewell,
Berry,	Faulkner,	McEnery,	Shoup,
Burrows,	Foraker,	McMillan,	Spooner,
Caffery,	Frye,	Mallory,	Thurston,
Carter,	Gallinger,	Martin,	Turpie,
Chandler,	Gear,	Mason,	Vest,
Chilton,	Gray,	Mills,	Walthall,
Clark,	Hale,	Nelson,	Wellington,
Clay,	Hanna,	Pasco,	Wilson.
Cockrell,	Hansbrough,	Perkins,	
Cullom,	Hawley,	Pettus,	
Daniel,	Jones, Ark.	Platt, Conn.	

NAYS—9.

Allen,	Heitfeld,	Mantle,	Stewart,
Butler,	Kyle,	Pettigrew,	Teller.
Harris, Kans.			

NOT VOTING—23.

Aldrich,	Jones, Nev.	Penrose,	Turner,
Cannon,	McLaurin,	Platt, N. Y.	Warren,
George,	Mitchell,	Quay,	Wetmore,
Gorman,	Morgan,	Rawlins,	White,
Harris, Tenn.	Morrill,	Smith,	Wolcott.
Hoar,	Murphy,	Tillman,	

So Mr. Allen's amendment was laid on the table.

Mr. STEWART. I now offer the amendment of which I have given notice.

The Secretary. It is proposed to insert the following:

Whenever there shall be in the Treasury a surplus of five millions over a total reserve not to exceed one hundred millions, including all forms of money in the Treasury receivable for any public dues, it shall be the duty of the Secretary of the Treasury to purchase and retire bonds of the United States to the amount which can be purchased with the surplus in the Treasury above one hundred millions, such purchases to be made under regulations similar to those heretofore adopted and employed for the purchase of United States bonds from surplus revenue.

Mr. STEWART. It is too late to dispose of the amendment to-night. It will not take very long in the morning, and I ask that it be postponed until to-morrow morning when we meet, if there is no objection.

The VICE-PRESIDENT. Is there objection? The Chair hears none.

Mr. TELLER. Mr. President, the sugar-beet-bounty question seeming to have been disposed of by all or most of the friends of the measure having voted against it and all those who are really radically opposed to it voting against it, it would seem as if we might leave the matter, perhaps, where it is, but I voted for the bounty of 1890 and I voted against its repeal when it was repealed, and I do not care to be left in the attitude in which the Senator from Nebraska [Mr. Thurston] evidently sought to put me when he was speaking of the opponents of the bounty. I am in favor of a bounty to beet sugar, and should have voted for it if I had had an opportunity, as I voted against laying the amendment on the table.

I was astonished when the committee came in with that proposition, for, while not a member of the Republican caucus, I have some notions at times of what it is doing, and I had been told that the caucus had not decided to take up the beet-sugar question at this session, and therefore when the Senator in charge of the bill asked us to consent to fix a time to vote on the bill, suggesting so short a time at least as he did, we had a right to suppose that all the important amendments had been submitted. When the amendment came in, I foresaw—not as an opponent of the measure, but upon somewhat practical acquaintance with the business of the Senate—that it meant a great deal of delay.

I heard Republican Senators about me say, "Oh, this is not going to be pressed;" but I felt it my duty, in the interest of a speedy close of the session, in which we are all interested, to say frankly to the committee that if they did not propose to press it they ought to say so to us then. That is practically all I said. I said the opponents of the measure had a right to debate it, and I added that I did not include myself amongst the opponents, as would be shown by the record.

Mr. President, the Republicans of this Chamber can not assert that they are in favor of a bounty on beet sugar. Of course I know that the great mass of the Democrats in this Chamber are against a bounty on beet sugar, but it is obvious from the vote just taken that it is within the power of the Republican party in the Senate to put a bounty upon beet sugar if they desire it.

