SHALL WE HAVE UNLIMITED FREE SILVER COINAGE?

Joint Discussion by Edward Rosewater and Jay Burrows.

PART II.

Mr. Rosewater's Argument.

I fully agree with Mr. Burrows that the vital point at issue in the present discussion is the expediency of free and unlimited coinage of silver as it affects the welfare of our people. I cheerfully concede that we ought to have free and unlimited coinage if thereby the welfare of our people could be promoted. If a mere increase in the volume of money, regardless of its exchange value or purchasing power, would insure general prosperity, it would be manifestly the duty of every government to bend all its energies toward increasing the volume of its stock of money. If, as Mr. Burrows insists, the intrinsic or commercial value of metallic money cuts no figure, every nation could at pleasure enormously increase its volume of money by reducing the weight and quality of its coins.

What Mr. Burrows means by saying that the volume of money "involves the question of prices or the relative purchasing power of products or labor and money" is not very clear. If he had said that the volume of money regulates to a certain extent its purchasing power of products and labor I would concur, but the form in which he states his proposition is as misleading as is the declaration that "in this issue the interests of the money-lender, or the fixed income class, or the creditor class, are at variance with the interests of the producers, the merchants, the mechanics, the debtor class."

The advocates of free coinage assert that unlimited and free coinage will enormously increase the volume of money and that an increase in our stock of money would make money cheaper. In other words, they assume that money is governed by the same law that governs all other commodities, which fall in price when abundant and rise in price when scarce. But this is not true as regards the price or "rate of interest" which money commands in the loan market. A large volume of money always begets increased speculation. When money is plenty men are willing to venture upon enterprises that promise large returns, and the money-lender finds no difficulty in raising his interest rates. During the inflation period following the war the money-lending and income class were in high clover. Cheap money loaned on choice city property and farm mortgage securities at from 10 to 12 per cent a year, while what is termed dear money at the present time can be had in abundance on the same class of securities at from 6 to 7 per cent per annum. Every intelligent person knows that the money loaned by bankers is chiefly other people's money. When there is a money stringency or prospect of a panic every prudent banker hauls in his sails by cutting down his line of loans or refusing to loan at any price for fear that the depositors may make a run on his bank. When business is dull and money scarce, deposits run low and legitimate banking yields much smaller profits than in flush times, when loans are made freely and mercantile failures less frequent.

The hue and cry that the opposition to free coinage is in the interest of the income class is also unfounded. The fixed income class, if that means the bondholders, were much better off when gold was at a high premium and paper money was superabundant. Money was cheap then. Ten per cent state, city and county bonds sold at a discount and Uncle Sam paid 5 and 6 per cent on gilt-edged, nontaxable bonds. Today, with what is called dear money, state, county and city bonds drawing 3½ to 5 per cent command a premium and national bonds sell readily at 2 per cent. The bloated bondholders have suffered a greater shrinkage of their fixed incomes during the past twenty years than would have paid the principal of our entire war debt. The only bondholders that have made large profits are those who have bought their bonds at a discount. There is one class of fixed income people who would suffer by the unlimited coinage of 73-cent dollars, and that is the veterans of the late war and their widows and orphans on the national pension roll. It is to their interest to have a sound currency that will enable them to buy the largest amount of things with the money they get from Uncle Sam. Conceding that free coinage means the raising of the price of commodities, it becomes self-evident that the soldiers and soldiers' widows on the pension roll would suffer a shrinkage of their incomes, unless they could induce the government to raise their pensions in proportion, which of course would be improbable. Assuming, however, that the government might increase these pensions, it would simply mean a forced increase of the pension roll by from ten to twenty millions a year and a corresponding increase of taxes. The advocates of unlimited coinage never tire of holding up the men and women who rely for their livelihood upon fixed incomes as a dangerous class. They forget that hundreds of thousands of these persons are widows and orphans whose patrimony and heritage has been invested in securities by administrators and guardians.

And who are the debtor class and who will profit by the proposed unlimited coinage of silver? The Union and Central Pacific railroads owe the government over $100,000,000, which begins to fall due in 1893 and must all be paid within the next seven years unless the debt is extended. Will it promote the welfare of our people to allow Jay Gould and Leland Stanford to pay that debt in depreciated silver dollars instead of money that passes current in all parts of the world?

