SUPPLY and DEMAND

THE

Only Source of Value.

A Discussion of the Money Question

—BY—

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Introduction.

During the last Presidential campaign I handed to a friend a work on "Bimetalism" by Wharton Barker, with a request that he read it carefully. Some weeks afterward I asked him what he thought of it. He answered with a smile that "life was too short" for him to read a book like that.

I knew that he was straining every nerve to make a living and to pay the interest on a mortgage which, if foreclosed, would absorb every shred of his property and rob him of the hard earned savings of a lifetime, and I hoped to show him the cause of his trouble and the remedy for it. He voted against independent Bimetalism, as I believe, in ignorance of the facts in the controversy.

I have centered this discussion upon what seem to me to be the critical points in the case and have made it as brief as possible, though I trust not too brief for clearness, in the hope that my friend and other victims of the present system may find time to read it.

The argument endeavors to show that a short supply of money has increased its value and reduced the *price* or debt-paying power of property and products.

This *insolvency of property* deters men from producing it and enforces idleness, thus causing an irreparable loss to those who can least afford it.

In the struggle to maintain prices trusts and combines are formed, strikes, lockouts, riots and bloodshed ensue, and an intensifying alignment of our people into "classes" results.

Free competition in the production of money will remedy this evil by giving to every man who wants to work a chance to do so, and the free and independent coinage of silver at 16 to 1 with gold in the United States, is a just, safe and patriotic method of effecting this result.

The facts which have compelled me to the conclusions reached, are set forth in the tables appended. They are taken from the latest publications (Feb 1898) of the United States Treasury, and from no other source. They are therefore reliable. The facts as to the fall in prices as shown in Table I are confirmed in the experience of every citizen.

I have arranged the statistical facts as to the Production, Coinage and Movement of Gold and Silver so as to emphasize the points of my argument. I believe that this set of tables will be found of great value to students of the question.

Whatever of original thought may be expressed in this book, together with the compilation of the rest, I dedicate to the cause of humanity

May God speed the right.

WILLIAM H. BERRY.

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A confused and often erroneous conception of the phenomena of value is current in the minds of many intelligent men, and since clear thinking on fundamental principles is necessary to an intelligent conclusion we propose to discuss this question briefly, first:

The persistent chatter of the newspapers, and other would-be teachers, about the

"Intrinsic Value"

of a gold dollar, and the universal habit of comparing all other values to that of gold leads many to suppose that the value of gold is inherent and cannot change, and in order to free our minds of this error let us first enquire

What is Value?

We answer that the value of an article is what it will bring in the open market, or in other words, its "purchasing power" or "power in exchange," and thus understood it is not and cannot be "intrinsic" or inherent in gold or in any other substance.

As the altitude of a balloon is fixed at a point where the force of gravity is balanced by the buoyancy of the atmosphere, so the value of everything in the world is fixed by the contending forces of

Supply and Demand

and at a point where these forces balance each other.

The foolishness of referring to the "intrinsic" height of a balloon is at once apparent, and to speak of the "intrinsic"

value of anything is equally absurd. Value refers to the *position* of a thing and not to any quality it may possess.

The Source of Value.

Value, or "Power in Exchange" is not only *fixed* or regulated by the contention of Supply and Demand, but it is actually created by it, and does not and cannot exist in the absence of it.

Utility is not Value.

It is an error to suppose that because of certain intrinsic qualities an object is useful or desirable, and is therefore valuable. Nothing could be more misleading. As an illustration, take the air we breathe. Its intrinsic *qualities* render it useful, desirable and even necessary to every human being, and yet it is absolutely valueless. One cannot get anything in exchange for a bushel or for a ton of it. Here, then, is the spectacle of an exceedingly useful thing entirely without value. While on the other hand there are some things that one might mention which are quite valuable and are not only useless but are positively harmful and destructive in their effects. The victims of the alcohol or opium habit will give anything they possess on earth in exchange for these drugs, while it is clearly seen that they are rapidly destroying those who use them. And so we see value where there is no utility, as well as utility where there is no value.

"Demand".

The qualities, inherent or otherwise, (they may be and often are purely imaginary) in an object, tend to make it desirable and to create a demand for it, and it is important to notice that, the more uses to which an article can be put, and the more imperative the necessities which these uses supply, the greater and the more imperative will be the demand for it. But however broad and imperative the demand may be, there will be no value whatever unless the *demand is resisted* by a short supply, and the contention is set up between those who have it and those who want it. The life-sustaining qualities

of air, for which there is no substitute, render it absolutely necessary to every man and an imperative demand arises from every quarter, and yet it has no value because the demand is not resisted. The supply is everywhere abundant.

Demand Resisted.

Take the case of water, and for the same reasons the demand is universal and imperative, but in certain sections the supply is limited, and the demand is resisted to a degree that gives rise to value, and water is "sold" or exchanged for other things.

Values May Rise Indefinitely.

As the resistance of short supply in the presence of imperative demand increases, the value (of water for instance) rises until in many places it is considerable, while to the famishing survivor of shipwreck or the bewildered traveler in an arid desert it may become infinite.

Any circumstance, providential or man-made, which affects the supply while the demand remains the same will affect the value of anything, and any circumstance that affects the demand while the supply remains the same will affect the value with equal certainty.

The *rise* in values due to a short supply is not controlled or limited by the effort or sacrifice necessary to produce or distribute the article valued (cost of production.) It is easy to conceive that one might be willing to give all his earthly possessions for a quart of water which may have cost its owner nothing.

The Fall in Values is Limited

by the cost of production. In the presence of a constant demand an over-supply of an article would reduce its value to nothing (as in the case of air) or, if labor or sacrifice were required in its production, to a point where its producers would cease to find a profit, at which point production would necessarily cease until the supply was reduced and the value raised.

Skill and Advantage in Production.

Under the stimulus of demand for a new article, or the enlarged use of an old one, the value may rise so far above the cost of production as to enable persons without skill and with crude implements and unfavorably located to engage in its production, but as soon as the demand is fully met the value will begin to fall and those who are producing under the greatest disadvantage will be first compelled to cease and each in turn until finally only those of consummate skill and perfect equipment can continue.

In the struggle for existence as between these (the fittest) the value may temporarily fall below the cost of production, but ultimately enough and only enough of producers will survive to supply the demand at a reasonable profit.

Automatic Regulation of Values.

The foregoing, briefly stated, are the universal laws of commerce, and may be depended upon through all time to govern and regulate all the phenomena of value. The cost of production will mark the lowest permanent range of values, and competition, if left free, will be a guarantee against continued extortion.

Artificial Control of Values

by means of trusts and combines is in the nature of a conspiracy and works an injustice to all producers outside of the pool. Such effort can only be successful on the assumption that the producers who combine to restrict production will also conspire to deter others from entering their field with new capital and equipment. This is done by temporarily lowering prices when the new enterprise is started, thus forcing it to cease or sell out to the combine. When the competition is destroyed, prices may be again advanced.

The manipulators of certain trusts or combines which are incorporated and whose stocks are listed in the market, are able by speculative trading in their own stock, to make money for themselves while selling their product at less than cost.

Some of the most notorious combines of the present are

able by controlling the raw materials and the means of transportation to so discriminate against their competitors as to make their business unprofitable.

All Trusts and Combines Condemned.

Nothing is more certain than that all such combinations are prejudicial to the general welfare, because in the nature of the case they restrict production and encourage or enforce idleness, and if practiced by all would result in the ultimate stagnation of all enterprise.

Improved Methods of Production.

The cost of producing anything includes all the materials of every kind that are used in its construction as well as all th eeffort, time and sacrifice that are involved in its creation and distribution to the point of consumption or ultimate storage, and since civilized man is progressive and is continually adding to his experience and improving the direction and character of his efforts, as well as the tools and appliances with which he works, a corresponding reduction in the cost of producing commodities, *as measured in human toil*, occurs.

In order to encourage the improvement of methods and machinery of production the government justly gives to those who make the improvements an exclusive privilege to use them for a period of years (17 in this country), after which it is thrown open to the public and in competition all may inherit the benefits of the march of improvement.

Under fair economic conditions this should and would result in a constant increase in the rewards of toil, and the value of labor would constantly rise as measured in any and all of its products.

The Value of Labor

is just as certainly due to the law of supply and demand as are other values, but since every laborer is a consumer and can furnish a demand for the product of his own toil, or its equivalent in the product of his neighbor, there cannot possibly be an over-supply of labor if the opportunity to labor

and to exchange products is not restricted, and therefore the statement that the value of labor should constantly rise as compared to the value of its products is certainly true, and that the value of all products as compared to labor should constantly fall is equally true.

If there be a product to which the improved methods and skill in production has not been and cannot be applied, and the demand for which continues, its value will range above that of its fellows and tend to keep pace with the value of labor, but such instances are extremely rare if, indeed, any exist, so that we have every reason to expect that the wages of the laborer will continually rise as measured by his products and in proportion to his increased ability with improved tools to produce them.

CHAPTER II.

A Measure of Value.

What is it to measure Value?—An Average Standard—A Commodity Standard—Stability Required—Methods of Regulating the Standard—Labor not a suitable Standard—Labor: Its value and debt-paying Power—Units Established by Law.

In the exigencies of commerce it becomes necessary to have some means of comparing or measuring values, just as in the mechanic arts it becomes necessary to compare weights and extensions, and as we establish the "pound", which is the force with which a certain quantity of metal is attracted toward the earth under certain conditions, and the "yard", which is the length of a pendulum which will vibrate in a certain length of time under certain conditions, as the basis of our physical comparisons or as "units" in the terms of which our statements of weight and extension may be expressed and our records kept, so also must we establish a *unit of value* in the terms of which our records of value may be made and kept.

What is it to Measure Value?

In measuring or recording the value of an article we do not undertake to say how far above or below the cost of production it may be, but our purpose is to state its *position* as related or compared to other things, and in order to do this we must by common consent select or create a certain thing as a standard and state that the thing to be located or valued is above or below the standard as the case may be.

An Average Standard.

It is urged by some that a line should be drawn striking an average of the values of all the leading articles of commerce and that our records should refer to this and our units be based upon it, and there is no doubt that a fairly just measure could be thus obtained; but we think that the difficulty of artificially fixing and regulating such a standard would be greater than the advantage gained, for the necessity of a circulating medium

to be used as money and represent the unit quantity of average commodity would still remain, and unless redemption on demand was provided this form of currency would "fluctuate" in value under the stress of supply and demand the same as any other kind of money.

A Commodity Standard.

We think that the present method of selecting or creating a tangible commodity to which all other commodities shall refer for comparison will be found most satisfactory, for the reason that it would be produced by labor under free competition and if the value rose, production would be stimulated and the rise checked; if it fell, the cost of production would check producers who were poorly equipped and restore equilibrium.

Stability Required.

The standard however established should be as stable as possible, and the difficulty of creating a just standard is not small; in fact it is impossible, and we must be content with a reasonable approach to exact justice. The difficulty grows out of the fact we have stated, that whatever we may create or select as our standard will itself be subject to a varying influence of supply and demand and will rise and fall in value. Slight and temporary changes in the value of the standard, like the element of friction in mechanics, may and in the nature of the case must be endured.

Methods of Regulating the Standard.

To regulate the standard and prevent a wide and permanent divergence from the average of values two methods are proposed: First, the artificial control of the supply by the creating authority; and second, the automatic regulation of the supply by free competition in production under the general laws of trade. The first contemplates a comparatively costless creation like paper money produced by the creating authority as its judgment may dictate. We think this method quite possible, but not the best for reasons that will appear as we proceed.

Labor not a Suitable Standard.

It is contended by some that labor or "human toil" is the only true measure of value, and if the concrete result of toil is meant, such as a ton of iron or a yard of cloth, we will not dissent, but nothing is more certain than the impossibility of establishing a just standard directly from labor, such as a "day's work" or a "month's service". No two persons will give the same result from the same hours of service, Differences in capacity make it impossible, and differences in disposition as to industry make it unlikely, even if possible. If, however, we take a given amount of commodity of standard perfection, such as a ton of iron, then he of the greater capacity and industry will justly reap a corresponding reward in its production, so that at the last analysis the commodity standard finally and justly rests on labor.

But again, one of the prime uses of a standard unit of value is to keep a record of debts to be paid in future, and if a debt was made payable twenty-five years from date, in, say "1000 hours of service", the march of improvement in skill and appliances would give to the creditor at the end of the time a larger return than was his due, for the "service" due him is the service of a period twenty-five years past, which was less valuable than is the service of the present. The creditor is entitled to the increment in the efficiency of his own efforts during that time, but not to that of his debtor.

