SHALL WE HAVE UNLIMITED SILVER COINAGE?

Joint Discussion by Edward Rosewater and Jay Burrows.

PART I.

In the primitive social state men made exchanges of the natural products of the earth and sea, the cereals, fruits, fowls, fishes and animals by barter. The products of handicraft rudely fashioned from stone, metal and wood were all exchanged by barter. The relative value in trade of these commodities and products depended not merely upon their scarcity or abundance, but also upon individual caprice.

As man became more civilized it was found convenient to have a recognized medium of exchange. This medium, which performed the functions of money, was always chosen from commodities or products that had a barter value within themselves. Thus wheat, tobacco, furs, dried fish, fruits, horses and cattle constituted mediums of barter and passed current in various countries the same as money does now. One pound of tobacco, for instance, exchanged for three bushels of potatoes; one beaver skin exchanged for two bushels of wheat or ten pounds of beef. Among American Indians horses were a favorite medium of barter and a dozen ponies were sometimes turned over in payment for one squaw.

When men began a nomadic life precious metals were found to possess a superior barter value. They were compact, small in bulk, indestructible, readily divisible and not liable to depreciate in value by use as ornaments or as mediums of exchange. They had an intrinsic value, based upon the labor to mine, smelt, refine and polish them. When Abraham bought a plot of land for a family burial ground he paid for it with 400 shekels of silver, "current money." That is the first barter in silver currency we have any record of, and the value of this silver money was computed by weight. For greater convenience the metallic barter medium was divided into pieces of a fixed weight and quality and these pieces of metal became money. To protect people who used this metallic barter medium against fraudulent alloys and counterfeiting, mints were established under governmental supervision. Their function was to coin pieces of silver and gold of uniform weight and quality and stamp them with figures denoting their value. This is the prime and only object of coinage. The government stamp upon any coin merely certifies to its weight and quality but does not add any value to the coin. Outside of the countries which issue them gold and silver coins only pass current at their market value as metal. When a coin does not contain metal worth in the open market the sum stamped on its face it is known as debased coin. Debased coins have at various times been issued by governments whose treasuries were depleted by exhaustive wars and reduced revenues. England debased her coin in the year 1300, and the French, German and Spanish governments have at various times issued debased coin as a last resort when the tax gatherer was unable to wring any more contributions from the people. The issues of debased coin have always proved disastrous to the credit and prosperity of every nation that has resorted to such means to increase its volume of money.

Of the two money metals gold always has commanded greater purchasing power, and its relative value to silver has varied in proportion to their relative abundance and cost of production. At the beginning of the present era one ounce of gold exchanged for eight ounces of silver. When America was discovered, four hundred years ago, it required from ten to eleven ounces of silver to buy one ounce of gold. In the seventeenth century the ratio between gold and silver fluctuated between 15 and 16 to 1. In 1717 Sir Isaac Newton, the master of the British mint, fixed their ratio at 15 1-5 to 1. In 1782, ten years before the United States commenced the coinage of money, Robert Morris, one of the most eminent financiers America ever produced, advocated the use of silver alone, because in his judgment gold and silver could not be used as a standard on account of the variation in the ratio of the two metals. After several years of discussion the proposition to adopt a double standard of silver and gold was carried into effect by Alexander Hamilton, the first secretary of the United States treasury in pursuance of an act of congress, which placed the ratio between gold and silver as 1 to 15. In other words the American standard silver dollar was to contain 15 grains of silver for every grain of gold contained in the American standard gold dollar. By the act of 1792 free and unlimited coinage was decreed and the gold and silver coins issued from the United States mint were made a legal tender.

In due time it was found impracticable to maintain the double standard or free coinage of both metals. Early in the century Gresham's law, which enunciates the principle that "bad money drives out good money," began to exert its influence on American coined metals. On the average gold was worth three per cent more as compared with silver than the value stamped on the gold coin. Gold began to disappear from circulation as early as 1810. In 1814 the gold coinage of the United States mint was $77,000; in 1815 it was only $3,000. Three years later the circulation of gold coin was almost completely extinguished in the United States.

