

## VIII

### THE SILVER QUESTION

Delivered in Madison Square Garden, New York City, on Aug. 10, 1896, in accepting the Democratic nomination for the Presidency. This speech contains, in condensed form, the arguments offered in support of the restoration of bimetallism.

**I** SHALL, at a future day and in a formal letter, accept the nomination which is now tendered by the Notification Committee, and I shall at that time touch upon the issues presented by the platform. It is fitting, however, that at this time, in the presence of those here assembled, I speak at some length in regard to the campaign upon which we are now entering. We do not underestimate the forces arrayed against us, nor are we unmindful of the importance of the struggle in which we are engaged; but, relying for success upon the righteousness of our cause, we shall defend with all possible vigor the positions taken by our party. We are not surprized that some of our opponents, in the absence of better argument, resort to abusive epithets, but they may rest assured that no language, however violent, no invectives, however vehement, will lead us to depart a single hair's breadth from the course marked out by the National Convention. The citizen, either public or private, who assails the character and questions the patriotism of the delegates assembled in the Chicago Convention, assails the

character and questions the patriotism of the millions who have arrayed themselves under the banner there raised.

It has been charged by men standing high in business and political circles that our platform is a menace to private security and public safety; and it has been asserted that those whom I have the honor for the time being, to represent, not only meditate an attack upon the rights of property, but are the foes both of social order and national honor.

Those who stand upon the Chicago platform are prepared to make known and to defend every motive which influences them, every purpose which animates them, and every hope which inspires them. They understand the genius of our institutions, they are staunch supporters of the form of government under which we live, and they build their faith upon foundations laid by the fathers. Andrew Jackson has stated, with admirable clearness and with an emphasis which cannot be surpassed, both the duty and the sphere of government. He said:

"Distinctions in society will always exist under every just government. Equality of talents, of education or of wealth, cannot be produced by human institutions. In the full enjoyment of the gifts of Heaven and the fruits of superior industry, economy and virtue, every man is equally entitled to protection by law."

We yield to none in our devotion to the doctrine just enunciated. Our campaign has not for its object the reconstruction of society. We cannot insure to the vicious the fruits of a virtuous life; we would not invade the home of the provident in order to supply the wants of the spendthrift; we do not propose to transfer the rewards of industry

to the lap of indolence. Property is and will remain the stimulus to endeavor and the compensation for toil. We believe, as asserted in the Declaration of Independence, that all men are created equal; but that does not mean that all men are or can be equal in possessions, in ability or in merit; it simply means that all shall stand equal before the law, and that government officials shall not, in making, construing or enforcing the law, discriminate between citizens.

I assert that property rights, as well as the rights of persons, are safe in the hands of the common people. Abraham Lincoln, in his message sent to Congress in December, 1861, said:

"No men living are more worthy to be trusted than those who toil up from poverty; none less inclined to take or touch aught which they have not honestly earned."

I repeat his language with unqualified approval, and join with him in the warning which he added, namely:

"Let them beware of surrendering a political power which they already possess, and which power, if surrendered, will surely be used to close the doors of advancement against such as they, and to fix new disabilities and burdens upon them, till all of liberty shall be lost."

Those who daily follow the injunction, "In the sweat of thy face shalt thou eat bread," are now, as they ever have been, the bulwark of law and order—the source of our nation's greatness in time of peace, and its surest defenders in time of war.

But I have only read a part of Jackson's utterance—let me give you his conclusion:

"But when the laws undertake to add to those natural and just advantages artificial distinctions—to grant titles,

gratuities and exclusive privileges—to make the rich richer and the potent more powerful—the humble members of society—the farmers, mechanics and the laborers—who have neither the time nor the means of securing like favors for themselves, have a right to complain of the injustice of their government.”

Those who support the Chicago platform endorse all of the quotation from Jackson—the latter part as well as the former part.

We are not surprized to find arrayed against us those who are the beneficiaries of government favoritism—they have read our platform. Nor are we surprized to learn that we must in this campaign face the hostility of those who find a pecuniary advantage in advocating the doctrine of non-interference when great aggregations of wealth are trespassing upon the rights of individuals. We welcome such opposition—it is the highest endorsement which could be bestowed upon us. We are content to have the cooperation of those who desire to have the Government administered without fear or favor. It is not the wish of the general public that trusts should spring into existence and override the weaker members of society; it is not the wish of the general public that these trusts should destroy competition and then collect such tax as they will from those who are at their mercy; nor is it the fault of the general public that the instrumentalities of government have been so often prostituted to purposes of private gain. Those who stand upon the Chicago platform believe that the government should not only avoid wrongdoing, but that it should also prevent wrongdoing; and they believe that the law should be enforced alike

against all enemies of the public weal. They do not excuse petit larceny, but they declare that grand larceny is equally a crime; they do not defend the occupation of the highwayman who robs the unsuspecting traveler, but they include among the transgressors those who, through the more polite and less hazardous means of legislation, appropriate to their own use the proceeds of the toil of others. The commandment, "Thou shalt not steal," thundered from Sinai and reiterated in the legislation of all nations, is no respecter of persons. It must be applied to the great as well as to the small; to the strong as well as to the weak; to the corporate person created by law as well as to the person of flesh and blood created by the Almighty. No government is worthy of the name which is not able to protect from every arm uplifted for his injury the humblest citizen who lives beneath the flag. It follows as a necessary conclusion that vicious legislation must be remedied by the people who suffer from the effects of such legislation, and not by those who enjoy its benefits.

The Chicago platform has been condemned by some because it dissents from an opinion rendered by the Supreme Court declaring the income tax law unconstitutional. Our critics even go so far as to apply the name anarchist to those who stand upon that plank of the platform. It must be remembered that we expressly recognize the binding force of that decision so long as it stands as a part of the law of the land. There is in the platform no suggestion of an attempt to dispute the authority of the Supreme Court. The party is simply pledged

to use "all the constitutional power which remains after that decision, or which may come from its reversal by the Court as it may hereafter be constituted." Is there any disloyalty in that pledge? For a hundred years the Supreme Court of the United States has sustained the principle which underlies the income tax. Some twenty years ago this same Court sustained, without a dissenting voice, an income tax law almost identical with the one recently overthrown. Has not a future court as much right to return to the judicial precedents of a century as the present Court had to depart from them? When courts allow rehearings they admit that error is possible; the late decision against the income tax was rendered by a majority of one after a rehearing.