The commodity standard gives to the creditor his just due, and to both debtor and creditor the just reward of their efforts to improve the effectiveness of their labor, and also discriminates justly in favor of the able and industrious workman.

Labor: Its Value and Debt-paying Power.

We digress a little from the line of our argument at this point to expose a sophistry that has misled many persons in considering this question. It is affirmed that the wages of labor as stated in money, "are as high now as ever they were, and that the money earned will buy twice as much as formerly and therefore the wages of labor have been doubled", and

without stopping to investigate and test the first part of this questionable statement, but admitting for the sake of argument that the whole statement is true, we call attention to the fact that although the value of labor as measured in its products may have increased twofold, *its debt-paying power has not increased at all*, and the debt-owning class has been able to reap all the benefits of the march of improvement at the expense of the laborer who, at the last analysis, must pay all the debts and interest charges, and with twice as much of the fruit of his toil as was contemplated in the contract.

This of course is not true of debts of recent contraction, but as the great body of our debt is of several years' standing it is generally speaking true, and will be true entirely if the present condition continues.

Units Established by Law.

In every civilized country the various units of measurement are of necessity established by law, and with sole regard to the convenience of its own people.

The unit of weight in this country is authoritatively fixed and called a "pound", and is carefully defined as the force of gravity upon a certain quantity of metal under certain internal and external conditions.

The unit of value in this country is the American dollar.

CHAPTER III.

The American Dollar our Standard.

The Demand for Dollars—The Supply of Dollars—The Production of Dollars—The Dollar the Standard—Value and Price Contrasted—Per capita Circulation not a Test of Value—One Dollar as Good as Another—Discrimination Destroys Parity.

The unit of value in this country was created and fixed in 1792, and was called a "Dollar". Its value or purchasing power was fixed by the Law of Supply and Demand, as are all other values.

The Demand for Dollars

grows out of the fact that they are made by law a legal tender for all debts public and private in this country. Because of this quality they perform all the functions of money in the field of commerce and are in universal, imperative and perpetual demand.

The Supply of Dollars

was left open to competitive production under the law which provided for the free and unlimited coinage of silver on private account at the rate of 371¼ grains of pure silver to the dollar.

The law distinctly stated that the dollar or unit should consist of 371¼ grains of pure silver and has never been changed in this particular. It also provided for the free coinage of gold into multiples of the dollar at the rate of 24¾ grains of pure gold to the dollar. The amount of gold in a dollar has been changed twice since, and the free coinage of silver was suspended in 1873.

The Production of Dollars.

The production of one or the other of these commodities is the only way in which an individual has ever been permitted to manufacture money, and since 1873 it has only been possible by producing gold; but the government from time to time has exercised its constitutional right to "coin money"

of other substances such as nickel and copper, and to print it on paper. In 1861, $60,000,000 of paper money was issued, which was a full legal tender redeemable in coin, and many millions more of partial legal tender quality has been issued since. Under the Constitution the States are restrained from making anything but gold and silver a legal tender, so that the only source of legal tender paper money is the general government. National Bank notes are issued under the supervision of the general government and are receivable for public dues, but are not a legal tender as between individuals.

It must be carefully noted that neither gold or silver or paper is or can be "money" until it is stamped by the government into a "dollar" or some fraction or multiple of a dollar, and we repeat with all possible emphasis that the value of a dollar is due simply and only to the fact that the laws of this country give it the exclusive power to pay debts public and private in this country and thereby creates an imperative demand for it which is resisted by a more or less limited supply, and hence it has value. If the supply of dollars is increased or diminished in the presence of a fixed demand by any means whatever, the value or purchasing power will fall or rise in response, and if the demand should vary in the presence of a fixed supply a like result would follow.

The Dollar the Standard.

Let us clearly understand then that it is the "dollar", considered as a manufactured commodity, and not the raw material of which it may be made that is our standard of value, and that the demand for "dollars" and not the demand for the materials of which they are made gives value to our money.

We now have some $500,000,000 of silver dollars which are as valuable as our gold coins, and yet the silver in them is worth less than half as much as the dollar. The gold in our coins is of course worth as much as the coin because gold may be coined into money free of charge to the holder. The statement that our silver dollars are "redeemable" in gold dollars and are therefore as valuable is not true. The law states, and the official declarations of the Secretary of the Treasury also,

that "silver dollars are standard coins and are not redeemable".

We will discuss the value of gold and silver bullion later.

Value and Price Contrasted.

It is necessary to make a broad distinction between the value and the debt-paying power of a dollar or anything else. The debt-paying power of a dollar is fixed by law and is entirely independent of the number in existence, the demand for them or for the material of which they are made, and it cannot change as long as the government that makes it is in force; but its value or "purchasing power" will depend upon the number of dollars offered in exchange as compared to the demand for them.

The value of a commodity is its purchasing power as compared to all other commodities; its "price" is its value as compared to money alone. The price of a commodity is therefore its debt-paying power, and it is quite clear that a commodity might maintain its "value" and lose its debt-paying power, and vice versa. This is in fact always the case when the value of money changes. If the value of money rise, or its power to purchase commodities increase, the power of commodities to pay debts must decrease in the same proportion; and if the power of money to purchase decreases the debt-paying power of property must increase.

This is the most important consideration in the money question and will be discussed later.

Per Capita Circulation

is not an index of the value of money in any sense, for it simply shows the possible supply and does not indicate the demand. It is clear that as an individual may require more money at one time than at another, so the community may also. The per capita supply of horses in Chicago was practically the same the day before the great fire as it was during the conflagration, and yet the demand for horses became so great that their value rose enormously in a single day, and the fact that the value of horses rose is proof conclusive that

there were too few horses in the city ; and if it appears that the value or purchasing power of a dollar is rising it is proof conclusive that there are too few dollars, even though at the same time it may be true that there are twice as many dollars per capita in circulation as formerly.

One Dollar as Good as Another.

So long as the service that dollars of different materials will perform for their owners is identical, their value will remain the same ; but if for any reason dollars of one kind become more desirable than those of another and the supply is not increased, they will become more valuable.

The demand for dollars as we have seen is due entirely to the fact that the fiat of this government has made them the instruments with which debts may be paid in this country, just as postage stamps are in demand because they are the instruments with which postal service may be secured.

Men need "dollars" with which to pay debts, either prospective, of immediate contraction, as in effecting current exchanges, or for deferred payments, and *for no other purpose.* One may wish to make a ring or other ornament of gold, but he does not need a "dollar" for that purpose ; a piece of gold that has never been in the mint will do as well, and if he has a "dollar" and decides to make a ring of it he will in so doing destroy the dollar the moment he effaces the government stamp, and cannot compel his creditor to receive it. He may wish to make a silver spoon, but he does not need a "dollar" for that purpose ; other silver will do as well, and if he use a dollar for the purpose he will destroy the dollar and cannot compel his creditor to receive it, although the labor upon it may have trebled or quadrupled its cost.

A man may wish to purchase goods or to pay a debt (settle a balance) in a foreign country, but he does not need "dollars" for this purpose. American dollars are not money outside of our own boundaries. It is true, that our dollars of different kinds (paper as well as coin) are received at par with each other in limited quantities by our foreign neighbors, but it is only because they can be returned to us at par. Their debt-paying power in this country and this alone, gives them value

in other countries. There is no international money, nor can there be, for there is no international government to create it, and if one wishes to settle a balance in a foreign country he must purchase the money of that country with his property or his American money.

For all the purposes of money, therefore, any American dollar of full legal tender quality, is as good as any other American dollar of the same legal quality, and one would be foolish to give more of his property for one than for the other If one wanted gold or silver for any purpose it might be more convenient to buy dollars made of either metal than to seek for other bullion, but this demand would not be for "dollars," but for the metal of which the dollars were made. This distinction is important and should not be forgotten.

Discrimination Destroys Parity.

The first $60,000,000 of paper money issued during the war was full legal tender money and would do anything for its owner that any other money would do, and although the government was no more able to redeem it in coin on demand than it was to redeem its other issues, it remained at par with coin all through the war.

The subsequent issues of paper money paid the soldiers and all other debts between individuals, but would not pay duties on imports or interest on the public debt. These obligations being payable only in coin or in demand notes of the first issue, a special and imperative demand for these forms of money was created which enabled their owners to demand a premium for them.

This is the only reason for the premium on coin during the war, for there never was a moment during the war when there was a shadow of a doubt as to the solvency of the North. The complete success of the Southern arms would not have affected it, for their secession would not have led to the repudiation of a single dollar of our national debt

Discrimination alone was the cause of it and a frightful injustice was by this means perpetrated upon the soldiers and every other citizen of this country which has never been popularly understood, but it is not our purpose to discuss it here; it is simply mentioned to show how the law by discriminating in favor of one kind of dollars made them more valuable than another kind of dollars.

CHAPTER IV.

Substitutes.

Gold and Silver Coin Insufficient—Substitutes for Dollars—Bank Notes—Character and Cost of Producing Substitutes—Substitutes Unreliable—Not Enough of Dollars—Enormous Use of Substitutes—The Limit of Substitution—A Difference in Substitutes.

Gold and Silver Coin Insufficient.

There has never been a time since the adoption of the "dollar" as the standard of value in the United States when there has been enough of silver and gold presented for coinage to supply the people with a sufficient number of dollars with which to conduct their business. If all the gold and silver that has been coined in all the mints in the world since the United States mint was established had come into and remained in this country to be coined into dollars we should not have had enough to meet the necessities of our people.

All the nations of the world use silver and gold as money, but if the money-using people of the world were confined to the use of such money to the exclusion of all other forms or substitutes, the demand would be so great as to raise its value or purchasing power far above its present position.

Substitutes for Dollars.

It is not only true that the demand for dollars has been sufficient to keep paper dollars of full legal tender power at par with coin, but numerous "substitutes for dollars" in various forms have been resorted to to supply the necessities of trade.

Bank Notes.

Treasury notes, checks, drafts, clearing house certificates and numerous other credit instruments pass from hand to hand, and while none of them are money in the true sense of the term but are rather promises to pay money, by performing the principal functions of money, they are in demand and as

long as the faith of the local public in the solvency of those who utter them is maintained, they remain at par with real money and to the extent to which they are able to perform the work of money they relieve the demand for money and thus reduce its value. Horses were for many years the principal source of power for local transportation and locomotion, and the value of horses was fixed by the available supply as measured against the demand. Electricity and the bicycle have recently entered the field as substitutes for horses, performing some of the services for which horses were used as well or better than the horse itself. This relieved the demand for horses and their value declined. A recent statement of Comptroller Eckles declares that 90 per cent. of our business transactions are effected with these substitutes for money and only 10 per cent. with actual money, and still the supply of money has been so short that its value or purchasing power has doubled in the last twenty-five years.

Character and Cost of Producing Substitutes.

The production of electric railways and bicycles involves the expenditure of labor and sacrifice, and while their introduction as a substitute for horses has worked a hardship to the owners and producers of horses labor has been largely employed in this new field, and great benefits have been derived by those engaged therein—benefits which equal or surpass the evils suffered by the horse producers, and the great body of the people who are engaged in neither of these pursuits are benefited by the general advance of improvement and the volume of business created.

The production of Bank Notes and other substitutes for money costs practically nothing in labor and sacrifice. No one is employed in their manufacture and none are benefited by their issue except the few favored ones who are permitted to issue them as with a breath. These are able to collect interest upon most if not all of them while the general public is compelled to pay for their use.

Substitutes Unreliable.

No storm, epidemic, or other disturbance can drive the trolley or the bicycle out of existence; they are as real or more real and substantial than the horse they substitute. The credit instruments which are used for money are fictitious, unsubstantial and fugitive, in the hour of financial storm and business disturbance. In the hour in which they are most needed they are least available. At the first breath of panic they fade into nothingness and leave our business stranded.

Not Enough of Dollars.

If we consider all of our paper money of every kind and all our subsidiary coin as true money, there is not enough of it with all the standard gold and silver coins to represent the savings of our people. Comptroller Eckles recently stated that our people had on deposit in the various banks and savings institutions 5,000,000,000 of dollars, while at the same time the total volume of money of all kinds in the country outside of the treasury was $1,400,000,000 (it is now $1,600,000,000) This is a remarkable fact since it shows that the title to every dollar is vested in at least three different persons.

If we conclude that nothing but standard gold and silver coins are money and all our paper money a debt, pavable in money, then the title to every dollar in this country is vested in at least five different persons; or if as some assert, nothing but gold coin is money, then is every single dollar owned in fee simple by at least ten different people.*

Enormous Use of Substitutes.

