# SILVER

IN ITS

# RELATION TO INDUSTRY AND TRADE:

THE DANGER OF DEMONETIZING IT.

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BY WILLIAM BROWN.

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## The United States Monetary Commission of 1876:

### REVIEW OF PROF. FRANCIS BOWEN'S MINORITY REPORT.

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BY WILLIAM BROWN.

"The time will come when circumstances, and perhaps serious losses, will compel both England and America to reconsider the whole question of the Silver Currency, and to accept at last of what nature teaches on the subject."—*Thoughts on Paper Currency and Lending on Interest*, 1872.


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1880.

# PREFACE.

THE title of this book proclaims to the reader, at the outset, that it deals with questions of the deepest interest to our race. As a defence of the money of industry—of that money which the hand of industry provides for its own exchanges—it appeals to the men who create our wealth as well as to the men who are engaged in the distribution of that wealth. Farmers and merchants, manufacturers and tradesmen, artisans and working men, are all equally interested in the discussion of these monetary problems. A thorough knowledge of the great principles of monetary science is especially incumbent on young men just entering on the active pursuits of life. They, of all men, ought not to rest satisfied with that which is dubious and doubtful in matters so closely connected with their daily avocations. If there is a wrong way, it will, if followed, be a wrong way for all, and must eventually bring disaster and ruin upon all—if there is a right way, it must be a right way for all, and must bring comfort and prosperity to all. In a popular sense, and in view of the greatness of its range, Political Economy may not inaptly be called the science of human well-being. Its doctrines, if rightly applied, will rob no man of a single necessary, a single comfort, or even of a luxury. That there is ample justification for the statement frequently made that monetary science appears to be a very abstruse and complicated affair, and beyond the reach of ordinary minds, no one can deny. But it is not true that there is, in the science itself, any justification for such a charge. And my hope is that the reader who, with but ordinary attention, follows me through these pages, will be free to agree with me in this opinion when he closes the volume. I have written the work in the endeavour, principally, that interest in such a momentous subject should not be left entirely in the hands of experts and scientific men, but may be transmitted, if possible, to the people at large. It is emphatically a people's question, and will never be settled till the people take it up and settle it for themselves.

W. B.

Montreal, Dec., 1879.

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In August, 1876, by a joint resolution of the United States Senate and House of Representatives, a Monetary Commission was appointed, to consist of three members of the Senate, three of the House, and experts not exceeding three in number, for the purpose of inquiring into and reporting on the following subjects.

First. Into the change which has taken place in the relative value of gold and silver; the causes thereof, whether permanent or otherwise; the effects thereof upon trade, commerce, finance, and the productive interests of the country, and upon the standard of value in this and foreign countries.

Second. Into the policy of the restoration of the double standard in this country; and, if restored, what the legal relation between the two coins, silver and gold, should be.

Third. Into the policy of continuing legal tender notes concurrently with the metallic standards, and the effects thereof upon the labour, industries, and wealth of the country; and,

Fourth. Into the best means of providing for the resumption of specie payments.

This Commission went assiduously to work, collected a great store of facts and information, and examined many witnesses conversant with the important questions submitted for its consideration. As early as March, 1877, the report was presented to Congress by Senator J. P. Jones, and has been for some time before the country in the form of a printed document of 208 pages.

One hundred and twenty-eight pages are occupied with the Report of the majority of the Commissioners, to which the following names are attached:

JOHN P. JONES.
LEWIS V. BOGY.
GEORGE WILLARD.
R. P. BLAND.
WM. S. GROESBECK.