While the money question overshadows all other questions in importance, I desire it distinctly understood that I shall offer no apology for the income tax plank of the Chicago platform. The last income tax law sought to apportion the burdens of government more equitably among those who enjoy the protection of the Government. At present the expenses of the Federal Government, collected through internal revenue taxes and import duties, are especially burdensome upon the poorer classes of society. A law which collects from some citizens more than their share of the taxes and collects from other citizens less than their share is simply an indirect means of transferring one man's property to another man's pocket, and, while the process may be quite satisfactory to the men who escape just taxation, it can never be satisfactory to those who

are overburdened. The last income tax law, with its exemption provisions, when considered in connection with other methods of taxation in force, was not unjust to the possessors of large incomes, because they were not compelled to pay a total Federal tax greater than their share. The income tax is not new, nor is it based upon hostility to the rich. The system is employed in several of the most important nations of Europe, and every income tax law now upon the statute books in any land, so far as I have been able to ascertain, contains an exemption clause. While the collection of an income tax in other countries does not make it necessary for this Nation to adopt the system, yet it ought to moderate the language of those who denounce the income tax as an assault upon the well-to-do.

Not only shall I refuse to apologize for the advocacy of an income tax law by the National Convention, but I shall also refuse to apologize for the exercise by it of the right to dissent from a decision of the Supreme Court. In a government like ours every public official is a public servant, whether he holds office by election or by appointment, whether he serves for a term of years or during good behavior, and the people have a right to criticize his official acts. "Confidence is everywhere the parent of despotism; free government exists in jealousy and not in confidence"—these are the words of Thomas Jefferson, and I submit that they present a truer conception of popular government than that entertained by those who would prohibit an unfavorable comment upon a court decision. Truth will vindicate itself; only error fears

free speech. No public official who conscientiously discharges his duty as he sees it will desire to deny to those whom he serves the right to discuss his official conduct.

Now let me ask you to consider the paramount question of this campaign—the money question. It is scarcely necessary to defend the principle of bimetallism. No national party during the entire history of the United States has ever declared against it, and no party in this campaign has had the temerity to oppose it. Three parties—the Democratic, Populist and Silver parties—have not only declared for bimetallism, but have outlined the specific legislation necessary to restore silver to its ancient position by the side of gold. The Republican platform expressly declares that bimetallism is desirable when it pledges the Republican party to aid in securing it as soon as the assistance of certain foreign nations can be obtained. Those who represented the minority sentiment in the Chicago Convention opposed the free coinage of silver by the United States by independent action, on the ground that, in their judgment, it “would retard or entirely prevent the establishment of international bimetallism, to which the efforts of the Government should be steadily directed.” When they asserted that the efforts of the Government should be steadily directed toward the establishment of international bimetallism, they condemned monometallism. The gold standard has been weighed in the balance and found wanting. Take from it the powerful support of the money-owning and the money-changing classes and it cannot stand for one



day in any nation in the world. It was fastened upon the United States without discussion before the people, and its friends have never yet been willing to risk a verdict before the voters upon that issue.

There can be no sympathy or cooperation between the advocates of a universal gold standard and the advocates of bimetalism. Between bimetalism—whether independent or international—and the gold standard there is an impassable gulf. Is this quadrennial agitation in favor of international bimetalism conducted in good faith, or do our opponents really desire to maintain the gold standard permanently? Are they willing to confess the superiority of a double standard when joined in by the leading nations of the world, or do they still insist that gold is the only metal suitable for standard money among civilized nations? If they are in fact desirous of securing bimetalism, we may expect them to point out the evils of a gold standard and defend bimetalism as a system. If, on the other hand, they are bending their energies toward the permanent establishment of a gold standard under cover of a declaration in favor of international bimetalism, I am justified in suggesting that honest money cannot be expected at the hands of those who deal dishonestly with the American people.

What is the test of honesty in money? It must certainly be found in the purchasing power of the dollar. An absolutely honest dollar would not vary in its general purchasing power; it would be absolutely stable when measured by average prices. A dollar which increases in purchasing power is just

as dishonest as a dollar which decreases in purchasing power. Prof. Laughlin, now of the University of Chicago, and one of the highest gold-standard authorities, in his work on bimetalsim not only admits that gold does not remain absolutely stable in value, but expressly asserts "that there is no such thing as a standard of value for future payments, either in gold or silver, which remains absolutely invariable." He even suggests that a multiple standard, wherein the unit is "based upon the selling prices of a number of articles of general consumption," would be a more just standard than either gold or silver, or both, because "a long time contract would thereby be paid at its maturity by the same purchasing power as was given in the beginning."

It cannot be successfully claimed that monometalsim or bimetalsim, or any other system, gives an absolutely just standard of value. Under both monometalsim and bimetalsim the Government fixes the weight and fineness of the dollar, invests it with legal tender qualities, and then opens the mints to its unrestricted coinage, leaving the purchasing power of the dollar to be determined by the number of dollars. Bimetalsim is better than monometalsim, not because it gives us a perfect dollar—that is, a dollar absolutely unvarying in its general purchasing power—but because it makes a nearer approach to stability, to honesty, to justice, than a gold standard possibly can. Prior to 1873, when there were enough open mints to permit all the gold and silver available for coinage to find entrance into the world's volume of standard

money, the United States might have maintained a gold standard with less injury to the people of this country; but now, when each step toward a universal gold standard enhances the purchasing power of gold, depresses prices, and transfers to the pockets of the creditor class an unearned increment, the influence of this great nation must not be thrown upon the side of gold unless we are prepared to accept the natural and legitimate consequences of such an act. Any legislation which lessens the world's stock of standard money increases the exchangeable value of the dollar; therefore, the crusade against silver must inevitably raise the purchasing power of money and lower the money value of all other forms of property.

