**THE SILVER CURRENCY.** The silver certificates, being the expressed representatives, dollar for dollar, of silver dollars deposited, ought to continue to be exchangeable only for silver dollars.

The face value of the subsidiary silver coins more largely exceeds their bullion value than is wise even in the case of token coins. They might be called in and recoined; but the expense and inconvenience of that operation are such as to render its postponement advisable.

As the owners of a large stock of silver bullion, silver dollars, and subsidiary silver, the people of the United States are directly interested in the continued use of silver as currency, provided that the silver can continue to be maintained at a par with gold.

The silver dollar is by reason of its size and weight an inconvenient coin to carry about the person, or to use in change. Most people, therefore, do not desire to use silver dollars as currency, if they can have, as representatives of the coin dollars, notes in denominations of $1, $2 and $5. Even with the inducement of free transportation from the Treasury, it has never been possible to force into circulation at any one time an amount of silver dollars exceeding $67,000,000, and there are now outstanding only $60,196,778, of which at least $10,000,000 are held by the national and state banks. On the other hand, there are in circulation $354,355,031 of notes of the denominations of $1, $2 and $5, of which $154,965,473 are silver certificates and $199,389,558 are United States notes, Treasury notes of 1890, and national bank notes. Of the total amount of silver certificates outstanding, $154,964,473 are, as before stated, in denominations of $1, $2 and $5, and $229,205,031 are in larger denominations. If, therefore, the United States notes, Treasury notes of 1890, and national bank notes of the denominations of $1, $2 and $5, be retired, their places can be taken by a further issue of silver certificates to the amount of $199,389,558 in denominations of $1, $2 and $5, and an equivalent amount of silver certificates of larger denomination be retired, leaving of the $229,205,031 now outstanding in larger denominations $29,815,473 to be redeemed in silver dollars when presented for redemption. If, also, the silver dollars now in circulation and amounting to $60,196,778 should be deposited in the Treasury, the balance of $29,815,473 of silver certificates in denominations exceeding $5 could be replaced by an issue of silver certificates in denominations of $1, $2 and $5, and there might, without any expansion of the present outstanding circulation, be a further issue of silver certificates in denominations of $1, $2 and $5, amounting to $30,381,305 based upon the silver dollars so deposited. The place of the retired United States notes, Treasury notes of 1890 and national bank notes of small denominations would be taken by an issue of notes of large denominations of the same kinds, so long as the United States notes and Treasury notes of 1890 are unredeemed.

The effect of this plan will be that the currency of the country of all denominations below $10 will be silver coin, and silver certificates based upon silver dollars held in the Treasury, supplemented by gold coins of the denominations of $2.50 and $5.

The government has received the full face value for all the silver dollars which have been put in circulation either in kind or by means of representative certificates. The silver coins differ from the note issues only in the fact that the material of which they are made has some market value as bullion. They are, nevertheless, as justly obligations of the government and as properly exchangeable at par for gold as the United States notes. A gold reserve must, therefore, be provided for such exchange; but as the retirement of the United States notes, Treasury notes of 1890, and national bank notes of denominations less than $10 will leave the silver dollar, the silver certificates in denominations of $1, $2 and $5, the subsidiary silver, the minor coins, and the gold coins of the denominations of $2.50 and $5 as the only currency for small transactions, it is probable that the trade of the country will keep the silver and its representatives in circulation, and prevent the coming in of any considerable quantity of that currency. It is also to be observed that when popular confidence shall have been restored as to the maintenance of the gold standard and the security of our currency system, there will be no general desire to exchange silver dollars or silver certificates for gold, for the silver currency will then be, beyond question, as good as gold.

The Treasury has an asset in its silver bullion not held against outstanding certificates, which may be utilized by selling it from time to time, as the German government has done with its surplus silver. Of course, such sales should be carefully made in such quantities as not to unduly depress the market for silver bullion. It is, therefore, suggested that authority be given to the Secretary of the Treasury to make such sales in his discretion.

It may be well to consider whether the sum of $452,713,792 of silver dollar pieces, with seigniorage of over 50 per cent, which remain as the evidence of a serious danger to the existing standard, is not too large to be permanently retained in our currency; and if this should prove to be the case, whether a sufficient number of these silver dollars should not be ultimately, although not immediately, withdrawn and sold as bullion.

It is an essential part of a sound system of finance, that the government should raise by taxation a revenue adequate to its necessary expenditures. But as the revenues are sometimes deficient, it is advisable that power be given to the Treasury to sell short-term bonds to supply such deficiency. Under existing legislation only long-term bonds can be sold; and, if the government comes into possession of a surplus, such bonds cannot be retired save by purchasing them at a premium. On the other hand, short-term bonds can, under a securely established currency system, be negotiated at low interest rates; can be, if necessary, extended at maturity, and can be retired by purchase in advance of maturity without a heavy loss in payment of premium. For similar reasons it is suggested that long-term bonds should contain a reserved option to the government of retirement.

It is to the interest of the government and of the people that all the people should have an equal opportunity of investing their savings in the obligations of the government when issued. As the mass of the people have not the necessary facilities for the safe custody of bonds, it is suggested that a system be adopted of inscription on the books of the Treasury, instead of bonds, similar to that which has long prevailed in the case of the English consols and the French rentes. Under this system it will be possible to place government loans by a really popular subscription.
—J. Laurence Laughlin.

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**WHO DEMAND GOLD?** The widows and orphans to whom policies of life insurance are due upon which a husband and father paid gold premiums for many years, demand gold. They are entitled to gold. Equity directs that they be paid in gold.

The workers with hand and head, who have saved by frugality and self-denial and deposited in banks hundreds of millions of dollars, demand gold. And they are justly entitled to it because only that metal, or its equivalent, can have the same purchasing power as the money they have entrusted to banks.

Who wants money with a constantly declining purchasing power? Who then wants the unlimited free coinage of silver at 16 to 1? Is it wisdom to counsel farmers with short corn and wheat crops to attempt the mitigation of their misfortunes by securing more half-bushel measures? Is it not equally wise to preach prosperity, for those who have nothing valuable to be measured by money, through an expansion of the currency? The farmer without grain to measure and the citizen without commodities or services to sell have no need of an increase of measures either for cereals or other exchangeable valuables.