I want it to go to the people of the Northwest, who are interested in the sugar business, that the Republican party have had an opportunity here to put a bounty on beet sugar if they desired, and that they do not desire it, or else they desire so much more and are so much more anxious to get an extraordinary duty upon the manufactured articles of the country that they can not submit to a week or ten days' delay to do what a great many people in the West think it would be very wise to do—that is, to put this country upon a course of procedure which will eventually save to us a hundred or a hundred and fifty or two hundred million dollars a year by enabling us to produce our own sugar.

There may be—there ought to be, I have no question on such a matter—doubt as to the propriety of it. I suppose there may be that doubt existing in the minds of some of the Republican members of the Senate, but the Senator from Nebraska [Mr. THURSTON] has evidently laid the foundation to go home and say to the people of the Northwest, "It is the Republicans who are for the bounty on beet sugar, but we were deterred by the frightful threats made by the Democrats;" and I have no doubt there may be some intimation made also in the way of defense that they were not certain whether they could pass it or not, owing to the fact that the Republicans did not have a majority in this Chamber.

I want to say to that Senator and to all the rest that if the Republicans of the Senate desire to pass such an amendment, there are enough of us who are not Democrats and who are not Republicans in the sense that we support whatever the committee does and follow the caucus, to insure a majority for a bounty on beet sugar, and if they do not get the bounty, the people of the West who think they ought to have it will know where to lay the blame.

Mr. ALLISON. Senators, of course, in their own way and in their own time, will explain their conduct in this Chamber, and whatever their fate may be, they will have to endure it.

Inasmuch as we have partially disposed of the sugar question, I trust we may now have an agreement that the bill shall be finally disposed of to-morrow. I propose no hour, but that we shall agree that to-morrow before final adjournment the bill shall be disposed of so far as the Senate is concerned.

Mr. STEWART. Is it the proposition to have the bill reported to the Senate and disposed of in the Senate to-morrow?

Mr. ALLISON. Disposed of in the Senate.

Mr. STEWART. There will be some reservations as to amendments to be voted on in the Senate.

Mr. ALLISON. That is all right.

Mr. WHITE. Are there any amendments not disclosed? Are there any important amendments which have not yet been proposed?

Mr. ALLISON. The vigilance of the Senator from California is commendable. I will say to the Senator that I showed him two or three little amendments relating to paragraphs, and that with those exceptions I can assure him there will be no other amendments proposed by the committee.

Mr. WHITE. So far as those amendments are concerned, they are quite innocent.

Mr. ALLISON. They are innocent, as the Senator from California states. I hope now we may have an understanding that——

Mr. JONES of Arkansas. There is no objection.

Mr. ALLISON. I ask unanimous consent that the bill may be finally disposed of to-morrow before adjournment.

Mr. JONES of Arkansas. There is no objection on this side of the Chamber, if there are no other important amendments to be offered.

Mr. ALLEN. I do not know about that. I do not know whether or not there is objection.

Mr. ALLISON. There will be ample time for the Senator from Nebraska to offer his amendments.

Mr. ALLEN. The Senator from Arkansas may speak for the Democratic party, but he does not speak for the fragment of Populists.

Mr. ALLISON. I know the Senator from Nebraska has other amendments in view, and there will be ample time for their consideration.

Mr. JONES of Arkansas. I am speaking for myself and Senators around me.

Mr. ALLEN. I speak only for myself when I say I have several amendments to offer, which will be offered in good faith. The debate shall not be protracted. I have this afternoon said about all I desire to say upon this matter. I am perfectly willing that we shall come to a vote to-morrow, if it is within the range of possibilities. I want a yea-and-nay vote on some propositions which I shall submit.

Mr. ALLISON. I assure the Senator that I will help him to secure a yea-and-nay vote upon every proposition on which he desires it. I know there are some amendments, important ones in the view of the Senator, which he desires to offer, and I am perfectly willing that he shall have a vote upon them and time enough to debate them. So far as I know, and I think I am pretty familiar with the amendments which are now under consideration, the amendment of the Senator from Nevada [Mr. STEWART] and one or two amendments of the Senator from Nebraska I think are the only ones which might be regarded as important amendments lying behind.