Again. The law requires certain National banks to hold a reserve in their vaults of 25 per cent. of their deposits in

*There is something "rotten" in this system, and it must be corrected. The right of any one to lend a dollar and collect rent or interest for it, is as clear as the right to lend a horse or a house, and is based first, upon the assumption that his labor and sacrifice have been given in producing it or in its purchase from the producer; and second, that while the borrower uses it and pays rent for it the owner *ceases to use it*. And there is no more warrant for allowing a man to sell or loan a "dollar" that does not exist than there is for allowing him to sell or rent a house that does not exist; and it is clear from the above that in one way and another, at least three dollars have been sold or rented to our people for every dollar in existence. The method by which this "flim flam" or "bunco" game is worked is "another story" upon which we may write in future.

lawful money. This is simply prudence based upon experience in the past, and if the other banks and savings institutions were equally prudent, $1,250,000,000 would be thus impounded, leaving only $150,000,000, about $2.00 per capita with which to effect our exchanges. When we consider that vast sums in the aggregate are represented in call obligations among our people which do not appear in our bank records, this becomes an astounding revelation of the scarcity of real money and of the extent to which substitutes have been injected into our financial system.

The Limit of Substitution.

If we conclude that many of the substitutes for money are more convenient and therefore more desirable than the money itself, we must bear in mind that there is a distinct limit to the extent to which substitutes may be used. It is clear that they cannot be safely held as reserves in our redemption funds which are kept to insure the prompt payment of current demands, since they are themselves evidences of debt, and if 25 per cent. of our call obligations in ultimate money is necessary for this purpose, then is the limit obviously reached and long since passed in this country.

A Difference in Substitutes.

The convenience of a substitute is not the only thing to be considered and we wish to point out what seems to us a most important distinction between different kinds of substitutes. The silver (or gold) certificates are substitutes which possess all the elements of convenience, yet each and every dollar of them represents directly a commodity dollar which has the cost of production behind it and which is out of use while the certificate circulates, so that it may be justly said that Labor has been employed to its full value in the production of this substitute.

A bank note, however, while equally convenient and perhaps equally safe, has no cost of production behind it, for the commodity dollar which it is supposed to represent is still in circulation, having been loaned to the goverment at interest and paid out to the public for services rendered.

When a silver or gold certificate is issued there is a guarantee that some one has actually made the sacrifice necessary to produce the commodity represented and is entitled to credit from the country, to the extent of that sacrifice, the actual commodity being surrendered.

When a bank note is issued no such guarantee is given. On the contrary we are simply assured that some one has loaned the government an equivalent sum of money, in order to possess which he must indeed be presumed to have made an equivalent sacrifice, but which he does not surrender to disuse, but keeps in circulation at interest, so that the bank note is a clear gratuity to the bank which issues it and employs no labor in its production.

As between these two forms of substitutes, as long as there is a surplus of idle workmen in the country, and natural resources from which the money commodities may be produced, it ought not to be difficult for a workingman competing with idleness to choose.

Nor is the distinction much less marked as between our other government issues of paper money and the National Bank notes. For while it is true that no labor is employed to produce a greenback, yet every one that is in circulation is a guarantee that some one has rendered an equivalent service to the government and that the benefit of that service (the perpetuation of the Union) was reaped by all the people, while the service rendered to start a bank note into circulation was rendered to the bank and for its sole benefit. To choose between these two forms of substitutes for money is an impending duty upon every citizen, and it ought to be easily performed.

CHAPTER V.

The Value of Gold and Silver.

Recapitulation—The Value of Gold—The Value of Silver Prior to 1873—Parity under Free Coinage—Foreign Exchange as Affecting Parity—Different Coinage Ratios as Affecting Parity—Theory of Bimetalism—Experience of Bimetalism—Importance of this Country in the Past—Importance of this Country Now—No Reason for Demonetizing Silver in 1873—Demand for and Supply of Gold—The Present Value of Silver—The Effect of Free Coinage of Silver.

Recapitulation.

We shall now conclude that as far as the limited scope of this discussion will permit the following points have been demonstrated:

FIRST. Value wherever found is the result of the contending forces of supply and demand, and varies with the variation of these forces.

SECOND. That as a standard or measure of weight must have weight and be subject to the natural forces which produce and govern weight, so also a standard or measure of value must have value and be subject to the varying forces of supply and demand which create and govern value.

THIRD. That the *American Dollar* is the standard of value in this country, and not the material of which the dollar is made.

FOURTH. That the demand for *dollars* is due entirely to the fact that they are made by law the debt-paying instrument in this country and is not dependent upon the material of which they may be made.

FIFTH. That the use of substitutes as far as they perform the functions of dollars relieves the demand and tends to reduce their value.

SIXTH. That the value of a dollar is fixed by the number of dollars in existence as compared to the demand for them, and not by the value of one or all of the materials of which they may be made.

The Value of Gold.

We now propose to show that the value of gold is fixed by the value of the money into which it may be freely coined, and that the contrary notion that the value of money is fixed by the value of the gold of which it is made is as false as it is popular.

The value of gold is fixed by the contention of supply and demand. The total production of gold in the world for the last 400 years was $8,781,858,700, and the total stock of gold money in the world in 1895 was $4,143,700,000.

The total production of gold in the world since 1873 is given as $2,728,226,200, and during the same period the mints of the world coined into money $3,635 790,822, or $900,000,000 more than was mined. Some of this was of course old coin recoined. The proportion of foreign recoinage is not given, but the United States coined $1,044,130,051, or nearly one-third of the entire amount in the same period, of which $45,354,422 was recoined; so that if we allow the foreign recoinage to have been four times as great in proportion, it seems safe to say that the entire production was coined into money. Assuming then as certain that at least *half* of the supply goes into money we see that the principal demand for gold is for the manufacture of money, and if this demand should cease entirely, or even considerably, the other demands could not sustain the value.

Nothing is more certain than that the flow of any raw material of which there is a limited supply will be into the most profitable channel, and its use in this channel will fix its value and compel all other users either to substitute it with something cheaper or raise the value of their product, if the demand for it is imperative.

The manufacture of money in civilized countries is now restricted to the single commodity, gold, and as the value of money has risen the value of the raw material has risen, because the supply has not been sufficient to meet the demand for money and such other imperative demands in the arts as have persisted.

The Value of Silver Prior to 1873.

Prior to 1873 the same was true of silver, for the same general relations of supply and money use existed with reference to silver. The total production of silver in the world to date is - - - - $10,344,561,140
Coinage to date, - - - $4,235,900,000

Since 1873, the world's production has been $2,967,200,200
" " " " coinage " " $2,878,033,234

Parity under Free Coinage.

Under the laws which permitted the free coinage of both gold and silver at a fixed ratio in the principal money using countries, the demand for money being in excess of the supply of either metal and constituting the principal demand for both, maintained them at a substantial parity because a short supply of one and a tendency to rise in value would transfer the entire money demand from it to the other and prevent a separation.

Foreign Exchange as Affecting Parity.

Money, like everything else, flows from one country to another in obedience to varying demand. Even gold itself is alternating above and below par as indicated by the rate of exchange. If the demand for money is greater in Germany than in France, French coins of given weight as well as bullion, would flow to Germany to be coined into German coins of equal weight, and vice versa.

If the demand for American dollars exceeded the demand for coins of equal weight in any foreign country, the coins and bullion of that country would flow to our mints for coinage, *but not otherwise.*

Different Coinage Ratios as Affecting Parity.

When the free coinage of silver and gold was first established in this country the ratio was fixed at 15 of silver to 1 of gold by weight, while the ratio in Europe was 15½ to 1, and in the ebb and flow of coin and the corresponding course of bullion we got all the silver and the Europeans all the gold, for the obvious reason that when money was flowing to Europe

an American gold coin could be converted into more European money than could a silver coin of equal value, and therefore gold *went out* instead of silver; and when money was flowing to us, a foreign silver piece could be converted into more of our money than could a gold piece of equal value, and therefore silver *came in* instead of gold.

This was our experience from 1792 to 1834, but in 1834 the weight of our gold coin was altered and the ratio changed from 15 to 1 to 16 to 1, and the foreign ratio remaining at 15½ to 1 the position was reversed and silver went out and gold came into this country.

From 1834 to 1873, 8,031,238 standard silver dollars and $77,734,964.50 of full weight and full legal tender fractional pieces were coined in our mints, nearly all of which was shipped abroad and recoined into European money. In 1853, the weight of our fractional coins was reduced and $59,047,406 of them were coined, most of which remained in this country because it did not pay to export them.

About $1,000,000,000 of gold was coined in our mints during this period (62,000,000 in a single year), and silver was coined in correspondingly large quantities in foreign countries. The foreign coinage for each of these years is not given by our official reports, but the world's production of silver for the period was $2,000,000,000, more than half of which was coined in the French mint. (See table III).

It is clear that with two different ratios established in countries where the demand for money was practically equal there would be room for a divergence of the values of the two metals to the extent of this difference plus the cost of transportation to and from the mints. For, since an American silver dollar could be coined into 3 per cent. more of European money than could a gold dollar, the value of gold must rise more than 3 per cent. before the American demand would leave it for silver, or silver must fall more than 3 per cent. before the American demand would fall upon it; but if the change should exceed 3 per cent. sufficiently to pay transportation and show a profit, the entire demand both European and American would leave the one and fall upon the other and prevent a further divergence.

Theory of Bimetalism.

This is the theory of Bimetalism and the practical test of all time down to 1873, and especially this experience of the two ratios from 1834 to 1873, confirms its correctness.

With the mints open to the free coinage of both metals, at a fixed ratio, and the option with the debtor to pay in either, there can be no serious divergence *unless the entire money demand can be fully met by one of the metals*, or *the demand in the arts is sufficient to absorb one of them entirely from the money use.*

A glance at the figures will show that there is no reasonable probability that the latter will ever occur on account of the enormous quantity of each already coined. The total output in 1896 is given as of gold $202,956,000, and of silver $213,463,700, of which $59,251,640 gold and $38,580,184 silver, or about 24 per cent. was used in the arts, and the stock of coin is over $4,000,000,000 of each, or enough to supply the world's present consumption in the arts for forty years if none were mined.

That the world can ever be fully supplied with money from either of the metals alone is even more unlikely, for after having absorbed all the gold that could possibly be diverted from the arts, and an equal quantity of silver, together with fabulous sums of paper money, the value of money in civilized countries has steadily risen for the last twenty-five years, notwithstanding the fact that substitutes for money in the shape of our modern credit instruments are used in 90 per cent. of our current exchanges, thus lessening the natural demand for money.

Experience of Bimetalism.

Under the conditions existing prior to 1873, when the principal mints of the world were open to the free coinage of both metals, the recorded experience of the world was as follows :

PERIOD.		GOLD.	SILVER.
1792 to 1840.	World's annual product,	$ 10,000,000	$26,000,000
1840 to 1873.	" " "	111,861,000	48,000,000

varying from 2.6 times as much silver as gold to 2.3 times as much gold as silver, and yet the parity was maintained within the limits pointed out.

Importance of this Country in the Past.

The importance of the United States as contributing to that result is significant, and we wish to emphasize it here, for during the period from 1840 to 1873, when the production of gold was enormously in excess of any recorded precedent and frequently four times as great as that of silver, the United States had "*overvalued gold*," or had established a higher mint rate for it than that of Europe, and the burden of maintaining its value fell first upon this country, for while the annual output increased from $33,393,000 to $132,513,000, or nearly fourfold in four years, and Germany, Austria and Belgium, at the behest of the money lenders, completely, and Holland and Portugal, partially demonetized it, the United States absorbed the entire output of the mines in California and elsewhere in this country from 1847 to 1865, and imported some millions from abroad, thus maintaining its value within the limits of the difference in coinage ratio plus the cost of transportation. Only a few times during the entire period did the value of silver rise to a point that would check its flow to the European mints, and then only for brief periods. The United States coined $62,614,492 of gold in 1851, $56,846,187 in 1852, and $83,395,530 in 1861, while in 1895, (forty years later), we coined but $59,616,357, and in 1896 but $47,053,060.

Importance of this Country Now.

This was an exhibition of the demand for money in the United States as compared to that of the world, and if any have doubts as to the ability of this country to remonetize silver and maintain its parity at 16 to 1 with gold, let him remember this experience in which our country was but an infant (23,000,000) among the nations, and the disproportion in the production of the two metals infinitely greater than it is now, and greater than it is ever likely to be again, and perhaps his appreciation of the present importance of this country in determining the financial policies of the world will expand

to a realization of the fact that with 75,000,000 of people whose appreication of the value of money is second to none on earth, and with our relative numerical and financial importance many times as great as in the former struggle, we can dictate the gold price of our silver product to the world, as we then dictated the silver price of our gold product.