The first experiment in the United States with the free and unlimited coinage of gold and silver closed in 1834. In that year a bill was passed by congress changing the ratio. During the discussion of that bill on the floor of the senate Thomas H. Benton is on record as saying: "The false valuation put upon gold has rendered the mint of the United States so far as the gold coinage is concerned a most ridiculous and absurd institution. It has coined and that, at a large expense to the United States, 2,262,177 pieces of gold worth $11,852,890 and where are the pieces now? Not one of them to be seen. All sold and exported! And so regular is the operation that the director of the mint in his latest report to congress says that the new coined gold frequently remains in the mint uncalled for though ready for delivery until the day arrives for a packet to sail to Europe." * * * * * "To go to work at the right place to effect the recovery of that precious metal which their fathers once possessed—which the subjects of European kings now possess—which the citizens of the young republics to the south all possess—which even the free negroes of San Domingo possess—but which the yeomanry of this America have been deprived of for more than twenty years, and will be deprived of forever, unless they discover the cause of the evil, and apply the remedy to its root."

It would thus seem that in the days of Benton the people were crying for the gold dollars of the daddies. The coinage act of June 1834 fixed the legal ratio of gold to silver as 1 to 16. This was the first radical departure from the ratio fixed by Alexander Hamilton. In the sixteen years after 1834 the commercial ratio of silver to gold fluctuated from 15⅝ to 1 to 15 9-10 to 1, consequently the silver as coined by the United States was relatively to gold worth more than its coined value. Gresham's law again came into play and silver disappeared from circulation. The silver dollar was rarely used as money after 1840. An eminent authority on finance wrote, in 1879: "It would probably be safe to assert that one-half of the citizens of our country born since 1840 had never seen a United States silver dollar."

In 1853 the want of silver currency had become so pressing that congress enacted a new law to prevent the melting down of the half dollar pieces, which contained just one-half of the quantity of silver in the standard silver dollar. By the act of 1853 the standard silver of the half dollar was cut down from 206¼ grains to 192 grains, with the smaller coins in proportion. No free coinage of these subsidiary coins was allowed. Their legal tender value was limited to $5. Thus the act of 1853 reduced the silver of the fractional coins about 7 per cent, and as the silver dollar was only worth about 3½ per cent more than the gold dollar all profit in melting the subsidiary coins ceased. At this period the silver dollar had practically gone out of circulation. The total coinage of silver dollars in 1850 had been $47,500; in 1851 $1,300; in 1852 $1,100. In striking contrast the total gold coinage of 1852 was over $56,000,000, of which 2,000,000 was in the little gold dollars. Why was there no clamor then for the dollar of our daddies? Simply because there were no bullionaires and silver mine speculators interested in clamoring.

By the act of February 21, 1853, a coinage charge of ½ per cent was imposed upon all gold and silver bullion presented by individuals for coinage at the mint. This fact incidentally goes to show that absolute free coinage of both metals had been repealed by the act of 1853. In reality there is no valid reason for the free coinage of either of the two metals. The actual cost of coining a silver dollar is computed at 2 cents and the same expense is incurred for the coinage of every gold coin. While the expense of coining a twenty-dollar gold piece is no greater than the coinage of a silver dollar the owners of the metal, even if gold and silver were on a parity at the old ratio of sixteen to one, ought to bear the expense of coinage. The coinage of 1,000,000 silver dollars would, if free coinage were established, cost the government $20,000; whereas the coinage of 100,000 eagles ($10) costs the government $2,000, and 50,000 double eagles ($20), or $1,000,000, would only cost the government $1,000 to coin. When it is borne in mind that the United States mints have coined over 400,000,000 silver dollars within the past thirteen years at a cost to the government of over $8,000,000, or $2,000 each working day, the magnitude of the cost of silver coinage becomes very striking.