The Union and Central Pacific are not the only corporations that belong to the debtor class. The lowest estimate of the debt of the railroads of the United States exceeds $6,000,000,000. What benefit will the people derive from scaling that colossal debt, unless indeed they buy up the railroads entirely with an irredeemable paper currency? Every large corporation, the Standard oil monopoly, the Whisky trust, the Brewery trust, the Sugar trust, the Steel Beam trust and all the big and little trusts that have been built up by combination of capital have plastered their possessions with mortgages to the tune of millions upon millions, and therefore they rightfully belong to the debtor class.

And then there are the coal barons, the iron and copper mine speculators, and the silver bullionaires and gold quartz millionaires. Every productive mine in America is bonded for all or more than it can produce. The owners are among the most grasping of our capitalists. Will it promote the public welfare to give this imperious class of debtors the right to scale their honest obligations? Last, but not least, why should the silver mine bullionaire be given the privilege of selling the product of his mines at 30 per cent above its commercial value and paying his debt in money worth 30 per cent less than its face value?

Mr. Burrows' conception about the function of mints is, to use a mild term, decidedly crude. The aim of all governments has been to issue coins of weight and fineness corresponding as near as possible in their value to the commercial value of the metal contained therein. Very slight fluctuations have been unavoidable, but whenever the variation of standard coins is material, they are recoined. Subsidary coin is usually below standard and intended only for local circulation in limited quantities. Even these are recoined periodically when reduced below standard weight by wear and tear.

At the risk of being branded as very reckless and superficial, I take issue with Mr. Burrows when he declares that a coin cannot be said to be debased unless it contains less metal than the law requires. The doctrine that the king can do no wrong has long since been exploded. It is a matter of history that kings and parliaments have by decrees and laws arbitrarily raised the face value of coins above the commercial rating of the metal they contained. Such coins did not contain less metal than the law required, but they were denominated all the world over as debased coin, the same if they had been fraudulently alloyed or reduced in weight by the sweating process.

Mr. Burrows lets the fiat cat out of the bag when he asks:

"Suppose the silver and gold coins of this country should be diminished just one-half, what would result? Prices in this country, measured by our coin, would be doubled, but it would have no effect whatever upon our foreign trade. Gold and silver would pay balances on exactly the same basis as before, viz: their commodity value."

Well, what would be the result? Would it be anything else than national repudiation by a debased currency?

If we can increase the volume of money by a simple fiat that will convert every fifty-cent piece into a dollar, why not go a step further and decree that a dime shall be a legal tender for one dollar? That would increase the price of all commodities tenfold and make debt-paying so much easier. But what would become of the poor man who has nothing to sell except his labor and has everything to buy? Wages are always the last thing to advance and the first to go down.

What would become of the wage-workers who have, by hard labor and thrift, saved up the surplus of their scanty earnings and placed it in savings banks with a view to buying a home or meeting want and distress in a rainy day?

It is passing strange that no champion of free silver has yet discovered the fact that several millions of workingmen and working women belong to the income class. The indebtedness of the savings banks and trust companies to a great multitude of wageworkers is computed at over $2,500,000,000. How would these industrious toilers fare if they were paid back in depreciated money the hard-earned savings which represent labor paid for at gold standard wages? Would it not be downright robbery to pay back these working people in dollars that would buy only 50 cents worth of commodities?

I boldly assert that any party or individual that would advocate a law that would give the savings banks the privilege of paying back honest savings in depreciated currency simply advocates legal robbery.

Mr. Burrows denies that the government stamp does not add to value and he cites the fact that 371¼ grains of pure silver when stamped (coined) as $1 will pay a dollar of debt while 371¼ grains of unstamped pure silver will only be taken by your creditor at its commodity price 73 cents. What is the difference exclaims Mr. Burrows. "One bears the evidence that the law has said it shall pass current for a dollar. The other does not. Consequently coining has added value." Now what is the difference? Would not a piece of tin or a piece of leather with a dollar stamp pay a debt for $1 if made a legal tender? Would not a paper dollar perform the same function, although 100 paper dollars reduced to pulp would not pass current for a farthing?