The United States was then one of the greatest and is now *the* greatest money using country in the world, and when in 1873 we ceased the coinage of standard silver money and the coinage of "Trade Dollars" was substituted, the pace was set for the world and in a few years all the civilized nations had followed suit.

No Reason for Demonetizing Silver in 1873.

No intelligent reason has ever been given for this change, but lest any suppose that a serious change in the relative supply of silver or gold had occurred to induce it, we append the following table showing he world's production by years:

	GOLD.	SILVER.	
		Coining Value.	Commercial Value.
1870—	$129,614,000	$55,663,000	$57,173,000
1871—	115,577,000	81,864,000	83,958,000
1872—	115,577,000	81,864,000	83,706,000
1873—	96,200,000	81,800,000	82,120,800
1874—	90 750,000	71,000,000	70,674,000
1875—	97,500,000	80,000,000	77,578,000
1876—	103,700,000	87,600,000	78,322,600
1877—	113,947,000	81,040,700	75,278,600
1878—	119,092,000	94,882,200	84,540,000
1879—	108,778,800	96,172,600	83,532,700

No change either in quantity or value is here disclosed that could warrant such legislation, but it was done and the entire demand of the civilized world for money fell upon and was restricted to gold. The production of gold had fallen from $123,000,000 in 1863 to $96,000,000 in 1873, while the per capita demand for money had increased with the march of civilization and the inevitable result was a rise in the value of money. An enormous increase in the use of substitutes and an abnormal inflation of credits has served to check this rise

and modify its consequences, but the limit of the safe use of credits and substitutes has been reached and long since passed and still the value of money has risen 100 per cent.

Demand for and Supply of Gold.

The demand for gold in the money channel has been in excess of the supply and since gold may be converted into money without cost its value has risen with the value of money.

The production of gold in the twenty years from 1853 to 1873 was $2,559,253,000, or $410,495,600 *more* than was produced in the twenty years following from 1873 to 1893 ($2,168,757,400), showing a *decreased* supply meeting an *increased* demand, so that an increased value was inevitable. In short, its value has become so great that it can be, and is now being mined in the most inhospitable and inaccessible regions of the world and in nearby districts, from ores so poor that notwithstanding the enormous improvements in methods they could not be worked with profit at its normal value. Under the stimulus of this abnormal demand the production rose in 1891–2 to the highest figure reached in the fifties, and is now far in excess of it and still the value is rising.

The Present Value of Silver

like that of gold is fixed by the value of the money into which it may be freely coined. The production of silver since 1873 has been normal and has increased in about the same proportion as that of gold. The demand for it has consisted of that used in the arts, and for the *limited* coinage of civilized nations, and the unlimited coinage of Mexico, China and until very recently India and Japan.

The demand for money in these countries whose mints are still open to coinage on private account, which is comparatively small on account of their semi-civilized and unproductive condition, is *fully met* by the silver supply, and there has been no rise in its value.

As we descend in the scale of civilization the demand for money as well as for all other modern conveniences decreases until in savage districts it ceases altogether, and a string of beads or a glittering toy will buy more of their crude products

than will a bag of money. China with her three hundred and sixty millions of inhabitants has but $2.08 per capita of money and has all she wants. Vast districts in the Empire have none at all and make their few exchanges by direct barter. The penetration of English civilization into India is effecting a change in that country and a growing demand for money is apparent. They now have $3.33 per capita, and since the Indian mints were closed to silver the value of their money has risen considerably. The Central American States have $3.66 and Mexico has $8.41, while in the heart of Africa they have none and want none.

India and China with 656,000,000 of people have $1,700,000,000, while the United States with but 72,000,000 has an equal sum, and our money is twice as valuable as is theirs. If the movement which is now on foot to place this vast population with the rest of the world on a gold basis, should succeed and compel them to use only gold for money, the destruction of their present stock and their growing demand for future supply will raise the value of money beyond anything we have imagined possible.

The value of money, however, in these countries has not risen because the demand is fully met by the supply of silver, and the value of silver has not risen because the supply has been equal to all the demands upon it.

Silver at par with other Commodities.

The value of silver has not fallen materially because the cost of production has been a check upon producers; very many of the miners have been compelled to cease operations and only those most favorably located and best equipped can continue. Much of the silver that is now produced is a by-product of copper or gold mines. The demand for copper has been greatly stimulated by the applications of electricity, and many of the copper ores carry a heavy percentage of silver. If *this* supply continues and the demand for silver decreases greatly as by the substitution of gold or paper in the money use, silver may fall much lower than it now is, but as long as it must be mined directly the cost of production will prevent its fall much farther than it now is.

The fact as shown by Table I that silver bullion has maintained its place with other commodities and has lost none of its purchasing power, is proof conclusive to any fair mind that no injustice would flow from its remonetization.

The Effect of Free Coinage of Silver.

If the United States mints are opened to silver at 16 to 1, the value of 371¼ grains of silver will rise to the value of an American dollar and stay there as long as the mints are open.

The value of any and every American dollar of full legal tender quality will be equal and stay equal to every other American dollar.

The value of silver will be and remain at par with gold *until the demand for American money is fully met by the supply of silver.*

If the demand for European money is in excess of the demand for American money, gold will flow to Europe since gold is the cheapest commodity that can be converted into European money.

If the demand for American money *is met by silver* and the demand for European money *cannot be met* by the present stock of American coin ($750,000,000), plus the annual output of the mines of the world ($240,000,000) estimate for 1897, the value of European money will rise above the value of American money and gold will go to a premium as measured in our money.

In any event the increased supply of European money coming from *all the gold* instead of a part of it, and the increased supply of American money coming from *all the silver* instead of a part of the gold, *will decrease the value of both*, and a rising scale of prices will ensue all over the civilized world.

In those countries which now are fully supplied with money from silver the total loss of supply through its diversion to the American mints and the probable diminution of their present stock by its conversion into American money will experience a rapid if not an instantaneous rise in the value of their money and a corresponding fall in their prices.

The final tendency of which joint influences will be to restore the par of exchange and partially at least the scale of prices as they existed throughout the world prior to 1873.

CHAPTER VI.

The Test Question.

The Arithmetic of Facts—Production of Silver—Present Product all Consumed—Increased Production—Probable Supply of Silver—The Demand for Money—The Immediate Demand for Silver—The Current Demand for Money—Demand Unlimited—Our Debts Abroad—Our Present Needs—What of the Future?—Hon. A. J. Balfour on Standards—Trusts and Combines born of Falling Prices—The Present Inquiry.

The test question in the minds of those who think it necessary that gold should not go to a premium, is as to whether the United States can furnish a demand for money that will absorb the world's surplus product of silver and still maintain the value of our money at par with the gold money of Europe.

The Arithmetic of Facts

assures us that we can and we now review it as a conclusion to this part of our argument.

Production of Silver.

The annual product of silver in the world has remained about the same for the last four years. For the last two years it has been as follows:

	1895.	1896.
World's product,	$216,292,500	$213,463,700
United States,	72,051,000	76,069,000
Mexico,	60,719,000	59 017,600
Bolivia,	28,444,400	19,393,900
Chile,	6,505,900	6,505,900
Peru,	4,089,500	2,914,300
Columbia,	2,182,400	2,182,400
Central American States,	2,000,000	2,000,000
North and South America,	175,992,200	168,183,175

From this we learn that four-fifths of the entire product comes from this hemisphere, three-fifths from the United States and Mexico, and one-third of it from the United States alone.

The total production in the United States for the last four years, 1893-94-95 and '96 was $289,696,000

Of this sum we coined	$ 46,791,202	
Exported . . .	138,924,761	
Consumed in arts . .	103,980,037	$289,696,000

The world's production in the same period was $854,000,000

Of this the world			
Coined,		$526,000,000	
Recoined,		70,000,000	
Net coinage,		$456,000,000	
*Used in the Arts,			
United States,	$103,000,000		
India,	140,000,000		
Russia,	40,000,000		
France,	25,000,000		
England,	20,000,000		
Italy,	12,000,000		
Other Nations,	20,000,000	$360,000,000	$816,000,000
To be accounted for			$38,000,000

Statistics as to China are not at hand, but judging by the exports of England to China it is probable that she imported as much as $50,000,000 more than she coined in the period, and if so, it shows that the entire product has been consumed.

Present Product all Consumed.

The latest report of the director of the mint does not show that any considerable stock of silver bullion has accumulated anywhere in the world, and we therefore conclude that the experience of the last four years, in which the production of silver has been greater, and its opportunity for free conversion into money less, than in any similar period of the world's history, has demonstrated that the demand for it is persistent and to a degree imperative.

*No reliable statistics are obtainable as to the amount of silver consumed in the arts in foreign countries and our own are not complete, but the net imports are given and the coinage for each year, and the amount above given is the difference between the net imports and the coinage.

Increased Production.

Under an increased value it is certain that some of these demands would be decreased, just how much no one can tell, but we will assume as a basis for our calculation that under a value double that of the present only one-half of this demand would persist, and that the remainder ($100,000,000) of the present production would come to the United States mint.

Under an increased value it is certain that the production would be stimulated, but to what extent no one can say; but the greatest recorded increase in the production of gold under a similar stimulus was 50 per cent. in five years. We think it altogether probable that this ratio would be equaled by silver, and so we assume that the production would rise to $300,000,000 per year, and that $200,000,000 of it would come to our mints.

Probable Supply of Silver.

We consider this the largest quantity that could ever come in a single year, for as the volume of money was increased its value would be decreased and ultimately, to the present bullion value of silver (cost of production), at which time its production would have shrunk to its present proportions.

The coined silver of Europe could not flow to us, for it is now worth 3 per cent. more in gold than it would be then, nor could the manufactured silver come to the mint for it is also more valuable than our coin, so that with as much certainty as we can predict anything with regard to either gold or silver, we can say that the supply cannot be expected to exceed $200,000,000 per year, and may not reach half that sum. This would be eight times as much as was coined under the Bland Act. The quantity of Mexican or Indian money that can be spared from their present circulation would be comparatively small, but large or small it *could come but once*, and then only in exchange for our products.

With this estimate of the possible supply of silver we now consider

The Demand for Money

which is to absorb the silver product, and it may be summed up as follows:

By the last statement of the Treasury department (July 31, 1897), we have outstanding $346,000,000 of greenbacks and $230,000,000 of National Bank notes. The greenbacks are objected to by our gold standard friends ostensibly because they are redeemable in gold and cannot be maintained at par without forcing the government to borrow gold with which to redeem them on demand.

We think, however, that the real reasons why the small percentage of the gold men who really understand the question want them retired are, First, that they are a legal tender for all debts between individuals and cannot be discriminated against by gold payment clauses in private contracts; second, that they are *not* redeemable in gold, but in *coin* at the option of the government; and third, that their retirement with bonds will furnish a permanent investment for the banks and make room for more bank notes which will be under the control of the banks.

We with other bimetalists object to the bank notes as being a special privilege to a favored class, and therefore let us retire both of these objectionable forms of substitutes and create an immediate and imperative demand for silver which will restore its parity with gold.

We can thus make room for $576,000,000 of silver without affecting the present volume of our currency or its purchasing power in the least. This demand can be made immediate and imperative to the extent of the cash in the treasury ($250,000,000) and the volume of bank notes ($230,000,000), and this being three times as great as the possible immediate supply the value of silver will immediately rise to a par with gold at 16 to 1.

Again, we have been told that under free coinage of silver our gold would immediately leave us. This is, of course, a mere conjecture without a single fact or argument to sustain it, but if it does leave us altogether or in part the volume of our money would be decreased and its value increased in proportion, so that gold would *fall below par*. (This is among

the most foolish of the fool statements of the gold standard advocates). If we admit however that our gold will leave us and flow to Europe, which is possible in the course of exchange, it would make room for $700,000,000 of silver without increasing our stock of money at all or decreasing its value in the least. On the contrary, if our $700,000,000, together with the annual output, ($240,000,000) of gold should flow to Europe it would inevitably increase the supply and decrease the value of European money, and our money would go to a premium unless our stock was proportionately increased. It is therefore probable that more than $1,000,000,000 of silver would be required to replace the gold and keep our money from rising above that of Europe.

Again. The Comptroller of the Currency reports that our people have on deposit in our banks and savings institutions $5,000,000,000, and the law requires certain of the National banks to hold 25 per cent. of their deposits in reserve. If all the banks were required to do the same, and common prudence would seem to indicate that they should be, $1,250,000,000 would be thus impounded as against $850,000,000 which is now so held, making room for $400,000,000 without increasing the circulation and simply furnishing a safe basis for our present bank deposits.

The Immediate Demand for Silver.

