

## PHELPS OF JOLIET AGAIN.

A few weeks ago, our readers may possibly remember, THE CONSERVATIVE gave a page to a consideration of the mighty crime of 1873, as understood or misunderstood, as judged or misjudged, and as harmlessly denounced, by Mr. A. S. Phelps of Joliet, Illinois. It may be recalled that we dealt gently with Mr. Phelps—tempering justice with mercy, and preferring sweet reasonableness to harsh invective—so that in setting forth, as discreetly as we could, the reasons why the perfidious Briton could hardly have been enabled to do the American farmer out of \$5,000,000,000 by any modification of the United States coinage laws, we studiously forebore to state in terms our opinion of that proposition. Nor shall we swerve from this method of treatment, however clearly it may appear that our consideration is thrown away upon Mr. Phelps. We are plenteously endowed with patience; and though a lack of this trait does not necessarily indicate a weak cause, the presence of it is a quite fitting mark of a strong cause.

In saying that advocates of 16 to 1, as exemplified by Mr. Phelps, are not open to argument, we have no desire to represent them as hostile to truth as such, or under the dominion of sordid self-interest, to a degree exceeding human nature generally. We explain this incapacity of theirs as an outcome of mental confusion rather than of moral obliquity. When Mr Phelps talks about "the substitution of the gold standard for the bimetallic standard in 1873," for example, he simply shows us that his mind has not yet grasped the idea of a standard—and until that idea has been fairly grasped, there can be nothing gained by employing the word. The standard, in any one kind of measurement, must be one thing; which other things may exceed, fall short of, or coincide with, just as a point may be higher or lower than, or coincident with a fixed base level.

Laws fixing standards may easily be ambiguous or indefinite in their terms, and often have been. A celebrated old English statute defined the inch as the length of three corns of ripe barley, from the middle of the ear, properly dried and placed end to end. King Henry I is said to have decreed that the yard should be the length of his own arm. We have not the record of any adjudication of controversies arising out of these definitions, and cannot therefore tell whether the foot measure still in use among the English and among ourselves is one that resulted from adding the lengths of 36 barley-grains or from dividing the King's arm into thirds, or whether—what is quite as probable as either—we really inherit that measure from something used by some forgotten local guild of merchants, as we inherit the "Troy weight" from the mediæval

jewelers of Troyes. But we can tell one thing positively, and that is that our standards of yard, foot and inch mean one definite thing now, and that they therefore did not originate in two or three of these suggested ways, but in one only. If a merchant at any time contracted to deliver so many yards of cloth, even if the law was phrased so as to admit of his reckoning his yard according to a certain number of grains of ripe barley or to King Henry's arm, we can feel pretty certain that he would choose the constructions that would let him off with the shorter measure. That would be for his purpose the sole standard, exactly as though the other had never been mentioned. If men were differently constituted, and some of them deliberately preferred to give the longer measure, there might be some reason for speaking of an ambiguous law as furnishing a double standard. But even then there would be no need or even possibility of defining the greatest measure that a merchant could give in discharging a contract. The minimum is the only limit that can be distinctly set. We may therefore say, freely and fearlessly, that the law—however ambiguous or indefinite its terms—fixes but one standard of length.

The case is not different with standards of value. If the law allows an option between two things, or two hundred things, in discharging a contract, it fixes, not two or two hundred standards, but one standard. The standard is the lowest value admitted, when the law is ambiguous, and that value only; the scale of higher or lower being fixed, not by legislation, but by demand and supply in the open market. In this country the standard dollar, until June, 1834, was 371¼ grains of fine silver; after January, 1837 that standard was 23.22 grains of fine gold; that alone, whether other coinage was called legal tender or not. From 1862 to December, 1878, the legal standard was a *chance* of gold—that is to say, something that varied according to the probability that a certain paper promise to pay a dollar would at some time actually command 23.22 gold grains; falling as that probability diminished, rising with its increase, and becoming equal to gold when it became certainty. The law permitted payments in gold and payments in silver, at face value, during those seventeen years, just as it permitted debts of a dollar to be paid by \$1.10 or \$1.20 or \$2.00 or \$20.00 in currency, any one of these permissions affecting the standard just as much as any other. The only real standard in those years was the promissory dollar, the dollar of least worth at the time, and it is just so at all times when the law allows an alternative. There is never more than one real standard of values, as there is never more than one real standard of lengths.

Why is there so much confusion of mind on so simple a point? Macaulay

has somewhere expressed the conviction that the reason why the doctrine of gravitation is so universally accepted is that no one is pecuniarily interested in having it denied; and that if money were to be made in any such way, even that obvious truth would be stoutly contradicted from every quarter. We can imagine such an explanation applied to the cases, say, of Jones and Stewart of Nevada; but we would not think of applying it to Phelps of Joliet. The source of confusion with him, and with thousands of good people just like him, is less self-interest than a real mixing up of ideas. Silver advocates universally confuse legal tender of metals with monetary use of metals, assuming that an admission of gold and silver on equal terms at a declared ratio in payment of debts will necessarily put more gold and silver in currency circulation: something which by no means follows. They also confuse easier payment of debts with greater ability to make a living. They confuse the debtor class with the working class. Like many who are not silver advocates, they are apt to confuse speculative fever with prosperity. Their favorite field of confusion, perhaps, is the "quantity theory" of money, which is made to mean, under their treatment, anything from "the value of money, like other goods, is affected by the supply," in which shape it is a truism, to "the total value of the money of a country is the same, whatever its volume," in which shape it is absurd.

But the most fatal of all these confusions, one that is answerable for more silverite blundering than anything else, is the mixing up of two distinct functions of money, that of paying debts and that of measuring values in free exchange. Government has unlimited power over the first function, but very little indeed over the second. When Mr. Phelps says, for sample, "that dollars are the creation of law instead of the creation of labor, and that their purchasing power is regulated by the application of human laws," the reason why he is right in his first clause and wrong in his second is that he begins by calling attention to the power of the law over the satisfaction of debts, where it is absolute, and ends by assuming that it has a power over measurement of values, where it is almost impotent. The law can say without appeal what shall be a dollar, but it is dumb as to what its dollar shall buy. It can make silver worth \$1.29 an ounce any day it chooses, but it cannot give such a dollar and twenty-nine cents the same power to supply the wants of the holder that those denominations of money possess today.

It is hardly worth while to say more about mental confusions, as illustrated by Mr. Phelps, though his remarks about what happens "when a dollar will buy more labor or more commodities which are the products of labor," and