Although the coinage of the standard silver dollar of 371¼ grains of pure silver continued without let or hindrance from 1792 to 1873, it was very limited during the first fifty years of the republic. From 1792 to 1805 the total coinage of silver dollars in the United States mints was $1,439,517, or $110,732 a year. Computing the population at 4,000,000 the silver dollar coinage amounted to less than three cents per year per capita. From 1805 to 1835, during a period of thirty years, not a single standard silver dollar, or any other silver dollar, was coined in the United States. In 1836 only 1,000 standard silver dollars were coined. In 1837 and 1838 the United States mints did not coin a single silver dollar. In 1839 only 300 silver dollars were coined. From 1840 to 1857 the total coinage of silver dollars was $1,328,823. In 1858 not a single silver dollar was coined. From 1859 to 1873 the total coinage of silver dollars aggregated $5,285,198. The total coinage of silver dollars from 1792 to 1873, covering a period of eighty years, was only $8,054,838. Assuming that this whole stock of silver was retained in circulation up to 1873, which we know is not the case, and computing the population for 1873 to be 44,000,000, the circulation of silver dollars was less than 20 cents per capita. Today, in spite of the hue and cry about the alleged conspiracy against silver, we have more than $6 per capita in standard silver dollars, and this is exclusive of the silver certificates issued in exchange for the silver bullion now on deposit in the vaults of the national treasury. In other words, within the last eighteen years we have coined fifty standard silver dollars for every single dollar that had been coined during the eighty years preceding, and we are issuing more silver dollar certificates for the silver bullion delivered at the mint every sixty days than all the silver coined by our mints from 1792 to 1873. But the clamor for unlimited coinage is still kept up by the silver mine bullionaires, mining claim speculators and their dupes.

Let us now go back to 1873, when congress struck the standard silver dollar from the list of American coins. That act has been denounced by free coinage advocates as a great conspiracy in the interest of foreign bondholders and money loaners. This is a fiction gotten up for political effect. The truth of history contradicts it most emphatically. In 1870 the American silver dollar of 412½ grains was worth 103 cents in the metal market. These silver dollars had nearly all gone out of circulation, being absorbed in the silversmith's melting pot.

The only metallic dollar in circulation at that period was the little gold dollar. In order to unify our monetary system, John Jay Knox, comptroller of the treasury, recommended to congress to drop the 412½-grain dollar out of our coinage list and substitute a subsidiary dollar coin weighing 384 grains in silver for home circulation. This recommendation was embodied in a bill that was pending in congress more than three years. The bill was introduced on April 25, 1870, and did not pass until February 7, 1873.

What is the true explanation? The fact is that in 1873 silver had demonetized itself. The coin in the silver dollar was still worth a little more than a dollar, and it has been estimated that there were not, at that time, a thousand standard silver dollars in existence. All had been melted or exported. For twenty-eight years the ounce price of silver had not fallen below $1.30, whereas its ratio to gold was $1.29; and in 1873 it still stood within one-fifth of one cent of $1.30. The silver producers were indifferent as to the law of 1873 because, unbrokenly for forty years, silver had been worth more than its coinage value. Beginning with 1870 the gold product began to decline, the silver product began to increase enormously. In 1874 the Latin-Union, noticing the downward tendency of silver, withdrew the privilege of free coinage of the silver five franc pieces to a moderate amount. Silver in 1874 fell to $1.27 an ounce. In 1875 to $1.24 an ounce. In 1876 to $1.15 an ounce. Then, and not till then, began to be heard the cry of "the conspiracy of 1873." Silver has been struck down, but not by the bill of 1873, nor by any bill concocted by man. The hand which struck down silver is the hand which will strike us all down in time, the hand which nothing can withstand, the irresistible hand of nature. Silver has been struck down by one of the natural forces, by the great law of demand and supply.

Mr. Burrows' Reply.

I dismiss as immaterial all the history as to the origin and nature of money. The bare question we are to discuss is the expediency of the free coinage of silver, as it affects the welfare of our people. The real question involved is one of volume of money. This involves the question of prices, or the relative purchasing power of products or labor, and money. In this issue the interests of the money-lenders, or the fixed income class, or the creditor class, are at varience with the interests of the producers, the merchants, the mechanics, the debtor class. This is really the only issue. All the talk about silver being unfit for money, too plentiful, too cheap, is mere idle by-play. The quicker the real issue is understood by the people the better.

Mr. Rosewater makes some statements in his history, however, which are inacurate. In speaking of government mints he says they were established to protect people from counterfeits, and that "their function was to coin pieces of silver and gold of uniform weight and quality and stamp them with figures denoting their value." He then adds, "this is the prime and only object of coinage. The government stamp upon any coin merely certifies to its weight and quality, but does not add any value to the coin." These statements are peculiar. As there was no accepted government coin before mints were "established," and as there would be no counterfeits before there was a legal coin, isn't it just possible that Mr. Rosewater has made a mistake as to the function of mints? Law first fixed the amount of metal in the coin, determined its form and the insignia or device that should be placed upon it, and then coined the money to show to the people, as well as furnish for their use, what the law had provided should be money. The function of the mint is far different and higher than Mr. R. states. If simply amount and fineness were to be certified, bars would have done as well as coin.