From the foregoing it is clear that $2,0 0,000,000 of silver can be absorbed without affecting the value of our money as measured in gold, but it is also clear that the predicted flow of $700,000,000 of gold to Europe and its replacement with that amount of silver in this country would add that much to the world's stock and tend to a general increase of prices.

The parity of the metals once restored it is likely that European countries would reopen their mints to silver, but presuming that they do not do so, and that the burden of maintaining the parity of silver will rest entirely upon the United States, we now consider

The Current Demand for Money

in this country as compared to that of Europe, for it is to be remembered that while we must absorb all the silver, *Europe*

must absorb all the gold, and as the production of the two metals is now about equal the difficulty is not so great as it would seem, and not nearly as great as that of maintaining the parity of gold in the fifties. when there was more than twice as much gold as silver produced and our comparative importance far less than now.

Demand Unlimited.

What is the demand for money in the United States? It comes from seventy millions of the most industrious, enterprising, wealth-producing and comfort-consuming people on the earth, equal in number and double in consuming power to England, Ireland, Scotland, Wales, Spain, Belgium, Holland, Portugal and Switzerland combined. This vast army of workers inhabit a territory that stretches from the Atlantic to the Pacific Ocean, and includes three million square miles of the most productive land in the world.

In point of development the vast resources of this country are practically untouched, although of the 1,400,000,000 tons of freight per 100 miles, we carry 800,000,000, or 57 per cent., and notwithstanding the loss we have sustained through the gold standard, our total wealth is $64,00 ,000,000, or 36 per cent. greater than that of Great Britain. Our manufactures in 1888 were $7,200,000,000, or 75 per cent. greater than those of the United Kingdom.

Our agricultural products are $3,800,000,000 more than double those of Great Britain, and $500,000,000 more than those of Russia (including Poland), but time would fail us to write further in this line. Suffice it to say that this is the mightiest nation that the world has ever seen, full of inherent power and untold possibilities, and yet she seems to be gradually losing headway. Like a mighty steamer in mid-ocean, with every other equipment to perfection and a scant supply of oil, with smoking boxes and abraded bearings, the machinery groans and labors as if in the throes of death. She gradually loses way and finally stops for want of oil. So this great nation in the forefront of the race of civilization, freighted with the dearest hopes of the common people of the world, backed

by resources beyond computation and invited forward by incomparable opportunities, is hampered and restrained by lack of money. With brains and labor to spare, with enterprise and intelligence and untold resources to develop, we are idle for lack of money.

With an area capable of sustaining the population of the globe, a form of government that should command the love and patriotic service of every man, and a traditional reputation as the land where the oppressed of every clime might find a refuge, we find ourselves so hampered and depressed that it is seriously proposed to restrict immigration and

"Shut the gates of mercy on mankind".

For years we have borrowed money from abroad for every rising need in our development until our indebtedness is appalling, and when we propose to coin the product of our own labor into the constitutional money of the land, we are met with the assertion that we will "over produce" it and impair our credit so that we can borrow no more.

It is strange that men do not see that when we shall supply our own demand by employing our own labor in manufacturing our own money, we shall not need to borrow, but can begin to pay what we already owe abroad, But let us see.

We need money—First, to lubricate the machinery of trade, and to loosen the abraded bearings of our industry. We are said to have a circulation, when it is not hoarded in banks and stockings, of $1,600,000,000 at the highest estimate, and yet 90 per cent. of our business is done with bank and other credits, 10 per cent. of "oil" and 90 per cent. of "wind", with which to lubricate our machinery. What money we have has been borrowed from England three times over, and we owe her now $5,000,000,000. Every time we get stuck for "oil" we borrow from England until we are now in a position where (with normal crop conditions abroad) we cannot pay our interest without borrowing money to do it with.

Our Debt Abroad.

The steady and persistent growth of our debt abroad is one of the most serious facts with which we have to deal. We have not space to go into detail to show how our debt abroad

began and reached its present magnitude. Sufficient to say that in 1860 it was insignificant, and we were carrying 65.2 per cent. of our foreign commerce in American bottoms. In 1869 American shipping had fallen to 27.5 per cent., and had netted an annual loss of $25,000,000 in freights to us. This and other items together with the balance of trade against us had created a debt of $1,500,000,000 in 1889. The fall in prices since 1873 has served to decrease the debt paying power of our balances of merchandise, and the debt has steadily grown until it now amounts to $5,000,000,000. To see how, take the year 1894, which though Mr Cleveland and the Wilson bill were in full force, showed a larger balance in our favor of merchandise than any year since 1881.

1894. United States.	DR.	CR.
To interest on debt,	$200,000,000	
To excess of freights on English ships,	31,400,000	
To excess of bills drawn by American travelers abroad,	75,000,000	
By net exports, merchandise,		$237,145,950
By net exports, gold,		4,528,942
By net exports, silver,		37,164,715
Total,	$306,400,000	$278,837,005
Net balance against us,		27,600,395
		$306.400,000

1895. United States.	DR.	CR.
To interest on debt,	$200,000,000	
To excess for foreign freight,	39,760,000	
To excess of bills by travelers in Europe,	75,000,000	
By net exports merchandise,		$ 75.568,200
By net export gold,		31,948,449
By net export silver,		27,037,901
Total,	$314,760.000	$134,590,550
Balance against us,		180.169,450
		$314,760,000

Thus we see that in two years we have gone in debt to Europe to the extent of $207,769,845, or over $100,000,000 per

year, to balance which interest-bearing obligations of one kind or another have been sold in Europe. We need therefore $100,000,000 per year with which to pay our interest charges to Europe before any can be had for the development of our own resources. If we add to this an equal sum per year to apply on the principal we can see a demand that will absorb all the silver we can hope to get during the next century.

Our Present Needs.

Again. If the last generation found a legitimate use for the $5,000,000,000 of foreign money which it borrowed, and the marvellous growth of the wealth-producing enterprises which it was used to capitalize and develop is proof that they did, what shall we say of the present and future needs of our people? Will they be less? Impossible! Will they be greater? Undoubtedly, and many fold. There is no dissent from this conclusion, for even the most radical goldites admit it in their strenuous contention for "strengthened credit." Hon Thomas B. Reed, in all his public utterances during the last campaign, insisted that we should "maintain our credit" so as to "invite foreign capital to come to us for investment," and we submit it to the candid judgment of patriotic Americans if these facts do not prove that our demand for money is in excess of the possible supply from silver. And also ask them to consider whether it would not have been better *for us* in the past to have employed our army of idle and hopeless working people in *producing* this money from our silver mines, than to have followed the advice of Mr. Reed and borrowed it from abroad?

This "home industry" would have employed every idle man in the United States at remunerative wages, without adding one iota to the stock of manufactured goods competing in the markets of our country or the world. The money we borrowed would have remained in Europe to maintain the price of commodities there, the debts of the world would have been reduced, the "tramp" and the "anarchist" would have been unknown in this fair land, and the star of hope would have shed its blessed lustre in the homes and hearts of the poor.

The past is gone.

But What of the Future?

That our money must increase in quantity, as we increase our store of property, or a fall in price, or debt-paying power ensue, is as certain as that God reigns or that $ Hanna $ecured a $eat in the $enate.

Money is one of the modern agencies in the production of property or commodity wealth. If one desires to build a house or manufacture any other product he must, in the advanced stage of our civilization where the division of labor is so great, take *money*, which is imperishable and of fixed debt-paying power, and exchange it for a commodity which is not only perishable, but certain to vary in debt-paying power with the rise and fall of the value of money. If, therefore, the supply of money is not increased so as to prevent its rise in value, no man can safely undertake to produce or improve property. Speculative enterprises, which depend upon sporadic development from local causes, alone can thrive under such conditions.

Hon. A. J. Balfour on Standards.

The Right Honorable A. J. Balfour, of Manchester, England, said in a speech on October 27, 1892:

"Of all conceivable systems of currency, that system is assuredly the worst, which gives you a standard steadily appreciating, and which by that very fact throws a burden upon every man of enterprise, upon every man who desires to promote the agricultural or industrial resources of the country, and benefits no human being whatever, but the owner of fixed debts in gold."

No truer words were ever spoken, and in the new century that is about to dawn the world will go forward in the production and improvement of property, just in proportion to the speed with which we increase our stock of money. The improved methods of production, communication and transportation, which are but the concrete results of increased skill and intelligence, have multiplied our productive capacity many fold, and unless the production of money is proportionally multiplied some of our people must of necessity remain idle

all the time, or all of us a part of the time, or else a continued *loss* of the debt-paying power of property and a constant *gain* in the power and burden of debts result.

Trusts and Combines born of Falling Prices.

The limitation of the production of money to gold in the last twenty-five years has resulted in a short supply followed by its rise in value, and a corresponding loss in the price or debt-paying power of property, to resist which "trusts" and combinations of capital invested in productive enterprises have been formed, and employers, pinched by the increasing burdens of falling prices have reduced or endeavored to reduce wages, to resist which Labor Unions and Federations of Workmen have been formed, strikes, lockouts, riots and bloodshed have ensued from the clash of contending efforts, all aiming at the last analysis to *maintain prices* by *restricting production, through voluntary or enforced idleness.*

The God-given and constitutionally guaranteed rights of men to buy and sell in the most advantageous markets have been denied by law to merchants and producers and the industrious and ambitious laborer, with the brawn and muscle of youth as the only means of providing for his helpless and decrepit age, is restrained from using it by the threats of his fellows and compelled to see it perish, with his hopes as the hours pass by, and all in well-meant but fruitless endeavors to maintain prices while adjusting ourselves to the short supply of money from the single gold source.

The Present Inquiry.

Shall the selfish outcry of the owners of "fixed debts in gold" deter us from applying the remedy to the root of the evil? Shall the slavish fear of "depreciating" their money induce us to continue the suicidal policy of destroying the debt-paying power of all other property, together with the hopes and aspirations of our people? We answer No! a thousand times NO! and as long as the God of heaven gives us breath we will protest against the present system.

CHAPTER VII.

The Effect of Falling Prices.

Government vs. Private Regulation—Senator Hoar and Shylock—The Owners of fixed debts in Gold—The Agents of these gold Owners—Officials who are hired—European Cereal Consumers—Europe vs. United States—Our Loss their Gain—Loss to Farmers—Wheat and Silver—Prices have not fallen in Silver-using Countries—Mexican vs. American—Disadvantage of Americans—England's use of American silver in India—Who wants Bimetalism?—Standard of Prosperity.

Government vs. Private Regulation.

As long as the "Dollar" is maintained as the standard unit of value, the government which created it and is authorized by the Constitution to "regulate the value thereof" is in a position to protect itself and its citizens from extortion. To correct a rising tendency, free coinage may be extended or paper money issued, while a fall in the value of money beyond an equitable average may be checked by withdrawing paper substitutes or restricting the coinage of commodity money.

For the unequivocal assertion and strict maintenance of this financial policy we strenuously contend, for if it be conceded that the commodity gold is the standard and that all money shall refer to gold for valuation, then will the regulation of the value of money pass into the hands of those who own the gold, and by a concerted withholding of gold from circulation they can enhance its value, and with it the value of all our money, and correspondingly decrease the value of all other property. Having thus wrecked unfortunate debtors and absorbed their property at ruinous prices they can loosen the strings, send out their gold, reduce its value, boom the price of property and sell at the advanced valuation.

Having unloaded their holdings they can begin again the hoarding process, withdraw their gold, reduce prices and shear the world *ad libitum ad infinitum.*

Senator Hoar and Shylock.

In a discussion of this question in the U. S. Senate, on January 25th, 1898, Senator Hoar, of Massachusetts, compared

those who were contending for the rights of the debtor under existing law, to Shylock, demanding his "pound of flesh" because it was "nominated in the bond."

Mr. Teller, of Colorado, who was speaking (on the Teller resolution which was an affirmation of the rights of the government) declined to belittle the discussion by following Mr. Hoar into such a comparison, but we shall insist that if the figure is used at all the celebrated "Fourth Act" shall be set with the characters rightly placed.

The United States government in the role of "Portia", the righteous judge, who is to determine the issue as between "Antonio", the hapless debtor, who represents the producing classes whose blistered hands and quivering flesh must pay the bond with all its increment and interest, and "Shylock", the money lender, who, with merciless purpose, demands not justice, but the consummation of a scheme which in its execution will destroy the merchant's life. We shall not attribute the malice of Shylock to the modern creditor, but rather thank God that the metaphor fails in this as in some other particulars; but we shall insist that the consummation of the gold standard scheme as it is now boldly advocated by its promoters would not only be a travesty upon justice, but would invoke increased intensity in the struggle to maintain prices which has already resulted in the loss of life, and which must, eventually, result in conflicts beside which the Pittsburg and Chicago riots, to say nothing of the deadly work of Martin's deputies at Wilkesbarre, would pale into insignificance.