This Report is an elaborate, able, and exhaustive document, and well deserves careful study. These gentlemen have performed a great and important service on behalf of industry, and their names are worthy of being held in grateful remembrance. Their Report is, in substance, an unanswerable argument in defence of our silver money, and for the preservation of what is known as the double standard of gold and silver. They correctly attribute the late panic in the London bullion market—the so-called "fall" of silver—to certain specified and effective forces clearly shewn to have been at work in causing the late divergence between silver and gold. Their language on this head is: "The causes of the recent change in the relative value of gold and silver are mainly the demonetization of silver by Germany, the United States, and the Scandinavian States, and the closure of all the Mints in Europe against its coinage. These principal causes were aided by a contemporaneous diminution of the Asiatic demand for silver, and by enormous exaggerations of the actual and prospective yield of the Nevada silver mines. The effect of all these causes, principal and accessory, reached its culminating point in the panic of July, 1876, in the London silver market." In this opinion they agree with the British Silver Commission of 1876, who state that "the conclusion seems justified, that a review of the relations of the metals in times past shews that the fall in the price of silver is not due to any excessive production as compared with gold." The importance of these conclusions, advanced from such a source, will be manifest when we bear in mind that the most strenuous efforts are continually put forth for the demonetization, or destruction as full money, of our silver coin, on the alleged ground of the uncertain and erratic production of silver from the mines. This Commission has established, beyond contradiction, that the supply of gold is, in its nature, more erratic and uncertain than the supply of silver. A glance at the various tables of quantities and supply contained in the Report itself does not leave a doubt upon the point.

I quote the following sentences from the "conclusions" of this portion of the Report:

"In the opinion of the Commission, if the United States restore the double standard, the spread of the movement in favour of a single standard of gold will be decisively checked. The effects of the demonetizations so far accomplished, and of the resulting disturbance of the relative value of gold and silver, upon trade, commerce, finance, and productive interests in this country and throughout the commercial world, have been signally disastrous, and especially to the countries which have recently demonetized silver, or in which the gold standard was already established. In all commercial countries the same phenomena are simultaneously presented, of falling prices of commodities and real estate; diminishing public revenues; starving, poorly-paid, and unemployed labourers; and rapidly multiplying bankruptcies. These facts existing everywhere must arise from some cause operating everywhere, and no such cause is or can be pointed out except the decrease of the metallic supplies from the mines, and, consequently, the decrease of metallic money relatively to population and commerce since about 1865, and the larger and more sudden decrease of metallic money, caused by the partial destruction of the money functions of one of the precious metals. The distress dates with the law of the United States of February 12, 1873, and the law of Germany of July, 1873, giving practical effect to a previous decree of that Empire of December 4, 1871, for the establishment of a single gold standard. The stationary or declining production of the metals had already produced a stringency in the metallic money markets of the world, and, as money stringency and panic are near neighbours, the demonetization of one of the metals broke down the partition between them. The demonstration of the mischief seems complete. What the world has witnessed immediately following a concerted movement to demonetize silver is that fall in prices, ruin of productive interests, and increase in the absorbing power of moneyed capital, which could not fail to attend a sudden narrowing of the measure of value. Prior to 1873, prices were regulated by the general existence of a measure of values consisting of the two metals, of about equal proportions in the world's stock. To annihilate the monetary function of one must greatly increase the purchasing power of the other, and greatly reduce prices. As all debts, public and private, in Europe and America, had been contracted while the double standard was in practical operation, their weight, always burdensome, became crushing when made solvable exclusively in one metal. Silver, to the amount of three thousand million dollars in coin, the accumulation of fifty centuries, is so worked into the web and woof of the world's commerce, that it cannot be discarded without entailing the most serious consequences, social, industrial, political and commercial. The evil is enormously aggravated by selecting gold as the metal to be retained, and silver as the metal to be rejected."

"The Commission recommend the restoration of the double standard in this country, and the unrestricted coinage of both metals, but are unable to agree upon the legal relation which should be established between them." p. 126.

The concluding words of the majority report deserve to be written not only in letters of silver, but also in letters of gold—in the double standard itself: "To propose to this country a contest for a gold standard with the European nations is to propose to it a disastrous race, in reducing the prices of labour and commodities, in aggravating the burdens of debts, and in the diminution and concentration of wealth, in which all the contestants will suffer immeasurably, and the victors even more than the vanquished."