Why then does the 73 cent silver dollar and the valueless paper dollar pay one dollar of debt? Simply because these dollars are redeemable for 100 cents in gold at the national treasury, and therefore they are as valuable as the gold dollar for which they can be exchanged. Why is our government able to exchange the depreciated silver dollars at their full value in gold? Simply and only because the coinage of silver is limited. If it were free to all owners of bullion the treasury vaults would be drained of gold in less than twelve months and the country would be on a silver basis like Mexico, China, Japan and India.

Mr. St. John, president of a New York bank that is reputed to be largely interested with the bullionaires in booming mining stocks, points triumphantly to France, is cited by Mr. B. as saying:

> After 279 years of widely varying average relative prices of gold and silver, under moderate variations of relative production barely averaging 3 per cent, the mints of France alone for a period of sixty-two years, to 1865, under variations of relative production exceeding 19 per cent, maintained a practically unvarying average relative price in market for gold and silver in spite of divergent coinage laws * * * * * * * *
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> Under equally free coinage for gold and silver, owners of either bullion sought the mints of France at a value fixed for them, price paid for them in purchasing power decreed by law. In consequence in the period 1821 to 1840, $442,000,000 of the world's abundant silver was welcomed into the legal tender silver coin of France.

What are the historic facts?

In 1726 the ratio of gold to silver was placed at 1:14⅝. An ounce of gold was worth more than 14⅝ ounces of silver, and consequently gold soon disappeared from circulation. Adam Smith, having visited France in 1764, said: "It is there difficult to get more gold than what is necessary to carry in your pocket."

In 1785, Louis XVI., in an edict, calls attention to the fact that the legal ratio of gold to silver differing from the commercial ratio, had as to the gold coins "orignated the speculation of selling them to the foreigner, and offers the temptation of a great profit to those who may allow themselves to melt them down." He then ordains that "every gold mark of 24 carats fine shall be worth 15½ marks of silver 12 deniers fine." This established the French ratio of 15½:1 still existing. In 1790 the revolutionists had control of France. They had confiscated the lands of the clergy the year before. They wanted money. So they conceived the ingenious idea of using paper money, which they called assignats, basing their value on these confiscated lands. In April they issued 400,000,000 francs in assignats. In September 800,000,000 more. This they declared would be the last. The assignats worked beautifully. Everybody received and exchanged them at full value. Then some one said, just as the greenback inflationists said in the seventies and just as silver men say now. "If this franc is as good as any other franc, how can we have too many of them? The law makes the value of money." So the presses were set to work, and within a few years they had issued over forty-five billions of those paper francs. The government seemed surprised that any one should make a difference between a coin franc and a paper franc—and a law was passed that any one making such a difference in trade should be imprisoned for six years. They could jail individuals but they couldn't jail natural laws. No one would exchange one coin franc for less than nearly 300 paper francs. Then in 1796 these political economists tried another experiment. They cut up the confiscated lands into exact parcels, exchanged the assignats at about 3 per cent of their face value for what they called mandats, and proclaimed that the holder of mandats could select any parcel of this land and pay in mandats. Within a few months the mandats were worth one-seventieth of their face value, and they were soon wiped out altogether.

In 1803 the ratio of 15½:1 was reenacted. Mr. Chevalier, the eminent French economic authority, writes:

> In the year 1803, when the ratio of 1:15½ between the metals was established, this ratio actually existed in the commercial world; but little by little it changed, and soon gold came to be worth ordinarily a little more than 15½ times as much as silver. This discrepancy sufficed to retire gold from circulation. A few years after the passage of the law of 1803, gold became so scarce that people had to buy it of the money changers when they wanted to carry that kind of cash on their journeys. In fact, the circulation of the two metals side by side had ceased to exist shortly after the year 1803, and twenty-five years after that date the circulation consisted of silver only.

Sir G. B. Airy, the royal astronomer of England, wrote:

> In the year 1826 I spent some time in France. The gold coin was a little too rich, and no gold coin could be got. The better class of farmers went to market followed by their servants, who carried huge bags of five franc pieces. In 1839 I again passed through France; I wished for gold, and obtained it by paying a heavy prime.

In 1848 came the increased production of gold in Russia, in 1849 in California, in 1851 in Australia. Silver soon rose to a value higher than 15½:1 and, consequently, silver rushed out of France at such a rate that a commission even reported the advisability of placing an export duty on silver.