We expect, nay, we demand that "Portia" shall render the judgment of "a Daniel," giving to the creditor the utmost farthing of his bond, not only in the letter but in the spirit of the law. But since in the case before us there is no forfeiture, we shall expect a decision that will say to the mistaken advocates of gold monometalism, "No, gentlemen, *you shall not bind the protecting hand of government*, nor endanger the peace of the nation by the consummation of your senseless scheme. You shall have your 'pound of flesh,' but 'not one drop of christian blood' shall flow to gratify the avarice of one, or condone the ignorance of another of those who would pursue this suit."

The merchant then, as we are now, was willing to pay "three times the value of the bond," and it had been well for Shylock to have taken the ducats, and it will be wiser for those who hold our bonds to-day to be content with the dollar named in the contract than to invite a discussion of the methods by which a bond, purchased with paper money worth only half as much as gold, when gold was worth only half as much as now, has come to be payable in money worth four times as much as the original cost in products.

When we shall bring "a young and learned doctor to our courts," it may go hard with Shylock.

The Owners of Fixed Debts in Gold.

When we consider that the Rothchilds alone own one-third and that less than fifty men own two-thirds of the free gold in the world, it is easy to see how this fleecing of the world may be done, and to locate the prime movers in the gold standard agitation. The further thought that *the world's production of gold above that demanded in the arts is not more than sufficient to pay the annual interest upon the debts owned by these people*, should reveal the gravity of the situation to every patriot.

The Agents of these gold Owners

in every civilized country and a horde of hangers on, who thrive by assisting these men to despoil and enslave the race, are also interested in the success of their plans, and also certain

Officials who are hired

to serve their purposes in legislating and interpreting the law in their interest.

After these the debt-owning and money-lending classes generally see in the appreciation of money an added power over their fellows, and unless restrained by humanitarian or patriotic motives ally themselves to the gold standard forces.

European Cereal Consumers

also find in the appreciation of gold a decided advantage. The fall in the price of commodities is a loss to them on their exports, but since they import more than they export the net result is a general gain.

Europe vs. United States.

The balance of trade in merchandise is uniformly in favor of this country; that is, we have since 1880 exported an annual average of $100,000,000 worth of merchandise more than we have imported, and it is clear that if the general range of prices were twice as high as at present (about what they should be as to farm products) the money value of this balance would be $200,000,000 instead of $100,000,000. If we add to this the annual net export of silver which during the last four years has been worth over $30,000,000, and at normal value would have been worth $60,000,000, we see that the sum of $260,000,000 would have stood to our credit yearly, almost if not quite enough to pay our interest charges and leave a comfortable balance.

Our Loss their Gain.

The loss to the country at large on its export trade by virtue of appreciated money has been enormous, but since the farmers furnish about 75 per cent. of all our exports the loss falls most heavily upon them.

There are some notable exceptions to the general slump in prices, some things seem to have had peculiar power to resist the downward trend.

Wages are said to have maintained their average rate, and while we are loth to dispute official reports, we find it hard to believe this statement. It is contrary to our observation and is certainly not true of the men and women workers that we personally know; but if for the sake of argument we admit it, we have already observed that the debt-paying power of the laborer has not increased with his increased skill; and his hoarded savings, if in money, are only half what they would have been had his wages increased in money as they

have in products, and if invested in a home or other property, are only worth half the money he has paid for them.

Organized labor, no doubt, has also been potent to resist the reductions in wages.

Loss to Farmers.

The farmers contributed to the exports of merchandise, as follows:

Pork, hams, lard, etc., in 1873,	$54,000,000
Pork, hams, lard, etc., in 1895,	90,000,000
At 1873 prices this would have amounted to	87,000,000
Net gain in one year,	$3,000,000
Cotton export in 1873,	$202,000,000
Cotton export in 1895,	205,000,000
This would have been worth at 1873 prices,	591,000 000
Net loss in one year,	$386,000,000
Flour exported in 1873,	$ 17,000,000
Flour exported in 1895,	52,000, 00
This would have been worth at 1873 prices,	103,000,000
Net loss in one year,	$51,000,000
Wheat export in 1873,	$46,000,000
Wheat export in 1895,	44,000,000
This would have been worth at 1873 prices,	89,000,000
Net loss in one year,	$45,000,000
Exports 10 principal products, 1873,	$372,000,000
Exports 10 principal products, 1895,	453,000,000
This would have been worth at 1873 prices,	932,000,000
Net loss in one year,	$479,000,000

The experience in 1896 was not materially different, and with the exception of wheat 1897 was even worse.

Wheat and Silver.

Much emphasis has been laid upon the fact that silver-using countries are in competition with us as exporters of

wheat and the peculiar advantage given them by the rise in the value of gold over silver. And we here restate our argument with the facts upon which it was based for the purpose of showing that the recent rise in the value of wheat is a proof of its correctness, rather than a refutation of it, as some affect to believe.

Prices have not Fallen in Silver-using Countries.

The debt-paying power of their property and products is the same or a trifle greater than in 1873. In this and other gold-using countries they have fallen to one-half their former range. (See Table I) Let us note the effect of this divergence by a familiar illustration.

Mexican vs. American.

Two men in 1873 bought farms exactly alike in every particular, one on the north and the other on the south bank of the Rio Grande river. Each invested $10,000, one in Mexican and the other in United States coin, which at that time were of equal value. Each borrowed $5.000 with which to stock and operate his farm, giving 6 per cent. mortgages as security. Now let us suppose every condition of climate and soil as well as of ability and industry to have been exactly the same with these two men, and what has been the result of their respective endeavors? The Mexican has found that when he invested his money in seed and machinery to put in a crop one year, the same amount of crop next year would return him the money invested, and that his interest charges ($900) and taxes could be paid with the same amount of crop each year. The American has found that with every succeeding year a larger amount of crop has been required to pay his interest, taxes and other fixed charges, until in 1896 twice as much is required from him as from his Mexican neighbor. If the crop is wheat, the Mexican receives $1.00 per bushel and can pay his interest charge with 900 bushels, while the American gets but 50 cents and must part with 1800 bushels to pay his interest. (As we write wheat is $1.06 in Chicago and it is $2.25 in Mexico).

The Disadvantage of the American

is seen at once in competition with the Mexican. Our contention is that the Mexican or other silver-using producer of wheat gets as much for his product as formerly, and since his cost of production is not increased in any way he can afford to sell his wheat at the old price and make a fair profit.

Mexico does not produce wheat for export, but India, which is a silver using country does, and can afford to sell it at $1.00 per bushel (in their silver coin)

The United States and Mexico are the silver-producing countries of the world, and as long as Europe can buy enough of silver from us for 50 cents (gold) to make $1.00 of Indian coin, with which she can buy a bushel of wheat, she will never give us more than 50 cents (gold) for a bushel of wheat.

As long as we raise a surplus of wheat the foreign buyer will fix our price, but when there is *no wheat for sale in silver countries* he cannot use silver to depress our prices but must supply his imperative demand in the open market and the price of silver is not a controlling factor. This has been the condition for the last year.

The failure of the wheat crop in India has served to show us only more clearly what the effect of cheap silver is on our wheat prices.

England's use of American silver in India.

A glance at Table No. II is instructive, for it shows the movement of silver to have been as follows :

IMPORTS AND EXPORTS OF SILVER PER YEAR, SINCE 1880.

Net exports from United States and Mexico.	Gross imports into England.	Gross exports from England.	Net imports into India.
$49,000,000	$47,000,000	$46,000,000	$41,000,000

In view of this remarkable exhibit (of heads I win and tails you lose) the reason for English adherence to the gold standard is apparent, but these figures show but a tithe of the evil, for they only exhibit the means used to beat down the gold price and debt-paying power of all our products.

Who wants Bimetalism?

The contention for the restoration of silver to free coinage comes not so much from the producers of silver, although they are to be immediately benefited by it, but from the producers of all forms of commodity wealth who have come to realize that money, the debt-paying instrument, is a necessary factor in the present methods of producing property. In the present condition of diversified and divided labor no one person can build a modern house or construct a fabric, and he who would produce either must use money to hire workmen and purchase his materials, so that the completed structure necessarily becomes his debtor in a certain sum of money. Under the operation of the gold standard the property gradually but surely loses its money value, and becomes insolvent, or unable to pay its debt to the producer. This leads to a general loss of confidence in the solvency of property and sensible men must refrain from producing it. The supply of money from silver and gold will be greater than from gold alone, and will tend to decrease its value and restore the debt-paying power of property.

This will certainly stimulate the production of property, and the only way in which our money can possibly become too cheap will be in that we fail to produce property with sufficient speed, and in view of modern appliances and the hordes of idle workers in this country, those of us who grasp this thought have no fear of such a result Property has become cheap because we have produced it faster in proportion than we have produced money. Thousands have been compelled to cease producing it altogether, while to every newly discovered source of gold supply thousands of would-be money producers rush pell mell, braving even death itself, in the struggle to be first.

Every man to whom a comprehension of the significance of this situation has come, wants the free coinage of silver, because *for every dollar of silver produced many dollars' worth of property may be produced, and all may work who will.*

When all are employed who wish to work, wages may rise, and the degree of general prosperity we have a right to expect may dawn upon us.

Standard of Prosperity.

When we speak of Prosperity we mean something different from the so-called prosperity of the present, for no financial policy, however vicious, can entirely extinguish the enterprise of Americans, and we shall have more or less activity always, but as a standard of value is necessary in estimating value, so a Standard of Prosperity is necessary in estimating Prosperity.

General Booth, in appealing to the English aristocracy for the poor of London, set up as his standard for them "the average comfort of a London cab horse"; and while this no doubt would be a great improvement upon the condition of many in gold standard England, it does not suit us.

Nor does the prosperity recorded in our census of 1890 measure up to what we demand in free America, although as we look back to it from our present misery, it seems bright in comparison.

The census of 1890 shows as to agriculture:

No. of farms in the United States,	4,564,641
" acres in farms,	623,218,619
" " in average farm,	137
Total value of farms and stock,	$15,982,267,689 00
Total value of farm products, sold, consumed, and on hand,	$2,460,107,454 00
Value of products of each farm,	$538 94
No. of persons depending on each farm,	5.74
Total yearly income each person,	$93.89
" daily " " "	0.25.8

If the expenses for seed, taxes, insurance, interest, feed of stock, repairs, depreciation, etc., be subtracted, the net daily income per individual will be less than twenty cents.

It costs 28.5 cents per day to keep a pauper in the almshouses of the country, so that this standard does not suit us.

The standard we set up is one in which any man who wishes work may have it, and at such wages as to enable him by industry and economy to marry the woman of his choice and found an American home; to raise a family of American children, keep them out of the mills long enough to educate

them in the American public schools, teach them an honest occupation, and at the same time save enough money to keep him and his wife in comfort during their declining years.

That misery, vice and crime are flowing from the impediments to industry and honorable marriage among the young, is clear to every observer. In competition with parents and grand parents for work, compelled to face a hopeless poverty, and restrain the strongest instincts of their nature, it is not surprising that many go wrong, and it would be well if religious teachers would study this question with a view of discerning one of the causes of increasing crime and decreasing religious interest.

We are not inspired to sacrificial effort in an endeavor to conserve the value of one kind of property as against the absorbing encroachments of another kind, but when the subtle schemes of selfish men are thus disclosed, and the certain outcome of their success will be to check the forward movement of the race, obscure the inspiring light of hope, extinguish the sacred fires of patriotism and circumscribe the liberties of free born men, then swells the patriotic heart with courage.

Around the sacred shrine of liberty we draw the magic circle of the brotherhood of man, and forbid the usurping tyrant to set his foot within. Aye! and should he dare to invade its hallowed precincts, upon his head, though it should wear the ermine, or a presidential crown, we'll hurl the potent wrath of freemen, not only with the pointed shafts of speech invective, but if need be, with the mailed hand of sovereign power!

CHAPTER VIII.

Objections Answered.

50-Cent Dollars—Building Associations, etc.—Parity as Measured in Property—Maintaining Parity of Silver with Gold Money—Discrimination (Legal)—The Law—Discrimination in Defence of Law—A False Pretense—The Pledge of Government—Why not Change the Ratio?—There has been more Silver Coined since 1873 than Before—We want "Honest Money"—We want "Sound Money"—A Flood of Silver.