As it is not the purpose of this review to touch upon the questions embraced in the 3rd and 4th heads submitted for consideration, I will pass over, without any remark, the arguments and the conclusions of the Commissioners on these branches of the enquiry.

The next portion of the report—pages 128–131—is an argument replete with force and reason by Messieurs Jones, Bogy and Willard, in favor of 15½ to 1 as the proper legal ratio to be established in the United States between silver and gold—that is, 15½ lbs. weight of silver to one lb. weight of gold. To practically attain this relation in the coinage they recommend a reduction in the old-established weight of the American silver dollar, equivalent in value to 3 per cent., so as to bring the coinage into full accord with that of the double standard countries of Europe. "The adoption here," they justly remark, "of the relation of 15.5 to 1 by an act of legislation, would be the most authoritative and decisive offer of accord with the European countries of the double standard which could possibly be made. It would be not merely the offer of an accord, but the actual establishment of one."

Mr. Groesbeck, in a separate report, shortly discusses this part of the subject, and, in a few well chosen remarks, backed by arguments of some weight, concludes in favour of the present American ratio of 15.98 to 1. I think, however, that this able monetary advocate is in error when he says that if, because of a premium on the silver dollar, it should depart from this country as bullion, "it would send back to us in exchange for itself its full value in gold and merchandise." I do not see how such a result could follow. The merchandise received could not, under any circumstances, compensate for the loss of the 3 per cent. on the exported silver. It would be sold for the prices current in the United States, and the returns would be invested in the silver coinage of the country, and a clear gain of 3 per cent. secured by such investment, so long as the Government continued to mint these over-weighted silver dollars. If we deliberately undervalue our silver, we deliberately overvalue our gold. We cannot manipulate one without affecting the other. All nations dealing with us would take away from us our silver, on which we have placed too low an estimate, so long as we have silver to mine or to coin, and leave with us their gold, on which we have placed too high an estimate; or, if not gold, merchandise as the means of draining us of this 3 per cent. in the exportation of our silver. Of course I am assuming, along with Mr. Groesbeck, that a premium of 3 per cent. *is* actually brought into existence by an error in our mint ratio. And it would appear that a premium of 3 per cent. is large enough to set the exporting forces at work—that is, there would then be a margin of profit in the operation of exporting the silver.

But so nice a point as to which of the two ratios—15½ to 1 or 15.98 to 1—is the one absolutely correct is perhaps not so easily determined. I am aware it may be urged by Americans, "we are not overvaluing our silver; it is Europe that is undervaluing its gold—we are right, they are wrong." It is just possible that it may be so. But, if the London quotations, so far as they go, are to be accepted in evidence (and let us so accept of them for the moment), I think it will be found, on careful examination, that for a long series of years the average of these quotations has been nearer 60⅞d. per standard ounce (the European ratio) than 59d. per ounce (the American ratio). The European ratio has been long and well tested—the American ratio has been in the same period changed several times—it has been tried alternately both below and above the European ratio—it is admitted that, under the relation of 15.98 to 1, America has been continuously drained of her silver, thus showing, beyond question, that the American ratio is a *legal* one only and not an *industrial* one—the money, be it noted, which was drained away from America under this rating was silver money, a metal never so apt to slide out of a country, if I may use the expression, as gold money, and the test of the stability of the European ratio is, therefore, rendered all the more satisfactory—an enormous amount of silver has been given to the world at the ratio of 15½ to 1—the Americans are producers and sellers to all nations of both silver and gold, and constantly in the market—the mint regulations of Europe may be said to be a standing offer to Americans of 3 per cent. more for all their silver than they choose to ask for it—there is, on the northern frontier of the United States, a people of their own lineage, rapidly growing into great commercial power, whose natural resources are almost boundless, and whose monetary interests, though still largely European, are happily closely linked with those of their powerful neighbour, but who may yet, in the future, have to confront difficulties in adopting the 15.98 ratio—there is the constant temptation, owing to this drainage of full standard silver which happens to be minted on a false ratio, to issue degraded or token coins—and so, taking all these things into consideration, I am of opinion that the three Commissioners who plead for the ratio of 15½ parts of silver to one of gold, give prudent advice to the American nation, and that the mintage ought to proceed upon a basis which will secure, and not thwart, the equivalence of value between the two metals throughout the civilized world, and thus arrest, at their source, those fluctuations and drainages which have not only caused so much national loss and monetary disturbance to single standard nations, but often afforded the enemies of a full metallic currency a plea, in their estimation, for the monetary destruction of one or other of the precious metals.