Early in the '60s Gresham's law had pushed out from France even the fractional silver coins to such an extent that it became a great public inconvenience. Investigation showed that Belgium and Switzerland were similarly troubled. The result was the organization of the Latin Monetary union in 1865, comprising France, Belgium, Switzerland and Italy. Later, Greece became a member also. All these countries use the franc system of money. They agreed on a basis of silver coinage, reducing the metallic value of the subsidiary coins. After 1859, silver had again taken the downward course which has characterized its value through the centuries. In 1867, at the international monetary conference held at Paris under the presidency of Prince Napoleon, it was decided, without a dissenting vote, that gold should be the sole money standard. The spirit of silver demonetization was abroad. Silver had been out of circulation so long in the United States that Mr. Ruggles, the American delegate, in reply to a question of Prince Napoleon, said: "Though the double standard still exists legislatively in the United States, it is virtually abolished in practice, and hence the United States has the gold standard alone." In 1871, after the Franco-German war, Germany decided to place itself on the gold standard, and to demonetize silver. Between 1873 and 1879 Geamany sold $140,000,000 of her silver. The neighboring countries which up to that time, had always maintained the free and unlimited coinage of gold and silver, became alarmed at the threatened influx of silver and expulsion of gold. So in 1874 the Latin union met, and from that year on there has been no free and unlimitee coinage of silver in France, Belgium, Switzerland and Italy. They limited the coinage of silver. And in 1878 they stopped the coinage of legal tender silver in toto, so that for thirteen years our much applauded bimettalic France has not coined a single legal tender silver coin.

Mr. Burrows takes me to task for quoting historical statements in what he is pleased to call "the most appalling and reckless manner." He ventures to impeach the correctness of the figures I have cited touching the coinage of standard silver dollars. I can only excuse his fearful misstatements in regard to silver coinage by supposing that he has never studied coinage statistics and made his computations from the wrong columns of his financial abstract.

My figures were taken from the official report of Edward O. Leech, director of the United States mint for 1890, bound volume, pages 261 and 263, also the report of Director Leech for the fiscal year 1891, bound volume, pages 213 and 215.

According to Mr. Burrows, the total coinage of silver dollars in 1850 was $1,866,100 and of minor coins $44,467.50. According to Mr. Leech, the coinage of 1850 consisted of silver dollars, $47,500; half dollars, $1,341,500; quarter dollars, $150,700; dimes, $244,150; half dimes, $82,250.

Mr. Burrows asserts that during 1851 there were coined: silver dollars, $774,397; minor silver coins, $99,635.43. In 1852 silver dollars, $99,410; minor coins, $50,630.94.

The director of the mint officially reports in 1851 only 1,300 silver dollars coined; coinage in half dollars, $301,375; quarters, $62,000; in dimes, $142,650; in half dimes, $82,050; in 3-cent pieces, $185,022. In 1852 the coinage of silver dollars was but $1,100; half dollars, $110,565; quarters, $68,265; dimes, $196,550; half dimes, $63,025; 3-cent pieces, $550,905.

Mr. Burrows exclaims, "Isn't it strange that in stating the gold coinage for the same year Mr. Rosewater should be correct?" Why is it strange as regards gold when I am also correct on the silver coinage?

Mr. Burrows flatly contradicts my statement that from 1805 to 1835, during a period of thirty years, not a single standard silver dollar, or any other silver dollar, was coined in the United States, and Mr. Burrows makes the reckless assertion that during that period there were coined $41,372,067 in silver dollars, besides several millions in minor silver coins, which he had not taken the trouble to compute.

This is decidedly rich. I take it that the director of the mint ought to know as much about the coinage as Mr. Burrows, and the director's official report shows that not a single silver dollar was coined between the years 1805 and 1836, but that there were coined in half dollars $38,452,398; in quarters, $729,337.75; in dimes, $922,469.40; in half dimes, $514,385.

Mr. B. says that in 1836 3,606,100 standard silver dollars were coined.

Director Leech reports only 1,000 standard silver dollars coined in 1836.

To recapitulate all the fictitious figures vouched for by Mr. Burrows as exact facts would exceed my allotted space. Suffice it to say that he has massed all his little tornadoes into one grand cyclone of inexactness when he asserts that the total coinage of silver dollars from 1792 to 1873 was $147,509,897. According to the unimpeachable authority of Director Leech of the United States mint and several of his predecessors the coinage of silver dollars for the eighty years was only a fraction over $8,000,000, or in round numbers $139,000,000 below Mr. B.'s cyclonic computation.