Mr. Rosewater says the government stamp "does not add to value." This we deny. If Mr. R. had said "intrinsic value" we would have agreed. The least reflection will show the falsity of Mr. R.'s position. Take 371¼ grains of silver in a lump and offer it to your creditor. Will it pay the debt? No. Take exactly the same number of grains in the form of a coined dollar and offer it to your creditor. Will it pay the debt? Yes. Are 371¼ grains of silver which will liquidate a debt more valuable than 371¼ grains that will not? If I understand the term value, they are. What is the difference? One bears the evidence that the law has said it shall pass current for a dollar. The other does not. Consequently coining has added value.

Take the case of the nickel 5-cent piece. Has or has not minting added value to the metal?

Mr. R. now innocently says, "outside of the countries which issue them gold and silver coins only pass current at their market value as metal." True, and why? Because the fiat or legal power of the countries which issue them does not extend beyond their own borders. Within the countries which issue them they pass at the face value put upon them by law as money. Outside they pass at their commodity or intrinsic value. Mr. Rosewater plainly refutes himself.

He now utters another reckless statement which shows how superficial has been his study of the subject. He says: "When a coin does not contain metal worth in the open market the sum stamped on its face it is known as debased coin."

A debased coin is a coin which contains less metal than the standard amount fixed by law. This may be caused by abrasion, or by fraud of the ruling power at the mint. But in the nature of things the value of the material of money has nothing to do with its legal value. The latter value is determined by law alone. As a matter of policy it may be desirable to have the nominal value of coins correspond with the value of their metal in the open market. But a coin cannot be said to be "debased" unless it contains less metal than the law requires.

Suppose the silver and gold coins of this country should be diminished just one-half, what would result? Prices in this country, measured by our coin, would be doubled, but it would have no effect whatever upon our foreign trade. Gold and silver would pay balances on exactly the same basis as before, viz: Their commodity value.

These slips of Mr. Rosewater are not very important, as no part of the argument hinges upon them, nor upon the long history reviewed by him. We merely quote them to show how loose his analysis of the subject is.

Beginning at his fourth paragraph, Mr. Rosewater quotes a great deal of the early history of coinage in this country; but the exact application he wishes to make of these quotations I am unable to say, unless it is to try to show that any double standard is impracticable. If that is his object the argument is as much in favor of silver as gold. The supply of silver in the United States having increased 50 per cent in the last ten years, and the supply of gold having decreased or remained stationary, it would seem, if we are to have money of only one metal, that silver is the best for that purpose. As a matter of fact, whatever deductions Mr. R. would make there can be no historical parallel in money matters drawn between the ante-bellum period and the present time, only in the fact that then as now the intricate problems connected with coinage puzzled statesmen and baffled scholars. But that a double standard at a fixed ratio can be maintained with a greatly varying supply of both metals, with a scarcely appreciable variation in the coin value of either, I have ample historic facts to prove. I quote from the address of William P. St. John, president of the Mercantile National bank of New York, delivered before the Western Commercial congress at Kansas City, April 17, 1891:

> Facts, read together, report experience especially telling as to France. After 279 years of widely varying average relative prices of gold and silver, under moderate variations of relative production barely averaging 3 per cent, the mints of France alone, for a period of sixty-two years, to 1865, under variations of relative production exceeding 19 per cent, maintained a practically unvarying average relative price in market for gold and silver in spite of divergent coinage laws all elsewhere. Thus, in coin value, in 1810: Production, 76 per cent silver; relative price, 15.61 to 1. In 1855: Production, 78 per cent gold; relative price, 15.76 to 1.
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> Under equally free coinage for gold and silver, owners of either bullion sought the mints of France at a value fixed for them, price paid for them in purchasing power decreed by law. In consequence in the period 1821 to 1840, $442,000,000 of the world's abundant silver was welcomed into the legal tender silver coin of France. In 1851 to 1860, with gold almost alarmingly abundant, $816,000,000 of gold were minted into the legal tender coin of France. Under such widely varying conditions the free mints of France maintained the average relative market price of gold and silver for the world between 1 to 15.75 and 1 to 15.80. Thus effectually by France alone, the value possessed by either metal in its scarcity was bestowed upon the other in abundance, by decree. Such were the means she adopted, such the achievement by which France single-handed and for sixty-two years, "put a dollar's worth of silver in the dollar," and maintained it constantly at 100 cents. Under such automatic operations of her continuously open mints, in spite of the extreme variations in production noted, France thus obtained so great a volume of coined money in circulation that no embarassments were possible from occasional loss of either metal in international trade.
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> France was not a producer of gold and silver. The United States is without a rival as a producer of silver, and usually rivals any producer of gold. India invariably a creditor among the trading nations, assures us her giant support for free coinage of silver. At one period 76 per cent of the world's total production of the money metals was silver; only 59 per cent is silver now. Strictly without the aid of India, France asked no support for gold free coinage when 78 per cent of the production annually was gold, the foreign commerce of France was then much less than ours at present. Her domestic trade is not to be compared with ours today. Her population then was little more than half our present population, her territory one-seventeenth the area of the United States.

I find no argument in favor of the single standard in Mr. R's paragraph 7. It is true by a change in the weight of our gold coins in 1837 the ratio of gold to silver was changed from 15½ to 1 to 16 to 1. It is true that probably on account of a varying ratio, gold at one time and silver at another, disappeared from circulation. These changes, mark, were in the gold coins. 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 the same unit as the first standard coin minted in the United States. While our circulation of gold and silver varied, 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, and all there was of both metals was potentially money everywhere. Bimetalism consists in the right to use both metals for money. (See facts about silver.) The above fact is a sufficient answer to Mr. R.'s question at the close of paragraph 8. There was no discrimination about either metal. Coinage was free and any one having bullion could take it to the mint and have it made into money. So, no matter what form the metal was in, it was potentially money.

Mr. Rosewater quotes historical statistics in the most appalling and reckless manner. I can only explain his fearful misstatements in regard to silver coinage by supposing that he has accepted the work of some inaccurate author as authority, and copied it verbatim without any investigation as to its reliability. I note a few of his inaccuracies. My authority is the United States Statistical Abstract, a work prepared under the direction of the secretary of the treasury and published by the United States. The coinage statistics in this work are compiled from reports of directors of the mints from the passage of the coinage law until the present year, and are official and authentic:

In paragraph 8 he says, "the total coinage of silver dollars in 1850 had been $47,500; in 1851, $1,300; in 1852, $1,100."

The facts are that in 1850 the coinage of silver dollars was $1,866,100, and of minor coins, $44,467.50; in 1851, the coinage of silver dollars was $774,397, and of minor coins, $99,635.43; in 1852 the silver dollars coined were $999,410, and of minor coins, $50,630.94.

Isn't it strange, also, that in stating the gold coinage for one of the same years Mr. Rosewater should be correct?

In paragraph 10 Mr. Rosewater accumulates quite a number of these inaccurate statements. He says "from 1792 to 1805 the total coinage of silver dollars in the United States was $1,439,517, or $110,732 a year."

The fact is that in the period named there were coined of silver dollars $1,761,014.20, and of minor coins $178,973.47.

Mr. Rosewater says "from 1805 to 1835, during a period of thirty years, not a single standard silver dollar, or any other silver dollar, was coined in the United States."

The fact is that in the period named inclusive, there were coined $41,372,067 in silver dollars, besides several millions of minor silver coins which we have not taken the trouble to compute.

Mr. R. says, "in 1836 only 1,000 standard silver dollars were coined."

The fact is that in 1836 $3,606,100 in standard silver dollars, and $23,100 of minor silver were coined.

Mr. R. says, "in 1837 and 1838 the United States mints did not coin a single silver dollar."

In those two years the United States mints coined $4,429,253 in silver dollars and $119,285 in minor coins.

Mr. R. says, "in 1839 only 300 silver dollars were coined."

The fact is that in 1839 $2,209,778 in silver dollars were coined.

Mr. R. says, "from 1840 to 1857 the total coinage of silver dollars was $1,328,823."

The fact is, that in that period, inclusive, there were coined $57,772,726.