Forecasting the probabilities of the future, I think I see a time coming when the pressure of events will compel America to pass to the 15½ ratio, or, in other words, lessen by 3 per cent. the present divergence between her standard gold and silver dollars. That time will arrive when the people demand that all coins shall be liberated and permitted to flow into their hands for the purposes for which they were minted. At present, at the 15.98 ratio, she is a sort of monetary cripple, standing on a short leg and a long one. There could not be a more useless, unprofitable, or thankless task, than to be continually minting one of the metals for no other end than to see it constantly drained away. The mints in such a case are compelled to witness all their expense and toil go for nothing; or, as is often the case, to cease minting the overvalued metal—events, it is obvious, very disastrous to commerce. Perhaps we have failed to take into sufficient account what an immense influence for good would flow from the adoption by America of the European ratio of 15.5 to 1. It would, in reality, secure concurrent circulation of silver and gold throughout the most important regions of the world, and powerfully arrest the opportunities for gambling and speculation in the metals. It would all but "corner" even England, and compel her to hoist the true flag. Will any one venture to say that it is a matter of little consequence whether the entire industry of these two great continents be placed on the scales of an even balance? Every piece stamped at the American mints would be a blow struck in defence of the purity and integrity of commerce and the security of industry. It would really be these great institutions working in harmony with similar institutions in Europe in the cause of human progress and civilization. This is a problem the vastness of whose proportions few have realized. It is one well worthy of full and free debate in the halls of Congress. To have such a question intelligently discussed before the representatives of the people both at Washington and Ottawa—a question pointing to the *preservation* of money, not to its *destruction*—would be a scene bright with promise to the future of this continent. The mere history of the ratios would no doubt bring fresh upon the stage the labours of men of great genius whose names are now almost forgotten, or cherished only by a few. The correct ratio could, of course, be brought in by either reducing the weight of the silver dollar a few grains—about 12—or by adding say 8 grains to the gold dollar. The three Commissioners, Messrs. Jones, Bogy, and Willard, on the whole, give the weight of their opinion in favour of a re-minting and reduction of the silver dollar. On a previous occasion ("The money Question in the United States," p. 13) I inclined to the same opinion. One dare hardly venture to differ from the conclusions of a document so calm and so thoughtful in all its reasoning as the short paper to which the names of these gentlemen are attached. Still, it may be an open question as to which of the two metals it would be best to re-mint, and is perhaps so in my own mind. It might possibly be less *irksome* to the public interests to manipulate the gold than the silver. Legislation would of course, in either case, be required to guard as far as possible the interests of all existing contracts.

All the double standard nations of Europe mint on the ratio of 15½ to 1. Holland has the ratio of 15.62 to 1. Any of my readers who are curious as to the matter may find the relation between pure silver and pure gold, as grounded on any particular quotation in the market, by dividing the number 943 by the price paid per ounce for standard silver. Thus, if you pay 60¾d. per ounce, 943, divided by that sum, yields the ratio 15.523, or very near the European mint ratio. Of course, as price descends, ratio rises; in other words, the divergence between the metals is apparently increased. I say, apparently,—for, if the movement signified a true alteration of labour value, gold would really be as close to silver at 50d. as at 100d. per ounce, which, of course, means that there is no *abstract* ratio, and that labour must be our guide in the determination of all the great questions affecting silver and gold.