Among the objections offered to the free coinage of silver, the statement that it will debase our currency is perhaps the most frequent, and while many of the crude and contradictory statements of this objection are absurd and even amusing, the fear that is honestly entertained by many and which finds expression in this

"50-cent Dollar"

objection is entitled to consideration. To those who believe that the higher priced dollar, or one that will buy the largest amount of property is the best, for us all, and the only "honest" dollar, we have offered an argument in the preceding considerations to show that their contention is not true. If we have not convinced them we despair of doing so except by an experimental test, and join the issue squarely on this point. We are certain that a dollar which appreciates is not honest for anybody, and is profitable only to a comparatively small class of citizens.

Building Associations, etc.

To their great concern lest the savings institutions, building associations, employers, etc., shall pay in 50-cent dollars (as measured in property) we oppose our concern for the experience of thousands of our citizens who are in the position of a certain hard working mechanic who joined a building association about twelve years ago, bought a house and borrowed $800 from the association on it. The association has recently run out, and during the time this man paid in, in

actual cash, $1176; interest on his payments would have brought them up to or near $1500; he has improved the place to a considerable extent and to-day it will not sell for $600.

While our "best dollar" loving friends are prophesying this 50-cent dollar plague, we ask them to rise and console the men who are actually receiving 40-cent property right here in Chester and all over the land for the 100-cent dollars they have earned by their labor and paid into these institutions.

Parity as Measured in Property.

We believe that under the stimulus of prospective profit and restored confidence in the solvency of property, its production would increase with sufficient rapidity to prevent its rapid or serious rise in price due to the increased money supply from silver, and it would be many years before a just parity between money and property would be restored, if at all, so that the fear of a "50-cent dollar", as measured in property, is unfounded.

Our prediction of prosperity is based not upon cheap dollars, but upon the fact that all may work who will, and when all are employed the wage earner can demand, and will be cheerfully accorded by prosperous employers, a fair share of the product of his toil.

Maintaining Parity of Silver with Gold Money.

There are those who apprehend the need of an adequate supply of money and would favor free coinage of silver, but they fear that the United States alone cannot maintain the parity of gold and silver coins at 16 to 1, or, in other words, that gold will go to a premium and our silver dollars will become "50-cent dollars", or at least be less than 100-cent dollars as measured in gold. To these we have already submitted facts and arguments to show that their fears are groundless, but we now call attention to the fact that it has been twice declared to be the policy of this government to maintain the parity between gold and silver, once as to the metals and once as to the coins.

Discrimination (Legal).

The legislation of 1873 discriminating against silver destroyed the parity between the two metals, and the legislation of 1878 failed to restore it because it did not remove the discrimination. The only possible way in which the government can keep this pledge, as to the two metals, is to restore free coinage to silver.

The legislation of 1878 restored the silver dollar to its original position on an equality with gold dollars with the single exception that it might be stipulated against in a private contract, and notwithstanding the fact that thousands of contracts have been written in which silver is stipulated against, the demand for money has been so great that this discrimination has not destroyed the parity. Under free coinage this discrimination could, and doubtless would destroy the parity. We therefore propose to remove this disability and make our silver dollar a full legal tender.

But not only has the silver dollar overcome this *legal* disability, but it has been able to survive a most infamous attempt on the part of the executive officers of the government to destroy the parity by *illegally* discriminating against it.

The Law.

The Act of March 18th, 1869, the first law ever signed by President Grant, declared

"That the faith of the United States is solemnly pledged to the payment in coin or its equivalent, of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money or other currency than gold and silver."

The refunding Act of July 14th, 1870, provided for the issue of bonds, payable principal and interest in coin of the then standard value, and every bond extant to-day, even the last Cleveland issue, carries the inscription that they are payable

"In coin of the standard value of the United States on July 14th, 1870."

The Matthews Resolution, passed in 1878, declared

"That all the bonds of the United States * * * are payable, principal and interest, at the option of the government, in silver dollars of the coinage

of the United States containing 412½ grains of standard silver, and that to restore to its coinage such silver coins as a legal tender in payment of such bonds, principal and interest, is not in violation of the public faith nor in derogation of the rights of the public creditor."

Secretary of the Treasury Sherman, in 1878, in his report stated that he would redeem United States notes in gold or silver, but expressly

"reserving the legal option of the government"

to pay in either.

The Act of July 14, 1890, (Sherman Act) declared that the Secretary may redeem

"in gold or silver coin at his discretion, it being the established policy of the United States to maintain the two metals upon a parity with each other upon the present ratio or upon such ratio as may be established by law."

Discrimination in Defiance of Law.

And yet, in spite of all these clearly stated laws Secretary of the Treasury Foster, under President Harrison, on October 14th, 1891, surrendered the option of the government to pay in silver and began the senseless policy of paying gold when gold was demanded, thus transferring the option from the debtor to the creditor and making it possible to throw the entire demand for money from the less to the more desirable coin, which under normal conditions of money supply would be certain to destroy the parity.

The Cleveland administration pursued the same policy even when it required an increase of $263,000,000 in the public debt to do so, and the present administration follows this precedent to its only legitimate conclusion and declares that these silver dollars are not dollars at all, but are simply promises to pay dollars, and Secretary Gage is now trying to induce Congress to make provision for redeeming them in gold.

We charge that in the presence of the solemn pledge of the government to maintain the parity, this persistent effort to destroy the parity is little less than treasonable, and thank God that the United States Senate as now constituted will prevent its consummation.

A False Pretense.

We perfectly understand that the *pretense* of those who are actively pushing this plan is that gold redemption is necessary in order to keep the faith of the government and maintain

the parity; and to fix this idea in the public mind they have not hesitated to falsely assert that the past and present parity of our silver dollars was due to the fact that they were ultimately redeemable in gold.

We charge that this is false, and that certain men in high positions in the government who have the confidence of many citizens, are talking and acting as if it were true while knowing it to be false, and are purposely trying to deceive the people.

If 500,000,000 of silver dollars, the material in which is worth but half that sum, have maintained their parity with gold in spite of the persistent effort to discredit them, and without the support of gold or other redemption, then is every visible or invisible support of the gold fallacy removed, and the contention of those established who assert that any dollar of full legal tender quality will remain at par with any other dollar of the same quality. Nor can it be shown that *any number of dollars* having the cost of producing 412½ grains of silver behind them can ever reduce the value of a dollar below an equitable relation to other property.

The Pledge of Government

to maintain parity can only be kept by the government standing ready to receive either silver or gold as its debtors of every class may choose to pay it, and to compel its creditors and all other creditors who live under its flag to do the same. No other nation on earth attempts to maintain the parity of its money in any other way, and if this way fail, it cannot be done at all except by the surrender of all that was valuable in the purchase of our revolutionary struggle.

The Declaration of Independence,

to sustain which the choicest blood on earth was shed, and

The Constitution

of the United States, the Magna Charta of human liberty, have each for their foundation stone the purpose to

"Establish Justice,"

and if any policy whatever shall thwart this purpose it must be abandoned.

The ultimate question then is not whether we will maintain parity, but whether we will surrender governmental prerogatives and our people to the mercy of Shylocks.

Why not Change the Ratio?

Many think the ratio should be raised to a point nearer the present commercial ratio and there are several reasons why it should not.

1st. The stock of gold and silver in the world to-day is about equal at 16 to 1, and the present rate of production is at a ratio of less than 14 to 1. If these facts indicate anything they show that the present ratio should be lowered instead of raised.

2d The French ratio is 15½ to 1 and if an agreement should be made between France and this country it would be best to establish the French ratio for both, since our present coinage could be then recoined at 15½ to 1 without loss, while the French coinage could not be changed to 16 to 1 without loss.

3d. Assuming (what we do not admit) that free coinage will not restore parity at 16 to 1, we hold that no human being can predict how much if any it will fall short of it, and that thererore no other ratio can be intelligently selected until the true conditions of supply and demand are established under free coinage at its old ratio, and until this is done the question of a change cannot be entertained.

4th. If the value of money should ultimately fall to the present bullion value of silver only justice would be done, and nothing but good would follow, for the purchasing power of 412½ grains of silver is practically the same to-day as it was in 1873, and the cost of production is a guarantee against a further decline.

There has been more Silver Coined since 1873 than Before.

The point sought to be made by those who urge this objection is, that the coinage of silver since 1873 having been enormously greater than before, and the price continuing to fall is proof that the cause of its fall in price is not to be

charged to demonetization. In support of this, the fact is cited that in eighty-one years, from 1792 to 1873, only 8,000,000 silver dollars were coined, and in twenty years, from 1873 to 1893, nearly $500,000,000 were coined under the Bland Act.

This statement is true, but as they well know who make it, it refers only to the United States mint, and ignores the fact that while the United States mint was coining 8,000,000 silver dollars it also coined 136,000,000 of small coins, and the French mint coined 1,053,000,000 in the same period, to say nothing of other European countries, so that any fair statement of the facts will show that in each period the demand was about equal to the supply, and the *value* remained stable. The *price* of silver fell as did the price of everything else, for the reason that the supply of gold plus $500,000,000 of silver was not sufficient to meet the demand for money and *the value of money rose* destroying the *price* or debt-paying power of all property.

We want "Honest Money".

Yes, and so say we all. Our contention is for an honest dollar, but we shall insist that a dollar which has increased and is increasing in purchasing power is not an honest dollar, but on the contrary, is of all thieves the most detestable, for it not only deprives his victim of his wealth but paralyzes his efforts to earn more. We want a dollar that will be subject to as free competition in its production as are the other forms of material wealth it is used to measure, and which will thus be kept at par with them by the automatic operation of the laws of trade and render an honest account to posterity of the obligations we incur for them to pay.

We want "Sound Money".

Yes, and so do we. Our differences are not so much as to what we want, as to what we have and are to have. We deny that our currency is or can be "sound" when it is shown that every dollar of it has been sold and resold until a vast volume of credits and substitutes have become an absolute necessity in our business. A vast balloon swayed and distorted by every passing breeze, and in constant danger of collapse. So much so that the dignity and honor of this country

cannot be asserted as against even an effete power like Spain without danger of precipitating a panic. As we write (March 14th, 1898) the Phila. Ledger affirms that the uncertainty as to a war with Spain growing out of the "Maine" disaster has destroyed the value of stocks to the extent of many millions, as follows:

"Since the 15th of February sixteen of the most active stocks have declined 8⅝ @ 26¼. Sugar has fallen 17¼ per cent., Burlington 15⅝, Consolidated Gas 18⅝, St. Paul 10, Rock Island 11, Louisville 14, Manhattan 22, Metropolitan 26¼, New York Central 10⅜, and Northwest 14⅜."

and that while nearly every one of the properties represented are earning more than they have been for years on account, as Mr. Depew says, of the recent movement of wheat to Europe.

We want "sound money" "commodity money", with the cost of production back of it, and in sufficient quantities to place our business on at least a semblance of a cash basis, nor will we be deterred from our purpose to secure it by the selfish or senseless cry of those who wish to thrive by issuing a lot of "wild cat" bank paper substitutes, instead of allowing our working people to produce the honest, stable and reliable money we need.

WE PROPOSE TO OPEN THE PRODUCTION OF REAL MONEY TO A WIDER AND MORE ADEQUATE FIELD OF COMPETITION, AND ENABLE THE PRODUCING MASSES TO COIN THEIR POWERS OF BRAIN AND MUSCLE INTO THE DEBT-PAYING INSTRUMENT OF THE NATION, INSTEAD OF ALLOWING IT TO PERISH IN IDLENESS, AND DISCHARGE THEIR OBLIGATIONS TO THE DEBT-OWNING CLASSES, AT LEAST TO THE FULL EXTENT OF THEIR POWER AND WILLINGNESS TO PRODUCE, AND THUS TO FREE THEMSELVES AND POSTERITY FROM A PERPETUAL SLAVERY TO A MONEYED ARISTOCRACY, BUILT UPON A SERIES OF DEBTS THAT ARE EVER INCREASING. IN SHORT, TO ENTER UPON A DEBT-PAYING INSTEAD OF A DEBT-CREATING ERA.

THE END.

