

even then, practical bimetalism was found to be an impossibility. When the gold was undervalued it went out of circulation; when the silver was undervalued, silver was exported. By law there was bimetalism in the United States from 1792 until 1873, when silver was demonetized; yet in truth there was not bimetalism, except at very short periods, when, during the transition period, the circulation was changing from one metal to the other. Great Britain, one of the most advanced and progressive nations on earth, has had gold as a standard for nearly a century. Germany changed her system from a silver to a gold standard in 1871. Her example was soon followed by Norway, Sweden and Denmark, and in a very short period thereafter the United States followed in the wake of these other nations. But at the time the United States made the change it was not because of the decline of silver, for at the ratio then existing the bullion value of the silver dollar was greater than that of the gold dollar, the country being on a paper basis. Perhaps no nation in the world tried harder to maintain a double standard than France. Her political economists, her political leaders and her bankers had from time to time advocated bimetalism. The best test was made in the co-operation of the nations composing the Latin union to maintain bimetalism. Yet, France felt it necessary to close her mints to the free coinage of silver in 1876, three years after the United States had taken like action. It will serve no purpose to follow the changes of the monetary systems of the nations of the world. The suspension of the coinage of silver in India in 1893 was followed by the adoption of the gold standard in Costa Rica, Chile and Russia, and by Japan and Peru in 1897. All the great nations of the earth keep a large amount of silver in circulation as subsidiary coin, but the United States undertook the greatest of all burdens. While gold is the standard of this country, it is burdened with carrying enormous quantities of silver. It would have been better for the United States if the silver that is now piled up in the vaults of this country had never been discovered, or, being discovered, had been left in the mining states and countries where found.

It is doubtful whether the passage of the Bland-Allison act, or what is known as the Sherman purchase clause, in the law of 1890, so far as the maintenance of the price of silver is concerned, were of any benefit. This law gave an undue stimulus to silver mining, and those who advocated the opening of the mints for the free and unlimited coinage of silver were encouraged in their agitation of the question. They felt that these laws

were only passed to allay the agitation for the time being of the silver question. While it was predicted by those who favored these laws that the price of silver would be greatly appreciated thereby, ultimately leading to the return of bimetalism by the great nations of the earth, the contrary effect was found to be the case.

For centuries, acting on theory only, there have been those who have insisted

EVILS OF "FIAT" CURRENCY.

that, by legislation, something could be created out of nothing. Many, many times has the experiment been tried, and as many times have these experiments failed. It cannot be claimed that the experiments have not had fair trials, for the attempt has been made to create something from nothing by the law-givers of the most intelligent nations which have existed in modern times. There are those today, and there were yesterday, who claim that it is within the province of the government to create money. This was not tried in the United States previous to the Civil War period, when, driven by the urgent demand for currency to pay the soldiers in the field, the congress of the United States resorted to the doubtful authority of issuing legal-tender notes, commonly known as "greenbacks," first issuing \$150,000,000, and again, under distressing circumstances, providing for the issue of \$150,000,000 more, and still again, making a third issue, or a total authorization of \$450,000,000.

This government did not profit by the experience of England and France. To remove the obstacles arising from suspension of specie payments it tried the doubtful remedy of attempting to make money, or to make a currency not based on a metallic standard. Each step involved the country in greater difficulties, and postponed the day of the resumption of specie payments. It is difficult to tell how much these acts cost the taxpayers of the United States. It has been even estimated that it increased the cost of the war fully half, but whether that be true or not, we know that it, to a great extent, undermined the credit of the government when credit was most needed, and has given the nation an unsatisfactory currency system.

The successful close of the Civil War, the mustering out of a great army and the cutting down of the war expenditures soon placed in the treasury of the United States surplus revenues which became available for the payment of the pressing needs and especially of the outstanding obligations. This soon led to the passage of laws looking to the gradual retirement of greenbacks, but so strong had become the idea that greenbacks were money and that it was only necessary to operate the engraver's tools and the printing press to create

money in unlimited amounts, that there grew up in the United States what was known as the "Greenback Party." This party numbered as its own thousands of voters, and it decried any standard save that of the paper promises of the government.

Fortunately for this nation there were those who believed in redeeming the obligations of the nation in coin, and that the currency of the country, of whatever kind, should be worth its face representation in the coin of the United States. In the trial of strength, those who believed in sound money and in the standard that had intrinsic value, won at the elections, and the greenbackers as a party, for the time being at least, succumbed to inevitable defeat.

The issue of the greenback, unfortunately, created impressions and beliefs

FALSE POPULAR NOTIONS. that it looks as if it would take a century to eradicate.

The false education stands as a great obstacle to the placing of this nation on a firm financial basis. So deep is the impression that a mere promise to pay is money, that there were those at the last session of congress who advocated and strongly urged that the expenditures of our country in its war with Spain should be met with an issue of paper money without a reinforcement of gold reserve.

The opposition to the resumption act of 1875 was intense, everything was done by the opponents of the measure to prevent the full realization of a return to specie payments, January 1, 1879. I sometimes doubt whether it would be possible, were the necessity here today, to now pass a resumption act, as it seems impossible to secure sufficient support, in the two houses of congress, to reform the currency legislation of the United States initiated and forced upon this country through the stress of war.

The time certainly has arrived when the gold standard should be accepted by all the people and that the nation should be placed on a sound financial basis; that its currency should be uniform and that the nation should go out of the banking business and not be hereafter compelled to go into the market and buy gold to maintain its established high credit.

The great increase of revenues, since the close of the Civil War, and the great growth and development of the country, and the shown ability of the nation to speedily return to specie payments, encouraged many to believe that it was in the power, as well as the province, of the government to do anything that might be desired. The sound sentiment of the world has again and again mistrusted the ability of the government under its present financial system, and more than once has the treasury of the nation been compelled to use its credit to replenish the gold reserve to maintain