Mr. ALLEN. If the session to-morrow can continue a sufficient length of time to allow the amendments to be debated——

Mr. ALLISON. That is my proposition.

Mr. ALLEN. Under the five-minute rule and voted upon, I am perfectly willing that we shall come to a final vote to-morrow.

Mr. ALLISON. At what hour does the Senator from Nebraska suggest that the five-minute rule shall become operative?

Mr. ALLEN. I do not know. That would depend upon the condition of the amendment.

Mr. STEWART (to Mr. ALLISON). Agree to sit it out to-morrow. I think we can all agree to that.

Mr. LINDSAY. Before any unanimous-consent agreement is made, I wish to make another attempt to put wood alcohol on the taxed list.

Mr. ALLISON. I am perfectly willing that there shall be another vote taken on that question.

Mr. LINDSAY. I will send up the amendment now, so that I shall not be cut off by the unanimous-consent agreement between the Republican and the Populist parties.

Mr. TELLER. I wish to ask the Senator in charge of the bill if he will object to a yea-and-nay vote on that amendment?

Mr. ALLISON. I will not object to a yea-and-nay vote if I can have an understanding that the bill shall be finished to-morrow before adjournment.

Mr. JONES of Arkansas. If the Senator will include, in accordance with the suggestion of the Senator from Nebraska, that the debate to-morrow, except as to the Senator from Nevada [Mr. STEWART], shall be under the five-minute rule, I think it will expedite the matter.

Mr. ALLISON. Then I will make this modification, that after 1 o'clock to-morrow all debate shall be under the five-minute rule.

Mr. GALLINGER. That is good.

Mr. ALLISON. And that we pass the bill before adjournment.

Mr. BERRY. That we vote on the bill.

Mr. ALLEN. That we vote on the bill.

Mr. ALLISON. That we vote on the bill to-morrow.

Mr. BERRY. The Senator said "pass the bill." I suggest "vote on it."

Mr. MILLS. Dispose of it.

Mr. ALLISON. I accept that suggestion. I ask unanimous consent that the final vote upon the bill shall be taken before adjournment to-morrow, and that after 1 o'clock the debate shall proceed under the five-minute rule.

Mr. ALLEN. Will the Senator move to take a recess, so as to start at 11 o'clock promptly?

Mr. COCKRELL. We meet at 11 o'clock anyway.

Mr. ALLEN. There will be morning business.

Mr. JONES of Arkansas. That takes only ten minutes.

Mr. ALLISON. I ask for the unanimous-consent agreement I have indicated.

The VICE-PRESIDENT. Is there objection?

Mr. WHITE. It is suggested to me by Senators that there ought to be some understanding as to whether the beet-sugar matter will appear again in the Senate.

Mr. ALLEN. It will appear again in the Senate.

Mr. ALLISON. It will not appear on this side of the Chamber.

Mr. ALLEN. I will say to the Senator from California that the beet-sugar question will appear again to-morrow morning, if I am alive and able to get to the Chamber.

Mr. ALLISON. The Senator from Nebraska will propose it in some form.

Mr. ALLEN. It will appear in the form of offering a bounty to the farmers who raise beets.

Mr. ALLISON. Now I ask for a unanimous-consent agreement such as I have indicated.

The VICE-PRESIDENT. Is there objection?

Mr. PETTIGREW. Under the bill as it now stands a duty of $1 a thousand is placed upon white-pine lumber. That was the McKinley rate. I desire to have some assurance as to whether that rate is to remain, or whether it is to be increased to $2, which would be an increase of 200 per cent. This duty is a direct tax upon the people of my State to the extent of the amount of the duty. I do not think we should be shut off by a unanimous-consent agreement from discussing that very important question, and unless I know something about that question I shall object.

Mr. ALLISON. I assure the Senator from South Dakota that it is not possible for any Senator to be shut off from the privilege of debating this bill or any phase of it under the five-minute rule after 1 o'clock, as I propose, and before that time generally, if he can get the floor.