TABLE 1.—*PRICES of LEADING ARTICLES PRODUCED and MANUFACTURED in the UNITED STATES as given in the STATISTICAL ABSTRACT of the UNITED STATES for 1897, published in Feb. 1898.*

PRODUCT.	1873	1883	1893	1896	1897
	Cents	Cents	Cents	Cents	
Cotton Middling, per lb	20.14	11.88	8.56	7.93	7.40
Standard Sheeting, per yd	13.31	8.32	5.90	5.45	
Standard Drillings, per yd	14.13	7.11	5.72	5.48	
Bleached Shirtings, per yd	19.41	12.93	9.75	9.50	
Standard Prints, per yd	11.37	6.00	5.25	4.66	
64x64 Print Cloths, per yd	6.69	3.60	3.30	2.60	
Wool, washed, Ohio Fleece, per lb	53.00	40.	24.	19.	29.
Wheat, No. 2, Red Winter, per bus	131.00	117.5	73.9	78.1	95.4
Corn, No. 2, mixed, per bus	63.5	65.1	49.9	34.0	31.9
Oats, No. 2, mixed, per bus	50.	42.9	35.9	23.3	23.2
Lard, Prime Contract, per lb	9.2	9.82	10.34	4.67	4.42
Beef, Extra Mess, per bbl	1150.00	1284.00	817.00	751.00	771.00
Pork, Mess, per bbl	1400.00	1659.00	1835.00	895.00	885.00
Tallow, Prime, per lb	8.00	7.88	5.44	3.44	3.31
Sugar, Standard A, per lb	11.6	8.14	4.72	4.41	4.33
Coal, White Ash, Anthracite, per ton	427.00	454.00	390.00	350.00	350.00
Coal, Cumberland, Bituminous, per ton	484.00	290.00	240.00	228.00	180.00
Iron, No. 1, Foundry Pig, per ton	4275.00	2238.00	1452.00	1295.00	1210.00
Iron Ore, Gray Forge, Lake, per ton	3580.	1904.00	1177.00	1039.00	903.00
Iron Bar, Best Refined	8643.00	5030.00	3808.00	3136.00	2940.00
Iron Rails, Standard	7667.00				
Steel Rails, Standard		3775.00	2812.00	2800.00	1958.00
Nails, cut, per keg	490.00	306.00	144.00	232.00	147.00
Sauerbeck's Average of 45 articles	111.	82.	68.	58.	50.
Silver Bullion, 412½ grains, (one dollar)	100.04	85.8	60.3	52.2	46.80

TABLE II.—*MOVEMENT of SILVER COIN and BULLION.*

Year.	Net Exports from the United States	Net Exports from Mexico.	Gross Imports into Great Britain	Gross Exports from Great Britain	Net Imports into India.
1879	5,738,775	21,835,872	52,494,269	53,561,156	19,323,407
1880	1,227,980	22,388,576	33,087,441	34,360,804	38,298,391
1881	6,297,477	19,567,144	33,585,673	34,084,878	18,943,610
1882	8,743,263	17,337,024	44,980,695	43,630,382	26,177,337
1883	9,464,203	30,103,064	46,076,032	45,369,630	36,402,525
1884	11,456,481	34,008,568	46,881,403	48,598,733	31,170,935
1885	17,203,006	34,314,384	45,908,639	47,946,155	35,215,819
1886	11,660,912	30,384,496	36,360,731	35,154,131	56,483,655
1887	9,036,313	34,097,976	37,853,295	37,994,732	34,823,511
1888	7,632,278	31,502,096	30,240,139	37,060,480	44,911,970
1889	12,034,403	39,405,560	44,700,749	51,907,607	44,998,963
1890	8,545,455	41,847,008	50,541,810	52,866,658	53,229,174
1891	* 2,745,365	20,912,328	63,663,246	64,993,889	67,147,619
1892	5,035,828	49,250,763	60,222,938	68,495,988	42,738,068
1893	7,653,813	51,769,745	72,912,463	68,219,827	60,934,726
1894	31,041,359	47,320,215	65,431,903	60,979,318	65,177,677
1895	27,631,789	56,781,075	60,428,333	52,209,705	30,381,745
1896	33,262,258	44,919,693	76,043,209	74,182,191	31,179,988
1897	32,636,835				27,740,012

*Imported.

TABLE III.—*GOLD and SILVER COINED in FRANCE CONVERTED at £1 per 25 francs.*

Period of five years.	Gold average per annum.	Silver average per annum.
1806-1810	£1,201,136	£1,884,737
1811-1815	3,299,503	5,208,029
1816-1820	1,951,604	993,111
1821-1825	465,748	3,526,432
1826-1830	293,976	5,032,004
1831-1835	826,149	6,576,120
1836-1840	589,857	3,048,189
1841-1845	159,326	3,033,286
1846-1850	1,294,337	4,311,276
1851-1855	12,669,263	1,431,755
1856-1860	21,605,465	666,651
1861-1865	7,667,357	175,088
1866-1870	9,546,561	3,402,020
1871-1875	2,475,213	2,742,776
1803-1875	Total Gold £322,993,410	Total Silver £217,640,234
Reduced to United States money	$1,563,288,104	$1,053,378,732

TABLE IV—*PRODUCTION, COINAGE and RELATIVE VALUE of GOLD and SILVER in the world since* 1792.

Year.	GOLD.		SILVER.		
	Product.	Coinage.	Product.	Coinage.	Comm'l Ratio.
1792-1800	106,407,000	$	328,860,000		15.41
1801-1810	118,152,000		371,677,000		15.60
1811-1820	76,063,000		224,780,000		15.28
1821-1830	94,479,000		191,444,000		15.79
1831-1840	134,841,000		247,930,000		15.75
1841-1850	363,928,000		324,400,000		15.75
1851-1855	662,566,000		184,169,000		15.40
1856-1860	670,415,000		188,092,000		15.30
1861	122,989,000		45,772,000		15.50
1862	122,989,000		45,772,000		15.35
1863	122,989,000		45,772,000		15.37
1864	122,989,000		45,772,000		15.37
1865	122,989,000		45,772,000		15.44
1866	129,614,000		55,663,000		15.43
1867	129,614,000		55,663,000		15.57
1868	129,614,000		55,663,000		15.59
1869	129,614,000		55,663,000		15.60
1870	129,614,000		55,663,000		15.57
1871	115,577,000		81,864,000		15.57
1872	115,577,000		81,864,000		15.63
1873	96,200,000	257,630,802	81,800,000	131,544,464	15.92
1874	90,750,000	135,778,387	71,500,000	102,931,232	16.17
1875	97,500,000	195,987,428	80,500,000	119,915,467	16.59
1876	103,700,000	213,119,278	87,600,000	126,577,164	17.88
1877	113,947,200	201,616,466	81,040,700	114,359,332	17.22
1878	119,092,800	188,386,611	94,882,200	161,191,913	17.94
1879	108,778,800	90,752,811	96,172,600	104,888,313	18.40
1880	106,436,800	149,725,081	96,705,000	84,611,974	18.05
1881	103,023,100	147,015,275	102,168,400	108,010,086	18.16
1882	101,996,600	99,697,170	111,802,300	110,785,934	18.19
1883	95,392,000	104,845,114	115,297,000	109,306,705	18.64
1884	101,729,600	99,432,795	105,461,400	95,832,084	18.57
1885	108,435,600	95,757,582	118,445,200	126,764,574	19.41
1886	106,163,900	94,642,070	120,626,800	124,854,101	20.78
1887	105,774,900	124,992,465	124,281,000	163,411,397	21.13
1888	110,196,900	134,828,855	140,706,400	134,922,344	21.99
1889	123,489,200	168,901,519	155,427,700	139,362,595	22.10
1890	118,848,700	149,244,965	163,032,000	152,293,144	19.76
1891	130,650,000	119,534,122	177,325,300	138,294,367	20.92
1892	146,651,500	172,473,124	198,014,400	155,517,347	23.72
1893	157,494,800	232,420,517	213,944,400	137,952,690	26.49
1894	181,567,800	227,921,032	212,829,600	113,095,788	32.56
1895	199,304,100	231,087,438	216,292,500	121,610,219	31.60
1896	202,956,000	195,899,517	213,463,700	153,395,740	30.32
1897	240,000,000		212,000,000		

Coinage not attainable prior to 1873.

TABLE V.—*PRODUCTION and COINAGE of GOLD and SILVER in the UNITED STATES.*

	GOLD.		SILVER.	
Year.	Production.	Coinage.	Production.	Coinage.
1792-1834	14,000,000	$ 15,799,900.00	Insignificant	$ 38,669,100.00
1834-1844	7,500,000	28,790,000.00	$ 250,000	24,961,600.00
1845	1,068,327	3,756,477.00	50,000	1,873,200.00
1846	1,189,357	4,034,177.00	50,000	2,558,580.00
1847	889,085	20,202,325.00	50,000	2,374.450.00
1848	10,000,000	3,775,512,50	50,000	2,040,050.00
1849	40,000,000	9,007,761.50	50,000	2,114,950.00
1850	50,000,000	31,981,738.50	50,000	1,866,100.00
1851	55,000,000	62,614,492.50	50,000	774,397.00
1852	60,000,000	56,846,187.50	50,000	999,410.00
1853	65,000,000	39,377,909.00	50,000	9,077,571.00
1854	60,000,000	25,915,962.50	50,000	8,619,270.00
1855	55,000,000	29,387,968.00	50,000	3,501,245.00
1856	55,000,000	36,857,768.50	50,000	5,142,240.00
1857	55,000,000	32,214,040.00	50,000	5,478,760.00
1858	50,000,000	22,938,413.50	500,000	8,495,370.00
1859	50,000,000	14,780,570.00	100,000	3,284,450.00
1860	46,000,000	23,473,654.00	150,000	2,259,390.00
1861	43,000,000	83,395,530.00	2,000,000	3,783,740.00
1862	39,200,000	20,875,997.50	4,500,000	1,252,516.50
1863	40,000,000	22,445,482.00	8,500,000	809,267.80
1864	46,100,000	20,081,415.00	11,000,000	609.917 10
1865	53,225,000	28,295,107.50	11,250,000	691.[illegible].00
1866	53,500,000	31,435,945.00	10,000,000	982,409.25
1867	51,725,000	23,828,625.00	13,500,000	908,876.25
1868	48,000,000	19,371,387.50	12,000,000	1,074,343.00
1869	49,500,000	17,582,987.50	12,000,000	1,266,143.00
1870	50,000,000	23,198,787.50	16,000,000	1,378.255.50
1871	43,500,000	21,032,685.00	23,000,000	3,104,038.30
1872	36,000,000	21,812,645.00	28,750,000	2,504,488.50
1873	36,000,000	57,022,747.50	35,750,000	4,024,747.60
1874	33,500,000	35,254,630.00	37,300,000	6,851,776.70
1875	33,400,000	32,951,940.00	31,700,000	15,347,893.00
1876	39,900,000	46,579,452.50	38,800,000	24,503,307.50
1877	46,900,000	43,999,864.00	39,800,000	28,393.045.50
1878	51,200,000	49,786,052.00	45,200,000	28,518,850.00
1879	38,900,000	39,080,080.00	40,800,000	27,569,776.00
1880	36,000,000	62,308,279.00	39,200,000	27,411,693.75
1881	34,700,000	96,850,890.00	43,000,000	27,940,163.75
1882	32,500,000	65,887.685.00	46,800,000	27,973,132.00
1883	30,000,000	29,241,990.00	46,200,000	29,246,968.45
1884	30,800,000	23,991,756.50	48,800,000	28,534,866.15
1885	31,800,000	27,773,012.50	51,600,000	28,962,176.20
1886	35,000,000	28,945,542.00	51,000,000	32,086,709.90
1887	33,000,000	23,972,383.00	53,350,000	35,191,081.40
1888	33,175,000	31,380,808.00	59,195,000	33,025,606.45
1889	32,800,000	21,413,931.00	64,646,000	35,496,683.15
1890	32,845,000	20,467,182.50	70,465,000	39,202,908.20
1891	33,175,000	29,222,005.00	75,417,000	27,518,856.60
1892	33,000,000	34,787,222.50	82,101,000	12,641,078.00
1893	35,955,000	56,997.020.00	77,576,000	8,802,797.30
1894	39,500,000	79,546,160.00	64,000,000	9,200,350.85
1895	46,610,000	59,616,357.50	72,051,000	5,698,010.25
1896	53,088,000	47,053,060.00	76,069,000	23,089,889.15

The Economic Balance

between the VALUE or purchasing power of Money, and the PRICE or debt paying power of property, must be maintained or the normal development of the race can not proceed.

Under the present system of individual ownership and competitive effort, if the production of money is restricted, WAR, with all its devastation, FLOODS that sweep our garnered treasures in chaos to the sea, HURRICANES that wreck on every hand, together with the all consuming tongues of FIRE that obliterate a city in an hour, all become the providential friends of the idle masses, for they create a void which their perishing energies may be employed to fill.

With a short supply of money all cannot work without destroying the price of existing wealth, and the poorly equipped are forced into idleness. In recent years ENFORCED IDLENESS has caused a loss of potential wealth, equivalent to that of the Chicago fire in every passing month, all borne by those who can least afford it, and all because of the insatiate greed of a few, and the ignorance of the many as to the facts and principles in our system of currency.

THE AUTHOR.