

# MR. BRYAN ON BIMETALLISM

Mr. Bryan has written for the Encyclopedia Americana, now being issued by the Americana company of New York, an article on bimetalism. This article gives in condensed form the principles involved in the discussion of the subject and is reproduced in The Commoner by courtesy of the publishers. Papers quoting from this article will please give credit to the Encyclopedia Americana. The final chapter in this article is printed in this issue.

Mr. Bryan has written for the same encyclopedia an article on democracy, which will be reproduced in The Commoner, beginning next week.

## BIMETALLISM.

What has sometimes been called "the silver movement" began with the discovery of the effect of the law of 1873, and has continued with varying force ever since. It was called the silver movement, not because of partiality to silver, but because silver was the metal discriminated against. It might better be designated as the bimetallic movement, because it was an effort to restore bimetalism, and the supporters of the movement asked for silver nothing more than was already granted to gold. The movement did not originate in the mining states, but extended over the entire country and throughout other countries, the interest being centered in silver as a money rather than in silver as a metal.

During the period that has elapsed since 1873 three international conferences have been held with a view to the restoration of silver (at Paris in 1878 and in 1881, and at Brussels in 1892), but they have been unsuccessful, largely because other European countries have hesitated to act without England and England, being largely a creditor nation, has been unwilling to surrender the advantage which a rising dollar has given her in the increased purchasing power of her credits.

In the summer of 1893, the president, giving as his reason the suspension of the coinage of silver in India, called congress together in extraordinary session and recommended the unconditional repeal of the purchase clause of the Sherman law. Congressman Wilson, chairman of the committee on ways and means, and leader of the administration forces in the house, introduced a bill identical in purpose and almost identical in language with one introduced by Senator Sherman a year before. The object of this bill was to repeal the purchase clause of the Sherman law without substituting any provision for the further coinage of silver. It was supported by all who were opposed to bimetalism, and by some who declared themselves in favor of bimetalism, but criticised the purchase of silver on the ground that it was contrary to the theory of bimetalism. These insisted that as soon as the Sherman law was repealed the remainder of the democratic platform would be carried out and bimetallic coinage re-established. A few were induced to support the measure under the belief that the suspension of silver coinage here would force European nations to an agreement for the restoration of bimetalism throughout the world. After a prolonged contest this bill became a law November 1, 1893. Following this an attempt was made to secure the coinage of the seigniorage which had accumulated in the treasury. This bill passed both houses, receiving the support of many who voted for the repeal of the purchase clause of the Sherman law, but the measure was vetoed by the president. The administration then attempted to secure the passage of a law authorizing the issue of gold bonds, but this was defeated in the house of representatives.

As the act of 1893 virtually opened the campaign of 1896, in which the silver question figured so prominently, it may be well to consider the platforms adopted just before and just after that date.

During the period extending from 1873 to 1896 the platforms of the two leading parties, while more or less ambiguous on the money question, recognized the advantages of the double standard. In 1884 the republican platform declared in favor of an international conference to fix the relative value of gold and silver coin, while the democratic platform declared in favor of "honest money, the gold and silver coinage of the constitution, and a circulation medium convertible into such money without loss." In 1888 the democratic party reaffirmed the platform of 1884, while the republican party inserted the following plank in its platform: "The republican party is in favor of the use of both gold and silver as money, and condemns the policy of the democratic administration in its efforts to demonetize silver."

In 1892 the republican platform said: "The

American people from tradition and interest favor bimetalism, and the republican party demands the use of both gold and silver as standard money," and then followed a clause demanding "that the purchasing and debt-paying power of the dollar, whether of silver, gold, or paper, shall be equal at all times."

The democratic party that year denounced the Sherman law (the act of 1890) as a cowardly makeshift, and demanded its speedy repeal, and then declared the party's position as follows:

"We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discrimination against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal power of every dollar at all times in the markets, and in the payments of debts; and we demand that all paper currency shall be kept at par with, and redeemable in, such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency."

The populist party, which polled about 1,000,000 votes that year, demanded "the free and unlimited coinage of silver and gold at the present legal ratio of 16 to 1." This was the first national platform which specifically named the ratio, but a majority of the democrats in congress and many republicans had for years been voting for bills providing for free and unlimited coinage at this ratio.

In the campaign of 1896, the money question was the paramount issue. The democratic platform, adopted at Chicago, demanded "the free and unlimited coinage of both silver and gold at the legal ratio of 16 to 1, without waiting for the aid or consent of any other nation." The people's party which met two weeks later, adopted a plank substantially like it, as did also the silver republican party.

The gold democrats, who withdrew from the Chicago convention, met at Indianapolis and declared in favor of the gold standard.