Mr. STEWART. I would suggest to the Senator from Iowa that I shall ask for another vote on the cyanide of potassium proposition.

Mr. ALLISON. Very well.

Mr. MILLS. That is all right. What is the agreement?

Mr. ALLISON. I will say to the Senator from South Dakota that it is impossible to know what votes will be taken, but there will be opportunity for debate undoubtedly.

Mr. PETTIGREW. Under the five-minute rule, I understand.

Mr. JONES of Arkansas. There will be no important amendments from the committee?

Mr. ALLISON. Certainly not.

Mr. PETTIGREW. I understand that this is the caucus agreement of the Republican party.

Mr. ALLISON. It is not, I assure the Senator. It is purely my own suggestion.

Mr. PETTIGREW. Very well, then. If the time is extended to ten minutes instead of five minutes, I will consent, as I wish myself to make a statement in regard to the bill, which will take about ten minutes.

Mr. MILLS (to Mr. ALLISON). Let the Senator from South Dakota have ten minutes.

Mr. President, I make a proposition in addition to that of my friend the Senator from Iowa. It is that in the morning hour, from 11 o'clock until 1, the Senator from Nevada [Mr. STEWART] shall have the floor, if he wishes it, without any limit except the two hours from 11 to 1; that after that time the Senator from South Dakota shall have a half hour, if he wants it, on his proposition, and that for all the rest of the time the debate shall be under the five-minute rule.

Mr. STEWART. The Senator from South Dakota wants only ten minutes.

Mr. MILLS. If he desires but ten minutes, give him that.

Mr. ALLISON. That is what the Senator from South Dakota asked for. I ask the Chair to put the request for unanimous consent as I suggest it.

The VICE-PRESIDENT. The Chair understands the request to be——

Mr. ALLISON. I ask unanimous consent that the bill shall be finally voted upon before adjournment to-morrow, and that after 1 o'clock the debate shall be confined to the five-minute rule, with the exception of the ten, twenty, or thirty minutes which the Senator from South Dakota desires.

Mr. PETTIGREW. Ten minutes, I said. It is not on the question of lumber particularly that I ask for ten minutes.

Mr. ALLISON. Very well.

The VICE-PRESIDENT. The Senate has heard the request for unanimous consent made by the Senator from Iowa.

Mr. PETTIGREW. Do I understand that the committee will not move to reconsider?

Mr. ALLISON. Certainly not.

Mr. SPOONER. To reconsider what?

Mr. PETTIGREW. The duty on pine lumber.

Mr. JONES of Arkansas. The committee have agreed not to offer important amendments.

Mr. PETTIGREW. Or to move to reconsider amendments?

Mr. JONES of Arkansas. That is the same thing.

Mr. ALLISON. The committee is very glad to get rid of it.

The VICE-PRESIDENT. Is unanimous consent given? It appears to be given. It is given.

Mr. ALLISON. I move that the Senate adjourn.

The motion was agreed to; and (at 6 o'clock and 8 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, July 7, 1897, at 11 o'clock a. m.

SENATE.

WEDNESDAY, *July 7, 1897.*

The Senate met at 11 o'clock a. m.

Prayer by Rev. HUGH JOHNSTON, D. D., of the city of Washington.

On motion of Mr. QUAY, and by unanimous consent, the reading of the Journal of yesterday's proceedings was dispensed with.

PETITIONS AND MEMORIALS.

Mr. MILLS presented a memorial of sundry cattle raisers of Frio County, Tex., remonstrating against the proposed rate of duty to be levied on cattle imported into the United States; which was referred to the Committee on Finance.

Mr. MORRILL presented the memorial of Curtis S. Emery and 343 other citizens of Vermont, remonstrating against the enactment of legislation intended to destroy the present system of ticket brokerage; which was referred to the Committee on Interstate Commerce.

Mr. MITCHELL presented a petition of the Milwaukee Association of Credit Men, of Milwaukee, Wis., praying for the passage of the Torrey bankruptcy bill, and remonstrating against the passage of the so-called Nelson bankruptcy bill; which was ordered to lie on the table.

