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Democratic Prospects for 1904.



The chances of our party, like the chances of all parties, depend upon three things: First, upon the party's attitude upon public questions; second, upon the knowledge which the people have of those questions, and, third, upon the conditions, industrial and otherwise, prevailing at the time.

The first, namely, the party's attitude, is entirely within the control of the party. The party must take the position which the voters of the party believe to be the correct position, and if it would draw honest men to it, it must not only take an honest position, but state the position honestly. It must not only have principles, but it must apply those principles to all questions upon which the officials to be chosen at the election are to act.

It is not possible at this time to enumerate all the questions that may enter into the campaign, because the incidents of a day may inject an issue into the campaign. Neither is it possible to state the relative importance of issues, because circumstances may temporarily change their relative position. The question of imperialism must necessarily be an issue in the next campaign unless the republican party before that time decides to apply American principles to the Philippine question, or unless the democratic party before that time decides to apply European principles to American questions.

It is impossible for this nation to permanently endorse two theories of government. It cannot always administer colonies upon the theory that governments rest upon a basis of force, and at the same time administer a republic on the theory that "governments derive their just powers from the consent of the governed." There is an irrepressible conflict between these two theories of government, and that conflict must continue until we abandon imperialism in the Orient or establish it in the United States. This issue transcends all other issues in importance. The Kansas City platform declared it to be the paramount issue, and it must be so considered unless we have lost our love of liberty and self-government.

The trust question, which in the campaign of 1900 was regarded as the question of second importance, has grown in importance, first, because of the increasing number, size and arrogance of the trusts, and, second, because of the unwillingness of the republican party to deal with the question effectively has become more apparent. Private monopolies are either right or wrong. If they are right, no attempt should be made to destroy them; if they are wrong, the party that defends them will ultimately be forced into retirement. The Kansas City platform declared private monopolies to be "indefensible and intolerable," and that plank is as sound today as it was when it was adopted. The trust issue must occupy a prominent place in the next campaign unless the republican party disposes of the question (as it is not likely to do) by a vigorous and comprehensive law, or unless the members of the democratic party are converted to the theory that the interests of the people are safer in the hands of a few trust magnates than under the former system of competitive industry.

The money question was declared to be the question of paramount importance in 1896. While the position asserted at Chicago was maintained four years later, the money question was subordinated to the question of imperialism and to the trust question for several reasons: First, because the question of imperialism was a heart disease, while other questions only effected the distribution of wealth; second, because of the rapid development of the trust system, and, third, because an unexpected increase in the production of gold, unusual crops and abnormal conditions, had largely increased our money supply and thus

checked that fall in prices which had forced the money question into prominence. The increased production of gold did not answer the theoretical argument in favor of bimetallism, but it lessened the force of the argument based upon the scarcity of gold. The unusual crops and the expansion of paper money gave to this nation an extraordinary share of the world's money, while abnormal conditions, among them wars in both hemispheres, increased the money in circulation by borrowing from the future for present expenditures.

If the money changers were not more interested in scarce money than in any particular kind of money—even gold; IF the increased production of gold had been sufficient to replace the silver coin of the world; IF we could be assured that the increase would be permanently sufficient to meet the annual requirements of industry; and IF there were no other phases of the money question except the metallic phase—but for these "ifs" the money question might be laid away entirely.

But the financiers who want the gold standard now, wanted it in 1890, yes, even in 1880—long before increased production of gold brought a modicum of relief from falling prices. If they are allowed to control the government they will find some way of denying to the people the benefits of a sufficient supply even of gold.

Then, too, the production of gold has not been sufficient to replace the silver in use. Out of the annual production of gold we must first take the amount used in the arts, destroyed by abrasion and lost, and then we must deduct the amount necessary to provide for the ordinary annual increase in business, and only that which remains can be used to replace the silver used as money. There is an additional use that could be made of gold, namely, to replace an enormous quantity of uncovered paper. It will be seen, therefore, that there is no justification for the sanguine hopes expressed by those superficial students of the money question who have jumped to the conclusion that the new discoveries of gold ushered in a universal gold standard.