Again, says Mr. R., "In 1858 not a single silver dollar was coined."

The fact is that in 1858 $8,495,370 in silver dollars was coined, besides $246,000 in minor coins.

Mr. R. says, "from 1859 to 1873 the total coinage of silver dollars aggregated $5,285,198."

The fact is that in the above period, inclusive, there were coined in silver dollars $27,943,587.

Again, says Mr. Rosewater, accumulating all the above little tornadoes in one grand cyclone of inexactness, "the total coinage of silver dollars from 1792 to 1873, covering a period of eighty years, was only $8,054,838."

The fact is according to the unimpeachable official authority I have quoted, that in the period named there were coined of silver dollars $147,509,897, and many, many millions of minor silver coins, which I have not taken the trouble to compute.

"Falsus in uno, falsus in omnibus."

The whole fabric of false deductions on which Mr. Rosewater bases his statements which prove not to be facts falls to the ground with his facts.

I am amazed that a man of Mr. Rosewater's penetration should be led into such inexcusable blunders. But the fact is that the war on silver from its inception to the present time, has been based on unsound financial theories and bolstered up by the most unscrupulous falsehoods. Mr. R. has chosen the side of the stronger in the fight, and then accepted without inquiry the false principles and false statements put out by that side.

In paragraph 11 Mr. Rosewater appeals to congressional history, and denies that the demonetization of silver was the result of a conspiracy in the interest of money loaners. I ask Mr. R. if it has not been claimed through all this controversy that silver was demonetized because it was growing cheaper, and becoming on that account unfit for money? I ask him if, at the time the first bill was introduced striking the dollar from the list of American coins, silver had in fact depreciated at all in the markets of the world? He knows very well that it had not.

Mr. R. is rather chary of his references to the history of demonetization; but as far as he dips into it his facts are as delusive as his figures were misleading. He says, "in that period * * John Jay Knox recommended to congress," etc. (See paragraph 13.) I propose to give some explicit points in the history of that law. January 6, 1868, John Sherman introduced a bill in relation to the coinage of gold and silver. This bill, in section 2, discontinued the coinage of silver dollars. It also made foreign gold coins which conformed to certain conditions of weight and fineness legal tender in all payments whatsoever. This bill failed to become a law, and was followed by Mr. Knox's bill, introduced in the senate by Mr. Sherman December 19, 1870. This bill passed the senate January 10, 1871. It demonetized silver by omitting the dollar from the list of coins. May 27, 1872, this bill was passed by the house and sent to the senate. The fact that this bill demonetized silver was not developed in the house, and the bill was passed under a suspension of the rules, without debate and without being read. The debates about it and the manner of its passage show conclusively that it was passed by a conspiracy, and that only two or three members of the house knew its actual provisions. As "foreign bond holders and money loaners" were the only ones to be benefited by its passage, it is fair to conclude that they were the ones who promoted it.

In the senate, December 16, 1872, Mr. Sherman reported the bill from the committee on finance. It was again up January 7, 1873, and January 17, 1873. February 6 it was considered by a conference committee. February 12 it was agreed to by each house, and approved by General Grant the same day. (See Congressional Record.)

No questions had been raised in either house upon the limitations of the legal tender of silver nor upon the stoppage of the coinage of silver dollars. The owners of gold bullion might deposit it to any extent to be coined into legal tender currency. The owners of silver bullion could deposit it to be coined into trade dollars or bars.

The proof that up to February 12, 1873, there had been a conspiracy is found in the subsequent fact that after the silver unit had been declared by that law to be a nonentity, a clause was smuggled into the revised code of 1874 without the knowledge of any man who dares avow his consciousness of it. The act adopting the code was passed June 20, 1874. The following clause, which had no existence in any act which had passed prior to December 1, 1873, nor subsequent thereto, was surreptitiously introduced into the revisal, viz:

"Sec. 3,586. The silver coins of the United States shall be a legal tender at their nominal value for any amount not exceeding $5 dollars in any one payment."

Thus was a conspiracy by which the silver dollar was thrown out of our list of coins and its legal tender quality destroyed, accomplished. John Sherman in the senate and Mr. Hooper of Massachusetts in the house were in the conspiracy and knew all the contents of the bills.