Our opponents sometimes admit that it was a mistake to demonetize silver, but insist that we should submit to present conditions rather than return to the bimetallic system. They err in supposing that we have reached the end of the evil results of a gold standard; we have not reached the end. The injury is a continuing one, and no person can say how long the world is to suffer from the attempt to make gold the only standard money. The same influences which are now operating to destroy silver in the United States will, if successful here, be turned against other silver-using countries, and each new convert to the gold standard will add to the general distress. So long as the scramble for gold continues, prices must fall, and a general fall in prices is but another definition of hard times.

Our opponents, while claiming entire disinter-

estedness for themselves, have appealed to the selfishness of nearly every class of society. Recognizing the disposition of the individual voter to consider the effect of any proposed legislation upon himself, we present to the American people the financial policy outlined in the Chicago platform, believing that it will result in the greatest good to the greatest number.

The farmers are opposed to the gold standard because they have felt its effects. Since they sell at wholesale and buy at retail they have lost more than they have gained by falling prices, and, besides this, they have found that certain fixt charges have not fallen at all. Taxes have not been perceptibly decreased, altho it requires more of farm products now than formerly to secure the money with which to pay taxes. Debts have not fallen. The farmer who owed \$1,000 is still compelled to pay \$1,000, altho it may be twice as difficult as formerly to obtain the dollars with which to pay the debt. Railroad rates have not been reduced to keep pace with falling prices, and besides these items there are many more. The farmer has thus found it more and more difficult to live. Has he not a just complaint against the gold standard?

The wage earners have been injured by a gold standard, and have exprest themselves upon the subject with great emphasis. In February, 1895, a petition asking for the immediate restoration of the free and unlimited coinage of gold and silver at 16 to 1 was signed by the representatives of all, or nearly all, the leading labor organizations and presented to Congress. Wage-earners know that

while a gold standard raises the purchasing power of the dollar, it also makes it more difficult to obtain possession of the dollar; they know that employment is less permanent, loss of work more probable, and reemployment less certain. A gold standard encourages the hoarding of money, because money is rising; it also discourages enterprise and paralyzes industry. On the other hand, the restoration of bimetallism will discourage hoarding because, when prices are steady or rising, money cannot afford to lie idle in the bank vaults. The farmers and wage-earners together constitute a considerable majority of the people of the country. Why should their interests be ignored in considering financial legislation? A monetary system which is peculiarly advantageous to a few syndicates has far less to commend it than a system which would give hope and encouragement to those who create the nation's wealth.

Our opponents have made a special appeal to those who hold fire and life insurance policies, but these policy-holders know that, since the total premiums received exceed the total losses paid, a rising standard must be of more benefit to the companies than to the policy-holders.

Much solicitude has been expressed by our opponents for the depositors in savings banks. They constantly parade before these depositors the advantages of a gold standard, but these appeals will be in vain, because savings bank depositors know that under a gold standard there is increasing danger that they will lose their deposits because of the inability of the banks to collect their assets; and

they still further know that, if the gold standard is to continue indefinitely, they may be compelled to withdraw their deposits in order to pay living expenses.

It is only necessary to note the increasing number of failures in order to know that a gold standard is ruinous to merchants and manufacturers. These business men do not make their profits from the people from whom they borrow money, but from the people to whom they sell their goods. If the people cannot buy, retailers cannot sell, and, if retailers cannot sell, wholesale merchants and manufacturers must go into bankruptcy.

Those who hold, as a permanent investment, the stock of railroads and of other enterprises—I do not include those who speculate in stocks or use stock holdings as a means of obtaining an inside advantage in construction contracts—are injured by a gold standard. The rising dollar destroys the earning power of these enterprises without reducing their liabilities, and, as dividends cannot be paid until salaries and fixed charges have been satisfied, the stockholders must bear the burden of hard times.

Salaries in business occupations depend upon business conditions, and the gold standard both lessens the amount and threatens the permanency of such salaries.

Official salaries, except the salaries of those who hold office for life, must, in the long run, be adjusted to the conditions of those who pay the taxes, and if the present financial policy continues we must expect the contest between the taxpayer and the taxpayer to increase in bitterness.

The professional classes—in the main—derive their support from the producing classes, and can only enjoy prosperity when there is prosperity among those who create wealth.

I have not attempted to describe the effect of the gold standard upon all classes—in fact, I have only had time to mention a few—but each person will be able to apply the principles stated to his own occupation.

It must also be remembered that it is the desire of people generally to convert their earnings into real or personal property. This being true, in considering any temporary advantage which may come from a system under which the dollar rises in its purchasing power, it must not be forgotten that the dollar cannot buy more than formerly unless property sells for less than formerly. Hence, it will be seen that a large portion of those who may find some pecuniary advantage in a gold standard will discover that their losses exceed their gains.

It is sometimes asserted by our opponents that a bank belongs to the debtor class, but this is not true of any solvent bank. Every statement published by a solvent bank shows that the assets exceed the liabilities. That is to say, while the bank owes a large amount of money to its depositors, it not only has enough on hand in money and notes to pay its depositors, but, in addition thereto, has enough to cover its capital and surplus. When the dollar is rising in value slowly, a bank may, by making short-time loans and taking good security, avoid loss; but when prices are falling rapidly, the bank is apt to lose more because of bad debts than it can

gain by the increase in the purchasing power of its capital and surplus.

Some bankers, however, combine the business of a bond broker with the ordinary banking business, and these may make enough in the negotiation of loans to offset the losses arising in legitimate banking business. As long as human nature remains as it is, there will always be danger that, unless restrained by public opinion or legal enactment, those who see a pecuniary profit for themselves in a certain condition may yield to the temptation to bring about that condition. Jefferson has stated that one of the main duties of government is to prevent men from injuring one another, and never was that duty more important than it is to-day. It is not strange that those who have made a profit by furnishing gold to the Government in the hour of its extremity favor a financial policy which will keep the Government dependent upon them. I believe, however, that I speak the sentiment of the vast majority of the people of the United States when I say that a wise financial policy administered in behalf of all the people would make our Government independent of any combination of financiers, foreign or domestic.