Even if the present supply of gold was much greater than it is—even if it were great enough to replace the silver in use and give us all the metallic money that we need for the present there is no assurance that the present output will continue or that it will increase as rapidly as the world's business increases.

History has shown that the discoveries of the precious metals have been spasmodic. There was a large increase of the world product of silver just after the discovery of America; there was a large increase in the world's production of gold in the years immediately following 1849; there was a large increase in the production of silver early in the seventies, and now the supply of gold is increasing. No one can speculate with any certainty about the production of the precious metals. Old mines are exhausted today, new mines are found tomorrow, and the production of both metals is constantly fluctuating. There is no certainty that either metal will now, or ever will, supply the demand for money. Carlisle in 1878 said that the world would be fortunate indeed if the supply of both metals furnished enough metallic money, and in spite of the new discoveries of gold Mr. Carlisle's remark might be repeated today.

Congress is constantly dealing with questions effecting silver and the quantity of money. But the question of greatest practical importance in connection with the subject of money remains to be considered—namely, that relating to the other phases of the money question. Even if the question of metallic money could be entirely laid aside (which it cannot be), it must be remembered that we still have to deal with the paper part of the money question. The contest be-

tween bank paper and government paper is as irreconcilable as the contest between monometallism and bimetallism, and naturally the division is along the same lines. The advocates of the gold standard, almost without exception, favor a bank currency, and the advocates of bimetallism, almost without exception, prefer government paper. Why? Because the former look at the money question from the standpoint of the money changer, and the latter from the standpoint of the people as a whole. Secretary Shaw has pointed out that the maintenance of a bank currency compels us to decide whether we wish a perpetual debt as a basis for currency or are ready to provide "some other basis." "Some other basis" means an asset currency. The men elected to office in 1904, whether they be senators holding six years, executive officers holding four years, or congressmen holding two years, will have to deal with this phase of the money question. Space forbids an extensive discussion of this subject at this time, but suffice it to say that an asset currency must rest, first, upon the unsubstantial basis of assets alone, which would throw the risk upon the holder of the paper, or, second, upon the government—which would make all the people bear the expenses while the bankers reap the profit—or, third, upon all the bankers, which would make well managed banks responsible for the loss of badly managed banks.

Besides dealing with the subject of paper money, congress must consider the disposition of public funds; it must decide whether the surplus in the treasury shall be kept down to a point where it will reasonably meet unexpected expenses, or shall be largely in excess of any possible need and be loaned out to favorite banks.

The money question cannot be eliminated from politics until avarice is eliminated. While the campaigns of 1884, 1888 and 1892 were ostensibly fought upon the tariff question, the financiers were secretly scheming to carry out plans which they did not dare to discuss openly, and so an attempt to eliminate the money question today would not succeed because it would be ever present in the minds and in the plans of the financiers. To propose the elimination of the money question is, when rightly understood, merely an attempt to deceive the public in order that they may be led blindfold into the trap and snares of the money magnates.

The tariff question has been an issue of greater or less prominence in all of the campaigns since the civil war, and emphasis has been given to it by the fact that it has been used as a shelter for many monopolies. The democratic position upon the tariff question has not changed. It was the same in 1896 when it was but little discussed, as it was in 1872, when it was the paramount issue. The democratic party is opposed to a protective tariff levied solely for the purpose of protection; it is in favor of a tariff levied for revenue and limited to the necessities of the government.

The party must also maintain its position upon those great and far-reaching questions which especially concern the laboring man. The democratic party is essentially the laboring man's party, for it is composed almost entirely of those who by brain and muscle contribute to the nation's strength and growth. It has lost, and naturally so, those who consider the public as a legitimate object of prey, and those, on the other hand, who are content to flatter Dives in the hope of getting a larger proportion of the crumbs that fall from his table. The campaign of 1896 rid the democratic party—and it was no small gain—of both the corrupt and the corrupting element, and the campaign of 1900 lopped off those who had become lukewarm in their support of the fundamental principles of government, while