He also presented a memorial of Post A, Wisconsin Division of the Travelers' Protective Association of America, of Racine, Wis., remonstrating against the passage of Senate bill No. 1575, relative to the sale of unused mileage; which was referred to the Committee on Interstate Commerce.

Mr. BERRY presented the memorial of F. R. Chance and 52 others, of Charles F. Reynolds and 52 others, and of James K. Barnes and 23 others, all in the State of Arkansas, remonstrating against the enactment of legislation intended to destroy the present system of ticket brokerage; which were referred to the Committee on Interstate Commerce.

Mr. MASON. I present sundry petitions from different portions of the State of Illinois, signed by citizens residing in different cities, in which the petitioners state that "industry is paralyzed, thousands of workingmen are out of employment, and the success of the future is jeopardized by the importation of immense quantities of foreign goods: Therefore, we, the petitioners, earnestly petition and urge your active cooperation in securing protective-tariff legislation, at the earliest possible date, which will adequately secure American industrial products against the competition of foreign labor." I ask that the petitions may lie on the table.

The petitions were ordered to lie on the table, as follows:

The petition of R. P. Benedict and 11 other citizens of Chicago;

The petition of J. R. Williams and 16 other citizens of Anchor;

The petition of James C. Minor and 72 other citizens of Bushnell;

The petition of Franklin Griffith and 39 other citizens of Carthage;

The petition of Alexander McLean and 59 other citizens of Kewanee;

The petition of H. S. Van Dervort and 146 other citizens of Warren; and

The petition of D. S. Flagg and 79 other citizens of Louisiana, Mo.

Mr. MASON presented memorials of P. J. Doyle, president, and C. G. Stivers, secretary of the Chicago Federation of Labor, having a membership of 75,000, and representing the organized labor of Chicago; of O. J. Roath and 43 other citizens; of C. W. Baker and 30 other citizens; of F. A. Mills and 19 other citizens; of G. P. Shields and 11 other citizens; of S. Hely and 19 other citizens; of Henry C. Darlington and 19 other citizens; of J. K. Mansfield and 19 other citizens; of E. A. Kiest and 7 other citizens; of J. A. Burlingame and 21 other citizens; of R. S. Ernest and 19 other citizens; of J. P. Meyer and 9 other citizens; of A. Schaffner and 19 other citizens; of D. W. Lyle and 18 other citizens; of George Graber and 19 other citizens; of C. A. McKelvay and 19 other citizens; of H. Daley and 7 other citizens, and of G. Hunter and 15 other citizens, all in the State of Illinois, remonstrating against the enactment of legislation intended to destroy the present system of ticket brokerage; which were referred to the Committee on Interstate Commerce.

He also presented the memorial of John A. Lomax and 17 other citizens of Chicago, Ill., remonstrating against the proposed increase of the tax on beer; which was ordered to lie on the table.

Mr. ALLEN presented sundry papers to accompany the bill (S. 2311) to provide for the better instruction of the militia, and for other purposes; which were referred to the Committee on Military Affairs.

IMMIGRATION BUILDINGS AT ELLIS ISLAND, NEW YORK.

Mr. HALE. I present a communication from the Secretary of the Treasury, relative to an appropriation of $600,000 for rebuilding the Ellis Island immigrant station. I move that the communication and accompanying papers be printed as a document, and referred to the Committee on Appropriations.

The motion was agreed to.

AUGUST BOLTEN AND GUSTAVE RICHELIEU.

Mr. LODGE. I am directed by the Committee on Foreign Relations to report a joint resolution and submit a report and accompanying correspondence, which I ask to have printed. I give notice that immediately after the passage of the tariff bill the committee will call up the joint resolution and ask for action upon it.

The joint resolution (S. R. 61) for the relief of August Bolten and Gustave Richelieu was read twice by its title.

PAY OF STENOGRAPHER.

Mr. MORGAN. I present a report coming from the chairman of the Committee on Foreign Relations, and, I have no doubt,