I am not up to Mr. Burrows in hocus pocus omnibus Latin, but in plain Anglo-Saxon I repeat back—false in one, false in all!

The whole fabric of false deductions, on which Mr. Burrows bases his arguments relating to silver coinage, which prove not to be facts, falls to the ground with his facts.

I am amazed that a man of Mr. Burrows' penetration should be led into such inexcusable blunders. The figures I have cited have been time and again quoted in both houses of congress and no free coinage advocate has ever before dared to call their accuracy in question.

Inasmuch as this is a friendly discussion of an important economic issue I entertain no doubt but that Mr. Burrows will do me justice by a manly and frank admission that my historical statement concerning the coinage of standard silver dollars is correct.

Mr. Burrow's Reply.

The question of the volume of money (see Mr. R.'s first paragraph) is the vital question at issue. But not "regardless of its exchange value or purchasing power." Its volume determines its exchange value. If this were not so Shylock would never have conspired to demonetize silver, and thereby halve its volume and double its purchasing power. My supposition as to making our dollars of half their present weight was a mere illustration. Mr. R. has chosen to reply to it as an argument. As I used the illustration it is correct.

In paragraph second Mr. R. attacks the interest problem, and shows an entire misunderstanding of the principles which control it. He says "a large volume of money always begets increased speculation." This is one of those common assertions that will not bear investigation. A large volume of money increases all legitimate business enterprises. There is always a certain proportion of men who prefer speculation. In prosperous times this proportion is fairly maintained. But in times of depression, like the present, the proportion of speculators is much greater than in times of prosperity. In stringent times legitimate business languishes, money accumulates at financial centers, and seeks speculative enterprises where rewards may be large and time of investment short. In such times, also, interest on long-time loans is nominally low, while on short-time loans it is abnormally high. That is exactly the situation at the present time and for some time past. The past ten years has been peculiarly a speculative decade. I suppose there has never before been a decade when there was so much speculation in proportion to legitimate trade. Nor has there ever been a decade when the burden of interest was so great. Interest, as well as all debts, is paid in products. The price of products determines the burden of interest. With wheat at 50 cents a bushel it takes just twice as much to pay a given sum of interest as it does at $1 a bushel, though the nominal rate of of interest in each case is the same. As a matter of fact the 10 and 12 per cent interest in Mr. R.'s first period was lower and less of a burden than the 6 and 7 per cent at the present time. One has only to consult the prices current in the two terms to be convinced of this fact. The men who were borrowers then and are now will know this to be true.

Mr. R. says the fixed income class, "if this means the bondholders, were much better off when gold was at a high premium and paper money was superabundant." If that is true they did not know when they were well off, and made some gross mistakes. The bondholders hastened by the credit strengthening act to change the terms of payment of $1,500,000,000 of United States bonds from lawful money to coin—they hastened to destroy the lawful money and come to a specie basis—they hastened for the very purpose of diminishing the volume of money, to demonetize silver at a time when the bonded debt of the world was the greatest at any period of its history. They showed that they preferred to double the purchasing power of money and diminish the nominal rate of interest one-half. And if Mr. R. will recall his forgotten Dabold he will discover that they were very right. In doubling the purchasing power of money they doubled the value of their principal, while if the rate of interest was only half what it was before its purchasing power was not lessened. If this is true Mr. R.'s assertion that "the bondholders have suffered a greater shrinkage of their incomes during the past twenty years than would have paid the national debt" is simply absurd. And facts prove that it is as absurd practically as it is in theory. The enormous concentration of wealth in the past twenty years is well known. Who has got it? All the figures lately compiled show that the fixed-income class has got it. They have got it because the people's debts remained payable in dollars, unscaled, while the purchasing power of dollars and the accumulative power of interest were doubled. The facts are so plain that I deem argument superflous.