Let me say a word, now, in regard to certain persons who are pecuniarily benefited by a gold standard, and who favor it, not from a desire to trespass upon the rights of others, but because the circumstances which surround them blind them to the effect of the gold standard upon others. I shall ask you to consider the language of two gentlemen whose long public service and high standing in the



party to which they belong will protect them from adverse criticism by our opponents. In 1869 Senator Sherman said:

"The contraction of the currency is a far more distressing operation than Senators suppose. Our own and other nations have gone through that operation before. It is not possible to take that voyage without the sorest distress. To every person, except a capitalist out of debt, or a salaried officer, or annuitant, it is a period of loss, danger, lassitude of trade, fall of wages, suspension of enterprise, bankruptcy and disaster. It means ruin to all dealers whose debts are twice their business capital, tho one-third less than their actual property. It means the fall of all agricultural production without any great reduction of taxes. What prudent man would dare to build a house, a railroad, a factory, or a barn with this certain fact before him?"

As I have said before, the salaried officer referred to must be the man whose salary is fixed for life, and not the man whose salary depends upon business conditions. When Mr. Sherman describes contraction of the currency as disastrous to all the people except the capitalist out of debt and those who stand in a position similar to his, he is stating a truth which must be apparent to every person who will give the matter careful consideration. Mr. Sherman was at that time speaking of the contraction of the volume of paper currency, but the principle which he set forth applies, if there is a contraction of the volume of the standard money of the world.

Mr. Blaine discuss the same principle in connection with the demonetization of silver. Speaking in the House of Representatives on the 7th of February, 1878, he said:

"I believe the struggle now going on in this country and other countries for a single gold standard would, if success-

ful, produce widespread disaster in and throughout the commercial world. The destruction of silver as money, and the establishing of gold as the sole unit of value must have a ruinous effect on all forms of property, except those investments which yield a fixt return in money. These would be enormously enhanced in value, and would gain a disproportionate and unfair advantage over every other species of property."

It is strange that the "holders of investments which yield a fixt return in money" can regard the destruction of silver with complacency. May we not expect the holders of other forms of property to protest against giving to money a "disproportionate and unfair advantage over every other species of property?" If the relatively few whose wealth consists largely in fixt investments have a right to use the ballot to enhance the value of their investments, have not the rest of the people the right to use the ballot to protect themselves from the disastrous consequences of a rising standard? The people who must purchase money with the products of toil stand in a position entirely different from the position of those who own money or receive a fixt income. The well-being of the nation—aye, of civilization itself—depends upon the prosperity of the masses. What shall it profit us to have a dollar which grows more valuable every day if such a dollar lowers the standard of civilization and brings distress to the people? What shall it profit us if, in trying to raise our credit by increasing the purchasing power of our dollar, we destroy our ability to pay the debts already contracted by lowering the purchasing power of the products with which those debts must be paid? If it is asserted,

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as it constantly is asserted, that the gold standard will enable us to borrow more money from abroad, I reply that the restoration of bimetalism will restore the parity between money and property, and thus permit an era of prosperity which will enable the American people to become loaners of money instead of perpetual borrowers. Even if we desire to borrow, how long can we continue borrowing under a system which, by lowering the value of property, weakens the foundation upon which credit rests?

Even the holders of fixt investments, tho they gain an advantage from the appreciation of the dollar, certainly see the injustice of the legislation which gives them this advantage over those whose incomes depend upon the value of property and products. If the holders of fixt investments will not listen to arguments based upon justice and equity, I appeal to them to consider the interests of posterity. We do not live for ourselves alone; our labor, our self-denial, and our anxious care—all these are for those who are to come after us as much as for ourselves, but we cannot protect our children beyond the period of our lives. Let those who are now reaping advantage from a vicious financial system remember that in the years to come their own children and their children's children may, through the operation of this same system, be made to pay tribute to the descendants of those who are wronged to-day.

As against the maintenance of a gold standard, either permanently or until other nations can be united for its overthrow, the Chicago platform

presents a clear and emphatic demand for the immediate restoration of the free and unlimited coinage of silver and gold at the present legal ratio of 16 to 1, without waiting for the aid or consent of any other nation. We are not asking that a new experiment be tried; we are insisting upon a return to a financial policy approved by the experience of history and supported by all the prominent statesmen of our nation from the days of the first President down to 1873. When we ask that our mints be opened to the free and unlimited coinage of silver into full legal tender money, we are simply asking that the same mint privileges be accorded to silver that are now accorded to gold. When we ask that this coinage be at the ratio of 16 to 1, we simply ask that our gold coins and the standard silver dollar—which, be it remembered, contains the same amount of pure silver as the first silver dollar coined at our mints—retain their present weight and fineness.

The theoretical advantage of the bimetallic system is best stated by a European writer on political economy, who suggests the following illustration: A river fed from two sources is more uniform in volume than a river fed from one source—the reason being that when one of the feeders is swollen the other may be low; whereas, a river which has but one feeder must rise or fall with that feeder. So in the case of bimetalism; the volume of metallic money receives contributions from both the gold mines and the silver mines, and therefore varies less, and the dollar resting upon two metals is less

changeable in its purchasing power than the dollar which rests upon one metal only.