The republican party said: "We are unalterably opposed to every measure calculated to debase our currency or impair the credit of our country. We are therefore opposed to the free coinage of silver except by international agreement with the leading commercial nations of the world, which we pledge ourselves to promote, and until such agreement can be obtained, the existing gold standard must be preserved."

In March, 1896, a resolution was adopted in the English parliament pledging the government to assist in restoring the par of exchange between gold and silver, and this pledge encouraged many in this country to hope for an international agreement.

The campaign of 1896 resulted in the election of the republican ticket by a large majority, but as that party had committed itself to international bimetalism, the verdict at the polls was a victory for the double standard rather than for the single gold standard.

In pursuance of the promise contained in the republican platform, President McKinley, immediately upon taking his seat, sent a commission to Europe to solicit co-operation in the restoration of silver to its former place by the side of gold, but this commission failed to secure any concessions from England and no formal conference was arranged.

In 1900, the democratic party, the people's party, and the silver republican party adhered to the positions taken on the money question in 1896, while the republican platform said: "We renew our allegiance to the principle of the gold standard and declare our confidence in the wisdom of the legislation of the 56th congress, by which the parity of our money and the standard of our currency on the gold basis has been secured."

The election of 1900 resulted in an increased electoral and popular majority for the republican ticket, but other questions over-shadowed the money question in this campaign, and the result was again undecisive as to the standards.

The large and unexpected increase in the output of gold in Alaska, the United States, South Africa, and Australia has very considerably increased the supply of money, and to some extent relieved the strain which began with the demonetization of silver in 1873, but with the white

metal still furnishing nearly one half of the world's basic money there is no reason to believe from past or present indications that silver can be dispensed with as a standard money. The gold standard cannot be accepted as a finality in any country until it is accepted as a finality throughout the world, for each nation's supply of metallic money is influenced by the demand created by each other nation. It is probable, therefore, that what is called the money question, will, insofar as it relates to metallic money, increase or decrease in importance in inverse ratio to the supply of money, occupying more attention when a decrease in the volume of money reduces prices and being less considered whenever an increase in the volume of money increases prices.

## The Government Immune.

The United States government is building a \$3,000,000 dam across Salt river, Arizona, and 200,000 barrels of Portland cement will be required in the work of construction. It was estimated that the cement would cost \$3 per barrel. Suddenly the cement trust raised the price of cement to \$9 a barrel. Representatives of the government refused to pay the increased price and began the construction of a \$100,000 cement plant.

In this situation the Detroit Free Press has discovered a "humorous element" and describes it in this way:

"The cement trust heard that its confidence had been betrayed. It had been given no opportunity to come in and explain how it had unintentionally overstated its first bid. It had been tricked. To Washington ruffled cement kings are flocking—to protest against this "injustice." Congress is to be asked to pass a law "preventing the government from competing with manufacturers." Obviously the government has no right to offer the slightest resistance to private parties engaged in a perfectly legitimate hold-up business. Obviously when the government feels that it is being shaken down it may be allowed to expostulate quietly and politely attempting to appeal by purely argumentative methods to the generosity and patriotism of the cement magnates. Beyond this the government cannot properly go."

But where is there anything humorous in this situation? When trusts are every day permitted to violate plain and explicit statutes, when extraordinary privileges are conferred upon these great combinations of capital by the representatives of our government, is it at all surprising that the cement trust should make even the demand which the Detroit Free Press regards as absurd?

The trust magnates provide the republican party with its campaign funds, and since the republican party came into power more trusts have been created than ever before existed in all the history of this government. The trust magnates accepted the republican victory as license for these great organizations to go out and prey upon the people. Why should the government be immune from their exactions?

All that the consumers may do is to "expostulate quietly, and politely attempt to appeal by purely argumentative methods to the generosity and patriotism of the trust magnates." Why should not the government submit, just as it requires the consumers generally to submit?

The Detroit paper thinks it is absurd that congress is to be asked to pass a law "preventing the government from competing with manufacturers." But do not the cement trust magnates find encouragement in the devotion the republican congress shows toward a high tariff, framed and maintained in order that trust magnates, under the guise of "manufacturers," shall be permitted to prey upon the people?

Is it, after all, so absurd that congress is asked to pass a law "preventing the government from competing with manufacturers," who seek to prey upon the government, when we remember that the republican president and the republican congress are just now engaged in maintaining, in spite of the appeals made by the consumers of the country, a law that is devised to prevent competition with manufacturers who seek to prey upon the people?

If the government will, for its own protection, reject the demand made by the cement trust magnates, will it for the protection of the people carry the principle into legislation generally? While denying the right of men under the guise of representatives of "business interests," to impose upon the government, will it admit the right of the same men to impose upon the people?