But when Mr. R. attempts to define the debtor class he caps the climax of absurdity, and shows a beclouded mental condition that is amazing. (See paragraphs 3 and 4.) He has strangely omitted the national bankers from his list of poor debtors. The creditor or fixed-income class is that class which derives its income from rents and interest in their different forms, in money. That this class may owe bonds makes no difference. In the case of the railroads those bonds are never intended to be paid. This interest is an expense account, of the same nature as operating or repair accounts. These corporations have "beplastered their possessions with mortgages" so that they can more conveniently and secretly bring to bear against the people the ever-working, all-absorbing, silent, omnipotent power of interest. They have plastered them with mortgages representing fictitious investments to conceal the enormous returns they receive on capital actually invested. If the debt of the Pacific road is ever paid it will be paid in money earned by the people. And is it not better that they should obtain that money in fair prices for their products, such as they would receive under the double standard, rather than in production at starvation prices, as at present?

The cheekiest thing connected with this silver controversy is found in the accusation that the free coinage men wish to scale their obligations and pay their debt in depreciated dollars. Every man at all posted on the question knows that the money power of this country and the world performed on two occasions the most gigantic job of scaling the world has ever seen—first when it changed the standard of payment of fifteen hundred millions of bonds, second when it demonetized silver. It doubled the value of every dollar and doubled the burden of every debt by those acts. We never had a depreciated silver dollar until congress, at the bidding of that power, demonetized silver. We would have a depreciated gold dollar today if the same means were used to depreciate it, and we will have no more depreciated silver dollars as soon as silver is restored to free and unlimited coinage.

In connection with his sympathy with the railroads, whisky trusts, etc., who Mr. Rosewater fears will be compelled to pay their debts in cheap money, he associates the poor working people who are depositors in savings banks. While the savings account of those banks aggregate a large sum, by the usual method of swelling deposit accounts, the amount of actual savings so deposited is many times less. Nor is this money to any great extent depended upon for revenue. Only that part of it which is deposited on time draws any interest at all. As for the welfare of the working people, all men know that in times of so-called cheap money, that is in times of active business and prosperity, these people are all employed at good wages; while in times of dear money, like the present, many are idle or on short time, and there is much suffering and adversity. This is a well known fact. They are crockodile tears that deplore the catastrophe of paying depositors in any money that is legal tender.

Mr. Rosewater asserts (paragraph 17) that the reason "the 73-cent silver dollar and the valueless paper dollar pass current is because they are redeemable for 100 cents in gold," etc. As a matter of fact the silver dollar and the silver certificates are legal tender for all debts public and private, "except where otherwise stipulated in the contract." In the absence of a special contract silver will liquidate any obligation, the same as gold. Place it on the same basis as gold and it will perform exactly the same functions, as it did from 1792 to 1873. The reiteration of the idea that foreign countries would make this a dumping ground for silver, and so bring us a silver basis by taking our gold, is baseless. There is not the slightest danger of any flood of silver. Our own production is not sufficient for our increased money requirement, and there is no country in the world that has silver to spare us. India's import of silver from 1846 to 1873 was $832,809,000, or about six times our total production for the same period. India's import for 1889 was $53,629,000, while our production for that year was only $64,646,000. There is no possibility of our getting more silver than we need for monetary purposes; and if we would treat silver as real money, as four-fifths of the civilized world does today, there would be no such thing as cheap silver.

Instead of refuting or answering the historical statement I quoted from Mr. St. John as to the achievement of France in maintaining a parity of gold and silver, Mr. Rosewater shoots off on a tangent about French assignats.

The assignats were simply promises to pay money which had no existence, promises issued in unlimited quantity to pay coin money which was to be derived from the revenues of confiscated estates, the titles of which were in dispute, and which were producing no revenue. The assignats were all "in the air," and to ring the changes on their history as an argument in favor of a single gold standard shows a deplorable lack of good material. But I wish to say right here that this discussion has nothing whatever to do with paper money in any of its forms. It relates wholly to the expediency of restoring silver to a parity with gold in the United States, and the history of the French assignats has no bearing upon it whatever. I therefore decline to burden the discussion with it. I admit that the ratio of commercial value of the precious metals may change, either from relative scarcity of either of the metals or from unjust legislation. I admit also that if either metal is undervalued in relation to the other in coinage it tends to disappear from circulation. These are good and sufficient reasons for a scientific adjustment of ratio, which has frequently taken place in the world's history, and a careful adjustment of relative values in coinage. But they are not valid reasons for throwing one metal out of use as money and thereby concentrating the world's wealth in the hands of the money class, as is attempted.

Mr. Rosewater again asserts that Germany demonetized silver in 1871. (See par. 27.) I repeat that Germany did not demonetize silver until July 9, 1873, nearly six months after the United States had done so. Let the United States remonetize silver and Germany would be the first country to follow her example.