If there are two kinds of money, the option must rest either with the debtor or with the creditor. Assuming that their rights are equal, we must look at the interest of society in general in order to determine to which side the option should be given. Under the bimetallic system gold and silver are linked together by law at a fixed ratio, and any person or persons owning any quantity of either metal can have the same converted into full legal-tender money. If the creditor has the right to choose the metal in which payment shall be made, it is reasonable to suppose that he will require the debtor to pay in the dearer metal if there is any perceptible difference between the bullion values of the metals. This new demand created for the dearer metal will make that metal dearer still, while the decreased demand for the cheaper metal will make that metal cheaper still. If, on the other hand, the debtor exercises the option, it is reasonable to suppose that he will pay in the cheaper metal if one metal is perceptibly cheaper than the other; but the demand thus created for the cheaper metal will raise its price, while the lessened demand for the dearer metal will lower its price. In other words, when the creditor has the option, the metals are drawn apart; whereas, when the debtor has the option, the metals are held together approximately at the ratio fixed by law, provided the demand created is sufficient to absorb all of both metals presented at the mint. Society is, therefore, interested in having the option exercised by the debtor. In-

deed, there can be no such thing as real bimetalism unless the option is exercised by the debtor. The exercise of the option by the debtor compels the creditor classes, whether domestic or foreign, to exert themselves to maintain the parity between gold and silver at the legal ratio, whereas they might find a profit in driving one of the metals to a premium if they could then demand the dearer metal. The right of the debtor to choose the coin in which payment shall be made extends to obligations due from the government as well as to contracts between individuals. A government obligation is simply a debt due from all the people to one of the people, and it is impossible to justify a policy which makes the interests of the one person who holds the obligation superior to the rights of the many who must be taxed to pay it. When, prior to 1873, silver was at a premium, it was never contended that national honor required the payment of government obligations in silver, and the Matthews resolution, adopted by Congress in 1878, expressly asserted the right of the United States to redeem coin obligations in standard silver dollars as well as in gold coin.

Upon this subject the Chicago platform reads:

"We are opposed to the policy and practise of surrendering to the holders of the obligations of the United States the option reserved by law to the Government of redeeming such obligations in either silver coin or gold coin."

It is constantly assumed by some that the United States notes, commonly called greenbacks, and the treasury notes issued under the act of 1890, are responsible for the recent drain upon the gold re-

serve, but this assumption is entirely without foundation. Secretary Carlisle appeared before the House Committee on Appropriations on January 21, 1895, and I quote from the printed report of his testimony before the committee:

"Mr. Sibley: I would like to ask you (perhaps not entirely connected with the matter under discussion) what objection there could be to having the option of redeeming either in silver or gold lie with the Treasury instead of the note holder?"

"Secretary Carlisle: If that policy had been adopted at the beginning of resumption—and I am not saying this for the purpose of criticizing the action of any of my predecessors, or anybody else—but if the policy of reserving to the Government, at the beginning of resumption, the option of redeeming in gold or silver all its paper presented, I believe it would have worked beneficially, and there would have been no trouble growing out of it, but the Secretaries of the Treasury from the beginning of resumption have pursued a policy of redeeming in gold or silver, at the option of the holder of the paper, and if any Secretary had afterward attempted to change that policy and force silver upon a man who wanted gold, or gold upon a man who wanted silver, and especially if he had made that attempt at such a critical period as we have had in the last two years, my judgment is it would have been very disastrous."

I do not agree with the Secretary that it was wise to follow a bad precedent, but from his answer it will be seen that the fault does not lie with the greenbacks and treasury notes, but rather with the executive officers who have seen fit to surrender a right which should have been exercised for the protection of the interests of the people. This executive action has already been made the excuse for the issue of more than \$250,000,000 in bonds, and it is impossible to estimate the amount of bonds which may hereafter be issued if this policy is continued. We are told that any attempt upon the

part of the Government at this time to redeem its obligations in silver would put a premium upon gold, but why should it? The Bank of France exercises the right to redeem all bank paper in either gold or silver, and yet France maintains the parity between gold and silver at the ratio of  $15\frac{1}{2}$  to 1, and retains in circulation more silver per capita than we do in the United States.

It may be further answered that our opponents have suggested no feasible plan for avoiding the dangers which they fear. The retirement of the greenbacks and treasury notes would not protect the Treasury, because the same policy which now leads the Secretary of the Treasury to redeem all Government paper in gold, when gold is demanded, will require the redemption of all silver dollars and silver certificates in gold, if the greenbacks and treasury notes are withdrawn from circulation. More than this, if the Government should retire its paper and throw upon the banks the necessity of furnishing coin redemption, the banks would exercise the right to furnish either gold or silver. In other words, they would exercise the option, just as the Government ought to exercise it now. The Government must either exercise the right to redeem its obligations in silver when silver is more convenient, or it must retire all the silver and silver certificates from circulation and leave nothing but gold as legal tender money. Are our opponents willing to outline a financial system which will carry out their policy to its legitimate conclusion, or will they continue to cloak their designs in ambiguous phrases?



There is an actual necessity for bimetallism as well as a theoretical defense of it. During the last twenty-three years legislation has been creating an additional demand for gold, and this law-created demand has resulted in increasing the purchasing power of each ounce of gold. The restoration of bimetallism in the United States will take away from gold just so much of its purchasing power as was added to it by the demonetization of silver by the United States. The silver dollar is now held up to the gold dollar by legal-tender laws and not by redemption in gold, because the standard silver dollars are not now redeemable in gold either in law or by administrative policy.

We contend that free and unlimited coinage by the United States alone will raise the bullion value of silver to its coinage value, and thus make silver bullion worth \$1.29 per ounce in gold throughout the world. This proposition is in keeping with natural laws, not in defiance of them. The best known law of commerce is the law of supply and demand. We recognize this law and build our argument upon it. We apply this law to money when we say that a reduction in the volume of money will raise the purchasing power of the dollar; we also apply the law of supply and demand to silver when we say that a new demand for silver created by law will raise the price of silver bullion. Gold and silver are different from other commodities, in that they are limited in quantity. Corn, wheat, manufactured products, etc., can be produced almost without limit, provided they can be sold at a price sufficient to stimulate production, but gold

