second place, the islands which we have taken from Spain never can be the residence of American families, removing and settling to make their homes there. The climatic conditions forbid it. Although Spaniards have established themselves in Spanish America, even in the tropics, the evils of Spanish rule have largely risen from the fact that Spaniards have gone to the colonies as adventurers, eager to make fortunes as quickly as possible that they might return to Spain to enjoy them. That the relation of our people to these possessions will have that character is already apparent.

SOME FACTS ABOUT COINS.

Since 1878, the United States has presented the spectacle of a nation acting in defiance of all the sound principles of finance, and regardless of the monetary experience of the world. Following the advice of theorists, and eschewing the practical lessons of the past, we then embarked on an experiment in the use of silver at a ratio different from that of the market, in an ignorant and fruitless attempt to satisfy those who wished to maintain the price of silver as well as those who were carried away by the fallacious desire for more money. Bitter experience has proved a hard teacher. The wrecks of private firms, larger corporations, banks and manufacturing establishments are sad reminders of our errors. It is time to bring that wasteful experiment with silver to a close. Immediate and drastic action by the legislative bodies of congress in the interest of permanent commercial stability is demanded. Uncertainty as to the standard of payment must be removed. In business, uncertainty is destruction, stability is prosperity. When this experiment with our standard was begun in 1878, disaster was prophesied. Evil results were postponed by temporary makeshifts, such as the creation of a vacuum in our circulation of small United States notes into which silver money could be introduced. But makeshifts are no longer in order. Common sense and facts cry out against further dalliance with theories which have been disproved. To this end, men of all parties and beliefs should patriotically unite to remove from our statute books every trace of pernicious legislation to which evil can be traced. When all are in danger, all should unite to remove the peril. It will be generally admitted that our business conditions have been in the main sound and healthy; but the uncertainty as to our standard, owing to the unwise silver legislation, has created uncertainty and distrust. Through this loss of confidence, and the ensuing hoarding of gold, because the country had discredited the silver by retaining gold and paying only silver for customs, it became less easy for banks to grant loans, and liquidation was therefore forced upon firms perfectly solvent, but who could not meet immediate demands. The country should at once be relieved from all dangers due to evil legislation.

Silver Legislation Since 1878.

The passage of the act of February 28, 1878 required the coinage of not less than $2,000,000 worth of silver dollars per month, at a ratio to gold of 15.98 to 1, when the market ratio was 17.38 to 1. This was not bimetallism; for the concurrent circulation of the two metals side by side under these conditions was an evident impossibility. It resulted merely in the creation of a quasi-subsidiary coinage of larger denominations than formerly; and it was kept at par with gold by methods similar to those by which all our subsidiary silver was treated, namely, by limitation of quantity, and by the silver certificates being received for customs equally with gold, thus forming a system of redemption whereby the surplus of silver circulation could he returned to the treasury. Subsequently, by withdrawing United States notes of small denominations, and lowering the denominations of silver certificates, a field was opened for the new and larger subsidiary money. Under this system, the country might possibly have continued to absorb the monthly coinage of silver for many years, and maintain its equality with gold. Only the government being permitted to coin this silver, the profit arising from the difference between the bullion value and the face value of the dollar, or seigniorage, was covered into the treasury.

The act of 1878 was satisfactory to no one, neither to inflationists, to owners of silver mines, nor to sound financiers. The intricacies of monetary action permit popular misunderstandings and hallucinations to abide for a time until exposed by experience; and, as history shows, in no other subject are popular fallacies so tempting and captivating, although always fraught with great danger to trade when adopted. By a strange kind of mental and moral paralysis the advocacy and explanation of sound principles of money after 1878 almost entirely ceased. The country lost the gains of education by public discussion and official documents. Giving way to the general hallucination which swept the country, politicians sacrificed their opinions for expediency. The practical business men of the country took no heed, so long as disaster did not come. Consequently, the spirit of unsound finance ruled supreme, carried away men of high standing and experience in finance, and brought about the passage of the act of July 14, 1890, known as the "Sherman act." This act intensified the fatuous policy of the act of 1878. It required the purchase of 4,500,000 ounces of silver per month, to be paid for in "treasury notes," which were made a general legal-tender, but redeemable at demand in *coin*. The market ratio of silver to gold was now 19.16 to 1. It was a mere question of time how long before the circulation would be saturated with this currency of a fluctuating value; for between September and February of this year, the value of silver fluctuated fully 25 per cent, equalling the sensational perturbations of 1876. The provision for redemption "in coin," inasmuch as government payments had been regularly made in gold funds, threw upon the $100,000,000 gold reserve created solely for the redemption of the $346,000,000 outstanding "greenbacks," the additional burden of redemption of the silver money now rapidly increasing by over $50,000,000 a year. The result was inevitable. This reckless and unparalleled tampering with the standard of commercial transactions could not go on long without disaster. It was not until the winter of 1891 that men awoke out of the lethargy existing since 1878.

The Fall in the Value of Silver.

So far as the legislation of the United States was regarded as a means of supporting the value of silver, it must be admitted to be a failure. In February, 1878, the market ratio was 17.38 to 1; in July, 1890, it was 19.16 to 1; and since then it has fallen to more than 30 to 1. In face of these facts, further attempts of this kind are unworthy the common sense and dignity of a great nation. These facts show better than words the impotence of legislation by one state to control the value of a metal affected by the action of the rest of the world. But this is low ground; it is high time that the principle should be recognized that it is not the province of the state to bolster up the price of any article. Even if our legislation could keep up the value of silver, and even if the interests of one class of producers would be thereby protected, it should be denounced as contrary to all sound principles of free government. When the price of iron or copper rises or falls excessively, the consequences are left to the laws of trade; so it should be with silver, under present circumstances. These circumstances, it should be remarked, are unparalleled in the history of the precious metals. The recent legislation of Austria-Hungary, looking to the establishment of a gold standard, followed by the closing of the Indians mints to silver, marks unmistakably the end of all attempts by western nations to rehabilitate silver as a money of general legal-tender quality. This is evidenced by the extraordinary recent fall in the value of silver to half its value in 1878.

Moreover, this fall in silver, without any corresponding fall in the prices of commodities and staple goods makes clear, what may have been before doubtful, the departure of silver from a position where it can influence general prices. Also neither in 1876 nor in 1890, when silver fluctuated so greatly, did