Mr. Rosewater has appealed several times to the Gresham law, and at the same time denounced the silver dollar as a 73-cent dollar, and the paper dollar as worthless. The Gresham law is little understood. Mr. R. broadly states it as a principle that bad money drives out good. If that is true we have no bad money in this country, and Mr. R's. "73-cent dollar" vanishes into thin air. In daily experience the United States now circulates as equally full legal tender money the coin and paper issued under the acts of 1878 and 1890, silver $460,000,000, and, according to mint estimates, about $700,000,000 of gold. Besides these are $346,000,000 greenbacks and $126,000,000 bank notes; these both redeemable at treasury option, or bank option, in either gold or silver coin. In silver, gold or paper each and every one of all these $1,630,000,000 is a single-standard dollar of 100 cents or 1,000 mills, circulating side by side at par all with each. I will thank Mr. Rosewater to indicate where the Gresham law or the driving out process comes in.

A radical difference in the understanding of certain official reports has arisen between Mr. Rosewater and myself. I will say that the reports on their face are absolutely contradictory. Mr. R. claims that the report of the secretary of the treasury is a mistake arising from its facts not being sufficiently subdivided. I have before me the official statistical abstract of the Treasury department for the years '87, '88 and '90. The facts as to silver coinage in all these volumes are exactly as I stated last week. Mr. Rosewater produces a single report of the director, that for 1891, and I am frank to say that that report apparently confirms his position. He claims that the amount coined was correct in its sum total, but that it was not in dollars, but in minor coins, mostly halfs. Now up to 1857, I think, the coin weight of the halfs exactly corresponded with that of the dollars—that is two halfs were exactly equal to one dollar. This being the case the secretary's report and my quotation of it is practically correct. Whether in dollars or halfs, it is undeniable that silver went into our circulation to the amount stated in my last article in every year named, every dollar of which was "a lawful tender for all payments whatsoever." Mr. Rosewater was easily misled by the director's official report, and I am willing frankly to exonerate him from any attempt to misrepresent in the matter. His fault lies in not knowing the important fact that I have stated as to the weight of the halfs, and in trusting too implicitly a subordinate officer who was probably a creature of Wall street.

But this is a matter of no importance. And I regret to say that this discussion has involved mostly side issues, and had little to do with the real question. I propose briefly to refer to some of the real points of the controversy.

First. Silver is today practically the money of the world. The population of the silver standard countries is, in round numbers, 770,000,000; of the double standard countries 137,000,000; of the gold standard countries 93,000,000. Even those countries which demonetized silver retain in use the coinage they had, and maintain a minor coinage of that metal. Europe has $1,100,000,000 in silver coin, of which France owns $700,000,000. Nor could these countries spare this silver. They are already deficient, and desire more.

Second. The combined annual production of both silver and gold is insufficient for the annual increased demand of the world for money. The actual money in the United States, and the bank credits based on deposits, show the amount actually needed to transact the business of the country. This amount is $4,128,000,000. In the United Kingdom it is $3,800,000,000. In France it is $2,550,000,000. This is credit money—panic money, out of the use for which the bankers are laying by millions. It is money that shrinks with every adverse wind—that disappears with every financial shock. It is the money of a system that brings periodical panics and bankruptcy to thousands every year. But it is indispensable today to the business of the nations. Withdraw it and widespread disaster is inevitable. It is built in the United States on the small basis of $700,000,000 of gold, and the supply of gold is diminishing and population and business increasing. There have been no more gold and silver produced since 1850 than were required for monetary purposes. From 1840 to 1850 the annual supply of both metals did not exceed $40,000,000. When California gold was discovered there was a sudden increase, and then Australia increased the output to about $190,000,000. The disaster then predicted, and which induced Germany to demonetize gold, never came. In fact the added supply was a blessing instead of a calamity. From that time the combined product has gradually increased, until the annual supply is about $250,000,000. But the increase has not been as great as the increase of population, consequently not sufficient for the increased demand for money, and the rejection of silver has practically cut off the supply of the precious metals for money, and inaugurated a money famine which has filled the world with woe. And this has been done to gratify the avarice of speculators and the greed of heartless Shylocks.