and silver are called precious metals because they are found, not produced. These metals have been the objects of anxious search as far back as history runs, yet, according to Mr. Harvey's calculation, all the gold coin of the world can be melted into a 22-foot cube and all the silver coin in the world into a 66-foot cube. Because gold and silver are limited, both in the quantity now in hand and in annual production, it follows that legislation can fix the ratio between them. Any purchaser who stands ready to take the entire supply of any given article at a certain price can prevent that article from falling below that price. So the Government can fix a price for gold and silver by creating a demand greater than the supply. International bimetallists believe that several nations, by entering into an agreement to coin at a fixed ratio all the gold and silver presented, can maintain the bullion value of the metals at the mint ratio. When a mint price is thus established, it regulates the bullion price, because any person desiring coin may have the bullion converted into coin at that price, and any person desiring bullion can secure it by melting the coin. The only question upon which international bimetallists and independent bimetallists differ is: Can the United States, by the free and unlimited coinage of silver at the present legal ratio, create a demand for silver which, taken in connection with the demand already in existence, will be sufficient to utilize all the silver that will be presented at the mints? They agree in their defense of the bimetallic principle, and they agree in unalterable opposition to the gold standard. International bimetallists

cannot complain that free coinage gives a benefit to the mine owner, because international bimetallism gives to the owner of silver all the advantages offered by independent bimetallism at the same ratio. International bimetallists cannot accuse the advocates of free silver of being "bullion owners who desire to raise the value of their bullion"; or "debtors who desire to pay their debts in cheap dollars"; or "demagogues who desire to curry favor with the people." They must rest their opposition upon one ground only, namely: that the supply of silver available for coinage is too large to be utilized by the United States.

In discussing this question we must consider the capacity of our people to use silver, and the quantity of silver which can come to our mints. It must be remembered that we live in a country only partially developed, and that our people far surpass any equal number of people in the world in their power to consume and produce. Our extensive railroad development and enormous internal commerce must also be taken into consideration. Now, how much silver can come here? Not the coined silver of the world, because almost all of it is more valuable at this time in other lands than it will be at our mints under free coinage. If our mints are opened to free and unlimited coinage at the present ratio, merchandise silver cannot come here, because the labor applied to it has made it worth more in the form of merchandise than it will be worth at our mints. We cannot even expect all of the annual product of silver, because India, China, Japan, Mexico, and all the other silver-using countries must

satisfy their annual needs from the annual product; the arts will require a large amount, and the gold standard countries will need a considerable quantity for subsidiary coinage. We will be required to coin only that which is not needed elsewhere; but, if we stand ready to take and utilize all of it, other nations will be compelled to buy at the price which we fix. Many fear that the opening of our mints will be followed by an enormous increase in the annual production of silver. This is conjecture. Silver has been used as money for thousands of years, and during all that time the world has never suffered from an over-production. If, for any reason, the supply of gold or silver in the future ever exceeds the requirements of the arts and the needs of commerce, we confidently hope that the intelligence of the people will be sufficient to devise and enact any legislation necessary for the protection of the public. It is folly to refuse to the people the money which they now need for fear they may hereafter have more than they need. I am firmly convinced that by opening our mints to the free and unlimited coinage at the present ratio we can create a demand for silver which will keep the price of silver bullion at \$1.29 per ounce, measured by gold.

Some of our opponents attribute the fall in the value of silver, when measured by gold, to the fact that during the last quarter of a century the world's supply of silver has increased more rapidly than the world's supply of gold. This argument is entirely answered by the fact that, during the last five years, the annual production of gold has in-

creased more rapidly than the annual production of silver. Since the gold price of silver has fallen more during these five years than it ever fell in any previous five years in the history of the world, it is evident that the fall is not due to increased production. Prices can be lowered as effectually by decreasing the demand for an article as by increasing the supply of it, and it seems certain that the fall in the gold price of silver is due to hostile legislation and not to natural laws.

In answer to the charge that gold will go abroad under free coinage, it must be remembered that no gold can leave this country until the owner of the gold receives something in return for it which he would rather have. In other words, when gold leaves the country those who formerly owned it will be benefited. There is no process by which we can be compelled to part with our gold against our will, nor is there any process by which silver can be forced upon us without our consent. Exchanges are matters of agreement, and if silver comes to this country under free coinage it will be at the invitation of some one in this country who will give something in exchange for it.

Our opponents cannot ignore the fact that gold is now going abroad in spite of all legislation intended to prevent it, and no silver is being coined to take its place. Not only is gold going abroad now, but it must continue to go abroad as long as the present financial policy is adhered to, unless we continue to borrow from across the ocean, and even then we simply postpone the evil, because the amount borrowed, together with interest upon it,

must be repaid in appreciating dollars. The American people now owe a large sum to European creditors, and falling prices have left a larger and larger margin between our net national income and our annual interest charge. There is only one way to stop the increasing flow of gold from our shores, and that is to stop falling prices. The restoration of bimetallism will not only stop falling prices, but will—to some extent—restore prices by reducing the world's demand for gold. If it is argued that a rise in prices lessens the value of the dollars which we pay to our creditors, I reply that, in the balancing of equities, the American people have as much right to favor a financial system which will maintain or restore prices as foreign creditors have to insist upon a financial system that will reduce prices. But the interests of society are far superior to the interests of either debtors or creditors, and the interests of society demand a financial system which will add to the volume of the standard money of the world, and thus restore stability to prices.

Perhaps the most persistent misrepresentation that we have to meet is the charge that we are advocating the payment of debts in fifty-cent dollars. At the present time and under present laws a silver dollar, when melted, loses nearly half its value, but that will not be true when we again establish a mint price for silver and leave no surplus silver upon the market to drag down the price of bullion. Under bimetallism silver bullion will be worth as much as silver coin, just as gold bullion is now worth as much as gold coin, and we believe

that a silver dollar will be worth as much as a gold dollar.

The charge of repudiation comes with poor grace from those who are seeking to add to the weight of existing debts by legislation which makes money dearer, and who conceal their designs against the general welfare under the euphonious pretense that they are upholding public credit and national honor.

Those who deny the ability of the United States to maintain the parity between gold and silver at the present legal ratio without foreign aid point to Mexico and assert that the opening of our mints will reduce us to a silver basis and raise gold to a premium. It is no reflection upon our sister republic to remind our people that the United States is much greater than Mexico in area, in population, and in commercial strength. It is absurd to assert that the United States is not able to do anything which Mexico has failed to accomplish. The one thing necessary in order to maintain the parity is to furnish a demand great enough to utilize all the silver which will come to the mints. That Mexico has failed to do this is not proof that the United States would also fail.