Mr. Rosewater's statement that the cry against demonetization of silver was caused only by the decline of silver, is refuted by the fact that it was not until 1876 that it became generally known that silver had been demonetized. I can prove this by presidential messages and proposed legislation and debates in congress, did time permit. It took many years for the people to realize the fraud that had been perpetrated, and then public clamor compelled its partial remonetization.

I dismiss the question of mint charge. It is immaterial who pays it. It is of vital importance that coinage of the precious metals be unlimited, and that both be on the same basis. If the coinage of silver be unlimited its price will be fixed by the mint valuation. If it is limited the part excluded from coinage may bear a different price. To coin simply the American product would leave silver for Indian export to be fixed by British council bills as at present.

In paragraph thirteen Mr. Rosewater admits that the first decline in silver was in 1874, one year after its demonetization. The parties who had instigated the conspiracy against silver knew all the facts. Its decline was caused by its demonetization. If its use as money had not been destroyed it would never have declined. Gold, notwithstanding the Australian and California discoveries, always maintained its market value at par with its coinage value for the simple reason that its coinage value fixed its market value, as it would of silver today if coinage was free and unlimited.

Let me state here one or two important facts on which there is widespread misapprehension. The United States demonetized silver first, by act of February 12, 1873. The act of Germany in 1871 did not demonetize silver. On July 9, 1873, Germany decreed the single gold standard, after the example had been set by this country.

Mr. Rosewater, in his conclusion, claims that silver was "struck down" (demonetized?) by nature, "by the great law of demand and supply." I suppose he might have said "providence," and expressed the same meaning.

Now if I show that the demonetization of silver was against the natural law of supply and demand—that in spite of the increased production of silver the material for money was diminishing instead of increasing, and that that decrease has continued and been intensified to this day, I shall have won the contention on this point.

In 1873 our gold product was diminishing. For the term of seventeen years, from 1856 to 1872 inclusive, the product of our gold mines was $809,750,000. For the term from 1873 to 1889 inclusive, it was only $609,775,000, a decrease of about $200,000,000. Our increase of production of silver at 1873 had not nearly compensated for our loss in gold, to say nothing of increased requirement for money by increased population, agriculture and manufactures. Our production of gold has gradually decreased since 1873, though the decrease is not so marked as between '56 and '73. Our increase of silver production since '73 has been great, but not anything like our increase in population, manufactures and agricultural products—the increase which demands more money to effect our exchanges. Our silver product in 1873 was $36,000,000. In '89 it was $64,646,000. This is an increase of only $28,646,000 to offset a decrease of $200,000,000 in gold, or an actual decrease of money metal of over $170,000,000.

In the period between 1873 and 1890 we have nearly doubled our population. We have increased our production of pig iron from 1,000,000 to 7,000,000 tons; our iron and steel from 500,000 to 1,500,000 tons; our cotton from 3,000,000 to 7,000,000 bales; our wheat from 280,000,000 to 500,000,000 bushels; our corn from 930,000,000 to over to 2,000,000,000 bushels; our petroleum from 7,000,000 to 21,000,000 barrels; our sugar from 125,000,000 to 287,000,000 pounds; our railroads from 70,000 to 167,000 miles; our horses from 9,000,000 to 14,000,000; our cattle from 16,000,000 to 36,000,000; our swine from 32,000,000 to 50,000,000; our cereal crops from $900,000,000 to $1,500,000,000 in value. And so on and so forth ad infinitum, through the whole list of exchangeable products.

When it is remembered that all primary exchanges are made with actual money, and that our producers and debtor classes are paying today for the use of credit money which is indispensable to do the business of the country at the rate of $9 for every dollar of metal and paper money in existence, and when it is understood that the price of all produced wealth is fixed by money volume, the extent of the crime that "nature," or providence committed when it "struck down" silver may be faintly appreciated.

Unloading national sins on providence is convenient. Its impropriety comes home to us only when we discover that providence refuses to pay the penalty. The Standard Oil company, the railroad pools, the foreign land syndicates, may all, under Mr. Rosewater's benign philosophy, come to be accepted as providential inflictions.

Home for Aged Women.

On Wednesday, January 27, at 2 p. m. the quarterly meeting of the Nebraska Home for aged people will be held at the Young Men's Christian Association hall. All are invited to attend.

ETTA L. RIGGOR, Recording Secretary.