Third. The demonetization of silver has caused incalculable loss to the people of this country. I give the following table showing the immense increase of the public debt of the United States in commodities from the year 1867 to 1886, notwithstanding the great nominal or face value decrease:

	1867	1886
Public debt	$2,678,127,-103.87	$1,783,438,-397.78
	Equival't in Commodities	
Corn, bushels	2,231,771,753	3,639,670,811
Wheat, bushels	939,963,369	1,998,250,641
Pork, mess, bbls	124,570,914	158,527,889
Beef, mess, bbls	133,906,365	209,816,317
Coal, anthracite, tons	357,083,480	540,435,929
Iron, bar, tons	29,756,956	44,095,523
Cotton, upland, lbs	10,502,455,309	19,411,577,662
Molasses, N. O., gals	2,895,271,463	4,755,836,527

The corn crop of 1889 exceeded that of 1888 by over 125,000,000 bushels, and sold for $79,500,000 less money. The wheat crop of '89 was greater than that of '88 by 74,600,000 bushels and sold for $42,700,000 less money. The oats crop was greater in '89 than in '88 by 49,700,000 bushels, and sold for $23,600,000 less money.

The loss to the farmers of the United States for the eighteen years since silver was demonetized, caused by that infamous national crime, has not been less than $1,000,000,000 per year, or $18,000,000,000. And as a logical consequence the farmers of this nation are $18,000,000,000 in debt. Their industrial proportion of the nation's debt is undoubtedly that much.

There has been since 1873 a widespread depression in prices and a worldwide shrinkage in industries. Find me the cause, Mr. R., if you can. Is it overproduction, speculation, action and reaction, intemperance, licentiousness, extravagance, waste of wars? No, it is none of these. It is the direct result of the disease that attacked us in 1873, in the ill-advised attempt to discard the use of silver as a full legal tender money.

We are an exporting nation, yet we adopted a financial policy directly calculated to depress the value of our exports.

We are a debtor nation, and yet we adopted a financial policy designed to compel us to sell the maximum amount of products to pay the minimum amount of debt.

We are a silver-producing nation, and yet we adopt a financial policy intended to depress the price of silver in the markets of the world.

As a nation we have deliberately adopted a policy that would have caused any business man to be put into a strait jacket or under a guardian.

Our greatest competitor in the markets of the world, as well as the best customer for our products, is England—a creditor nation. We deliberately adopted a financial policy that would make our trade and our exports of the greatest value to our competitor and of the least value to ourselves.

For twenty years have values been shrinking, failures multiplying, suicides and insanity increasing.

For nearly twenty years have the lines between classes become more sharply drawn—for nearly twenty years has the base, idiotic aristocracy of wealth been erecting its brazen images—for nearly twenty years has been going on increasing poverty amid unparalleled production, and a concentration of wealth through the agency of interest and increased purchasing power of money, greater than was ever before known in the ancient or modern world. If there is any cause powerful enough to produce these dire results other than the one I have named, I appeal to Mr. Rosewater to show it.

Fourth. Money, under our present social system, is the basis of civilization. It lays the steel muscles and stretches the wire nerves of commerce over all the countries of the world. It tunnels mountains, spans rivers, and drives ocean greyhounds into every known sea. Its possession means health, plenty, luxury, leisure, culture—all, in short, that go to make life endurable and happy.

Want of it means penury, suffering, ignorance, despair.

For thousands of years silver and gold have been jointly money over all the world, and since the prehistoric ages there has never been a day when there was a sufficient amount of metal money. The rise and decline of civilization from the dawn of history has been equal with the rise and decline of the supply of metallic money. In the palmy Augustan days Rome possessed 2,000,000,000 of gold and silver coin, besides her stores of plate which could be transmuted into coin. But as mines were exhausted and metallic money gradually disappeared, until the stock was reduced to less than 200,000,000, the pall of the dark ages spread its gloom over the world. Civilization suffered an eclipse, and its revival waited for the discovery of gold and silver in Mexico and South America.

The vandal hand that has stricken down one of these metals has been animated alone by the spirit of greed. The men who have aimed the blow have been ignorant of the lessons of history and careless of its results to mankind. I appeal to every patriotic American citizen to aid in averting these results and in establishing an American system of finance that shall be, in the words of Hon. William M. Stewart, "independent of London speculators in Asiatic products or European investors in American securities."