It is also argued that, since a number of the nations have demonetized silver, nothing can be done until all of those nations restore bimetallism. This is also illogical. It is immaterial how many or how few nations have opened mints, provided there are sufficient open mints to furnish a monetary demand for all the gold and silver available for coinage.

In reply to the argument that improved ma-

chinery has lessened the cost of producing silver, it is sufficient to say that the same is true of the production of gold, and yet, notwithstanding that, gold has risen in value. As a matter of fact, the cost of production does not determine the value of the precious metals, except as it may affect the supply. If, for instance, the cost of producing gold should be reduced ninety per cent. without any increase in the output, the purchasing power of an ounce of gold would not fall. So long as there is a monetary demand sufficient to take at a fixed mint price all the gold and silver produced, the cost of production need not be considered.

It is often objected that the prices of gold and silver cannot be fixed in relation to each other, because of the variation in the relative production of the metals. This argument also overlooks the fact that, if the demand for both metals at a fixed price is greater than the supply of both, relative production becomes immaterial. In the early part of the present century the annual production of silver was worth, at the coinage ratio, about three times as much as the annual production of gold; whereas, soon after 1849, the annual production of gold became worth about three times as much, at the coinage ratio, as the annual production of silver; and yet, owing to the maintenance of the bimetallic standard, these enormous changes in relative production had but a slight effect upon the relative values of the metals.

If it is asserted by our opponents that the free coinage of silver is intended only for the benefit of the mine owners, it must be remembered that free



coinage cannot restore to the mine owners any more than demonetization took away; and it must also be remembered that the loss which the demonetization of silver has brought to the mine owners is insignificant compared to the loss which this policy has brought to the rest of the people. The restoration of silver will bring to the people generally many times as much advantage as the mine owners can obtain from it. While it is not the purpose of free coinage to specially aid any particular class, yet those who believe that the restoration of silver is needed by the whole people should not be deterred because an incidental benefit will come to the mine owner. The erection of forts, the deepening of harbors, the improvement of rivers, the erection of public buildings—all these confer incidental benefits upon individuals and communities, and yet these incidental benefits do not deter us from making appropriations for these purposes whenever such appropriations are necessary for the public good.

The argument that a silver dollar is heavier than a gold dollar, and that, therefore, silver is less convenient to carry in large quantities, is completely answered by the silver certificate, which is as easily carried as the gold certificate or any other kind of paper money.

There are some who, while admitting the benefits of bimetallism, object to coinage at the present ratio. If any are deceived by this objection they ought to remember that there are no bimetallists who are earnestly endeavoring to secure it at any other ratio than 16 to 1. We are opposed to any change in the ratio for two reasons: first, because a change would

produce great injustice; and, second, because a change in the ratio is not necessary. A change would produce injustice because, if effected in the manner usually suggested, it would result in an enormous contraction in the volume of standard money.

If, for instance, it was decided by international agreement to raise the ratios throughout the world to 32 to 1, the change might be effected in any one of three ways: the silver dollar could be double in size, so that the new silver dollar would weigh thirty-two times as much as the present gold dollar; or the present gold dollar could be reduced one-half in weight, so that the present silver dollar would weigh thirty-two times as much as the new gold dollar; or the change could be made by increasing the size of the silver dollar and decreasing the size of the gold dollar until the new silver dollar would weigh thirty-two times as much as the new gold dollar. Those who have advised a change in the ratio have usually suggested that the silver dollar be doubled. If this change were made it would necessitate the recoinage of four billions of silver into two billions of dollars. There would be an immediate loss of two billions of dollars either to individuals or to the Government, but this would be the least of the injury. A shrinkage of one-half in the silver money of the world would mean a shrinkage of one-fourth in the total volume of metallic money. This contraction, by increasing the value of the dollar, would virtually increase the debts of the world billions of dollars, and decrease still more the value of the property of the world as measured by dollars. Besides this immediate result, such a

change in the ratio would permanently decrease the annual addition to the world's supply of money, because the annual silver product, when coined into dollars twice as large, would make only half as many dollars.

The people of the United States would be injured by a change in the ratio, not because they produce silver, but because they own property and owe debts, and they cannot afford to thus decrease the value of their property or increase the burden of their debts.

In 1878 Mr. Carlisle said :

"Mankind will be fortunate indeed if the annual production of gold and silver coin shall keep pace with the annual increase of population and industry."

I repeat this assertion. All of the gold and silver annually available for coinage, when converted into coin at the present ratio, will not, in my judgment, more than supply our monetary needs.

In supporting the act of 1890, known as the Sherman act, Senator Sherman, on June 5 of that year, said :

"Under the law of February, 1878, the purchase of \$2,000,000 worth of silver bullion a month has by coinage produced annually an average of nearly \$3,000,000 per month for a period of twelve years, but this amount, in view of the retirement of the bank notes, will not increase our currency in proportion to our increasing population. If our present currency is estimated at \$1,400,000,000, and our population is increasing at the ratio of 3 per cent. per annum, it would require \$42,000,000 increased circulation each year to keep pace with the increase of population; but, as the increase of population is accompanied by a still greater ratio of increase of wealth and business, it was thought that an immediate increase of circulation might be obtained by larger purchases of silver bullion to an amount sufficient to

make good the retirement of bank notes and keep pace with the growth of population. Assuming that \$54,000,000 a year of additional currency is needed upon this basis, that amount is provided for in this bill by the issue of Treasury notes in exchange for bullion at the market price."

If the United States then needed more than forty-  
: two millions annually to keep pace with population and business, it now, with a larger population, needs a still greater annual addition; and the United States is only one nation among many. Our opponents make no adequate provision for the increasing monetary needs of the world.

In the second place, a change in the ratio is not necessary. Hostile legislation has decreased the demand for silver and lowered its price when measured by gold, while this same hostile legislation, by increasing the demand for gold, has raised the value of gold when measured by other forms of property.

