

**A STRONG VOICE FOR SOUND
ECONOMICS.**

SAN FRANCISCO, CALIF.,
May 20, 1899. }

EDITOR THE CONSERVATIVE,
Nebraska City, Neb.

Noting in your No. 43, of May 4, first page, under the head of "Money Circulating in the United States" this item:

"The Hon. W. J. Bryan remarked in a speech made at Lincoln, Neb., on September 8, 1896: 'My friends, all the trusts together fall into insignificance when compared to the money trust.'"

It seems to me the following letter, written for the press here, the latter part of 1897, is pertinent to the subject and worthy of reproduction:

Economic Conditions.

We know by experience, only too well, that when the economy of a country is vitiated by unsound legislation the discontent which ensues is generally directed, justly or unjustly, against those in power. The masses are ready to clamor for reform, but to construct the new program is left to so-called leaders. These are generally men of action, fluency, and pronounced political views. Such men seldom have the time, patience or taste for the study of economic and sociological questions. They are generally tempted to seize on some specious political shibboleth, the advocacy of which requires no special training, and which in itself is of a kind to capture the fancy of the masses. Such political reforms appear all the more promising when the way in which they are to benefit the people cannot be clearly defined and the process by which they are to be attained is left in a nebulous and chaotic state, which affords a wide scope for the imagination.

Labor-Buying Gold.

Mr. Bryan, like other silverites, seems to have no conception of intrinsic equivalency in a standard of value, and asserts that silver will now buy as much of anything as ever before. I assert without fear of successful contradiction that within the period of twenty-four years, 1873 to 1897, human labor in the gold standard countries would buy as much gold and the gold buy more of the necessities of life than in any other similar period known to history. Furthermore, an ounce of gold will not buy more labor today than it would twenty-four years ago and an ounce of silver (not interchangeable as coin with gold) will not buy half so much labor in gold-using countries as it would twenty-four years ago. Considering all qualifying conditions whatsoever, including recent depression, the consequent number of unemployed and reduction in wages, etc., it is reasonably certain that in the past thirty years under the gold standard, while capital earnings have fallen

forty per cent labor earnings have increased over fifty per cent.

Cheap Cash Blessings.

As to the alleged benefit of "cheap money" to agricultural debtors of this country in regard to the payment of obligations: The labor bureau of the United States issued last year the following table of indebtedness:

Railway companies	\$ 5,669,431,114
Business and homes—lots	3,810,591,554
Farms, etc.	2,309,158,431
Public debts of all kinds	2,027,170,546
National banks	1,904,167,351
Other banks	1,172,418,415
National, state and local taxes	1,040,473,013
Crop liens	650,000,000
Street railway companies	182,240,754
Canal, turnpike and bridge companies, etc.	114,208,078
Public water companies	89,127,489
Gas companies	75,000,000
Electric and telephone companies	40,002,565
Telegraph companies	20,000,000
Other debts, private	1,212,761,236
	\$20,227,170,546

One-Ninth Only.

It will be seen the farm incumbrances are only about one-ninth the total debts of the country. Here the fiatists can observe where their crusade for cheap money would lead to. Nor has the half been thus told. If the payment of twenty-two hundred million dollars of personal farm land mortgages in "cheap money" would be good for those debtors, what would be the effect of having the earnings of the twenty-two million wage workers, some seven thousand million dollars annually, paid in the same kind of "cheap money?"

The Pacific Coast.

The fact that this coast has for almost fifty years been the unfaltering adherent of a standard of value of intrinsic equivalency renders the remarkable frenzy in California for the unlimited free coinage of silver at a ratio of 16 to 1 all the more extraordinary. In 1894 the state republican party committed itself to that form of fiatism and in 1896 reaffirmed the folly, and the delegates to the national convention in St. Louis last year went forth shouting for the free coinage of silver at 16 to 1, only to reverse themselves on twenty-four hours' notice from the national convention. The acuteness of the craze was amazing. Editors, politicians, alleged statesmen, democrats as well as republicans, utterly lost their heads and filled the air with their wild declaimings and calamity howlings. It recalled the aphorism of Socrates, that half the trouble of mankind is due to the reckless use of language; and one of Voltaire's cynical remarks that this world of ours is the mad-house of the universe. The present junketing tour of the commissioners to promote international bimetallism is not likely to produce any more tangible result than the vaporings of the free silver enthusiasts. Goethe says: "The greater part of all the mischief of the world arises from the fact that men do not understand their own aims and undertake to build a tower and

spend no more labor on the foundation than if it were a hut."

Silver and Wheat.

During the recent presidential campaign one of the favorite exemplifications of the silverites was to show how the "white metal" controlled the price of farm products, especially wheat. While it is true that the two commodities fluctuated at periods in about the same ratio, it was simply a coincident, not an effect. Let us examine how they have compared during the present year: Silver was worth in June, 1896, per ounce, 70¢; August, 1897, per oz. 58¢; wheat was worth in June, 1896, per 100 lbs. 97¢; August, 1897, per 100 lbs. \$1.44; a change down and up in the relation between them of 58 points, or, in per centages in round figures a fall of silver of 18%, a rise of wheat of 49%. Silver has no more to do with the price of wheat than it has with the price of water. The prices of commodities, including silver, move in obedience to natural and inherent causes, independent of circulating money quantities. The economic phenomena of the past fifty years demonstrate this conclusively. The quantitative theory of money is a fallacy.

A cry of the silverites is: "Look how failures continue; where is your prosperity?" It should always be borne in mind that in the wake of a financial and commercial crisis and the depression and stagnation it has caused, liquidations continue long after current business has appreciably improved. This is inevitable.

Non-Political Prosperity.

Certainly no democrat, and probably no republican not blinded by partisan bigotry or prejudice, believed that the election of Mr. McKinley to the presidency could bring prosperity to the country. What gold standard democrats (of whom I am one) did believe has been well expressed by Editor Richardson, of the California El Dorado Republican, as follows: "The writer voted for William McKinley, not because of a belief that a protective tariff insures a country against hard times or even tends to permanently remove that condition, but because the entire policy of the republican party on the tariff and finance was likely to give a temporary social stability that would enable work and business to be resumed as fast as conditions of supply and demand would permit. Prosperity, as people call it, is not poured out of a bottle into this nation by any political doctor, McKinley or otherwise."

The Origin of Prosperity.

The real prosperity of a country comes only from the industry, frugality and patience of its people, under a government intelligently, honestly and economically administered; and that this country has enjoyed prosperity is in