We are told that the restoration of bimetallism would be a hardship upon those who have entered into contracts payable in gold coin, but this is a mistake. It will be easier to obtain the gold with which to meet a gold contract, when most of the people can use silver, than it is now when every one is trying to secure gold.

The Chicago platform expressly declares in favor of such legislation as may be necessary to prevent, for the future, the demonetization of any kind of legal tender money by private contract. Such contracts are objected to on the ground that they are against public policy. No one questions the right of legislatures to fix the rate of interest which can be collected by law; there is far more reason for preventing private individuals from setting aside

legal tender law. The money which is by law made a legal tender, must, in the course of ordinary business, be accepted by ninety-nine out of every hundred persons. Why should the one-hundredth man be permitted to exempt himself from the general rule? Special contracts have a tendency to increase the demand for a particular kind of money, and thus force it to a premium. Have not the people a right to say that a comparatively few individuals shall not be permitted to derange the financial system of the nation in order to collect a premium in case they succeed in forcing one kind of money to a premium?

There is another argument to which I ask your attention. Some of the more zealous opponents of free coinage point to the fact that thirteen months must elapse between the election and the first regular session of the next Congress, and assert that during that time, in case people declare themselves in favor of free coinage, all loans will be withdrawn and all mortgages foreclosed. If these are merely prophecies indulged in by those who have forgotten the provision of the Constitution, it will be sufficient to remind them that the President is empowered to convene Congress in extraordinary session whenever the public good requires such action. If, in November, the people by their ballots declare themselves in favor of the immediate restoration of bimetalism, the system can be inaugurated within a few months.

If, however, the assertion that loans will be withdrawn and mortgages foreclosed is made to prevent such political action as the people may believe to

be necessary for the preservation of their rights, then a new and vital issue is raised. Whenever it is necessary for the people as a whole to obtain consent from the owners of money and the changers of money before they can legislate upon financial questions, we shall have passed from a democracy to a plutocracy. But that time has not yet arrived. Threats and intimidation will be of no avail. The people who, in 1776, rejected the doctrine that kings rule by right divine, will not, in this generation subscribe to the doctrine that money is omnipotent.

In conclusion, permit me to say a word in regard to international bimetallism. We are not opposed to an international agreement looking to the restoration of bimetallism throughout the world. The advocates of free coinage have on all occasions shown their willingness to cooperate with other nations in the reinstatement of silver, but they are not willing to await the pleasure of other governments when immediate relief is needed by the people of the United States, and they further believe that independent action offers better assurance of international bimetallism than servile dependence upon foreign aid. For more than twenty years we have invited the assistance of European nations, but all progress in the direction of international bimetallism has been blocked by the opposition of those who derive a pecuniary benefit from the appreciation of gold. How long must we wait for bimetallism to be brought to us by those who profit by monometallism? If the double standard will bring benefits to our people, who will deny them the right to en-

joy those benefits? If our opponents would admit the right, the ability and the duty of our people to act for themselves on all public questions without the assistance and regardless of the wishes of other nations, and then propose the remedial legislation which they consider sufficient, we could meet them in the field of honorable debate; but, when they assert that this nation is helpless to protect the rights of its own citizens, we challenge them to submit the issue to a people whose patriotism has never been appealed to in vain.

We shall not offend other nations when we declare the right of the American people to govern themselves, and, without let or hindrance from without, decide upon every question presented for their consideration. In taking this position, we simply maintain the dignity of seventy million citizens who are second to none in their capacity for self-government.

The gold standard has compelled the American people to pay an ever-increasing tribute to the creditor nations of the world—a tribute which no one dares to defend. I assert that national honor requires the United States to secure justice for all its citizens as well as do justice to all its creditors. For a people like ours, blest with natural resources of surpassing richness, to proclaim themselves impotent to frame a financial system suited to their own needs is humiliating beyond the power of language to describe. We cannot enforce respect for our foreign policy so long as we confess ourselves unable to frame our own financial policy.

Honest differences of opinion have always existed,

and ever will exist, as to the legislation best calculated to promote the public weal; but when it is seriously asserted that this nation must bow to the dictation of other nations and accept the policies which they insist upon, the right of self-government is assailed, and until that question is settled all other questions are insignificant.

Citizens of New York, I have traveled from the center of the continent to the seaboard that I might, in the very beginning of the campaign, bring you greeting from the people of the West and South and assure you that their desire is not to destroy but to build up. They invite you to accept the principles of a living faith rather than listen to those who preach the gospel of despair and advise endurance of the ills you have. The advocates of free coinage believe that, in striving to secure the immediate restoration of bimetallism, they are laboring in your behalf as well as in their own behalf. A few of your people may prosper under present conditions, but the permanent welfare of New York rests upon the producers of wealth. This great city is built upon the commerce of the nation and must suffer if that commerce is impaired. You cannot sell unless the people have money with which to buy, and they cannot obtain the money with which to buy unless they are able to sell their products at remunerative prices. Production of wealth goes before the exchange of wealth; those who create must secure a profit before they have anything to share with others. You cannot afford to join the money changers in supporting a financial policy which, by destroying the purchasing power of the



products of toil, must in the end discourage the creation of wealth.

I ask, I expect, your cooperation. It is true that a few of your financiers would fashion a new figure—a figure representing Columbia, her hands bound fast with fetters of gold and her face turned toward the East, appealing for assistance to those who live beyond the sea—but this figure can never express your idea of this nation. You will rather turn for inspiration to the heroic statue which guards the entrance to your city—a statue as patriotic in conception as it is colossal in proportions. It was the gracious gift of a sister republic and stands upon a pedestal which was built by the American people. That figure—Liberty enlightening the world—is emblematic of the mission of our nation among the nations of the earth. With a government which derives its powers from the consent of the governed, secures to all the people freedom of conscience, freedom of thought and freedom of speech, guarantees equal rights to all, and promises special privileges to none, the United States should be an example in all that is good, and the leading spirit in every movement which has for its object the uplifting of the human race.