It may, perhaps, be expected that the Canadian people, to whom I have just referred, will some time or other take up the question of establishing a national mint in their own territory. The Dominion of Canada has no gold coin of its own in circulation, and very little of any other nation. One is almost at a loss to know what goes to make up its monetary stock. It seems to be composed only of a few straggling pieces of degraded silver coin struck for it at the English mint. When this community takes up the question of a national coinage it will in all probability be on the basis of 15½ to 1; and then we will have two different monetary standards on this Continent, issuing in still further monetary confusion and discord. An international full standard legal tender silver coinage for the United States and Canada, minted at a common ratio, would be a great contribution to the welfare and progress of both countries. A friendly conference would surely go far in clearing away international difficulties. Canada, it is well known, never enjoyed such an era of prosperity as when the country was enriched with the presence of the American silver, even though the coins were what is known as "subsidiary" or below standard. It would have been far better for the commerce of Canada had the American silver been retained instead of being forcibly expelled, even though at the cost of the discount which then prevailed. I used all efforts within my power to warn the people as to the peril of discharging the silver money. It was a fatal error to thrust out that which ever brings traffic and prosperity in its train. I proposed to the Finance Minister of the day to proclaim the silver full legal tender at its face value, so that the few who discredited it should have been compelled to receive it in and pay it out as all other people were doing. The discount would have instantly disappeared, and the silver been saved to us; nobody would have been worse of, everybody would have been better off. Of course every intelligent person knows that the discount was created and kept alive at the bank counter, and that it is contrary to monetary laws that it could have had its origin in what was then called over plentifulness. Arrested in its useful circle of exchange by powerful corporations whom all traders are bound implicitly to obey, a discount must necessarily creep in upon the metal—unarrested in its course, a discount could never possibly arise. In nearly all the

British West Indian Colonies (according to Mr. Goschen) the metallic currency now wholly consists of English token or depreciated silver, yet of full legal tender. And it may seem strange to some when I state, on the same high authority, that the banks in these Colonies have strenuously and successfully resisted all attempts to have a gold tender, or any other sort of tender than this token silver. On no grounds whatever do I defend or excuse the minting of *degraded* silver money; but, in the case of Canada, it would have been far better to have let the silver alone, more especially as the Dominion had no gold coin in circulation. A ceaseless and relentless war was made upon it, and it was eventually all driven out of the country. We have since had but too abundant leisure to meditate upon our folly—we have had no occasion to be distracted with business clamour and activity in reckoning up our loss. Dividends of all kinds have shrivelled up wonderfully under such a fatal policy. We have become as lean as the thin "shinplasters" which, with a sort of solemn mockery, were palmed upon the people in place of the solid silver. The glittering stream went from us, but it has had its full revenge. Many millions of dollars have been lost as the fruit of such wild and thoughtless proceedings. Not a bank, or trader, or manufacturer, or working man, but has suffered the penalty. People who think they can do without silver will not be troubled with full pockets. The tradesmen of Canada never made a greater mistake than to permit such a process of destruction. Those who drove out the full "flood" of silver thought they were doing a wise thing in bringing from England a little stream of degraded "tokens" to take its place. They were applauded at the time as the very wisest of financiers. How have they got along with their little driblet all these years? Have they made us fat and flourishing? Let an injured and all but ruined people give the reply.

I do not mean to allege, had Canada preserved this silver which came to her at the time across her borders as a precious offering, that she would not have suffered from the industrial depression which has swept over every land. But this I mean to say, that, had Canada welcomed and preserved this ever active and life giving stream, the severity of that depression would have been most materially mitigated, millions of dollars would have been saved to the country, and a world of suffering avoided. The presence of silver will set wheels in motion of which we have little conception. Briskness of trade and industrial prosperity are sure accompaniments of plenty of silver in the hands and the pockets of the community. People who have silver *must* buy. If we drive out the silver, we drive out what comes to us, free of all discount, fresh and bright from the mint or the mine. In that case we are compelled to depend on a paper promise to pay the thing, not the thing itself; and which not only cannot come into our hands except loaded with a discount, but which depends, even for its issue, on the presence of other paper to be offered for discount, and the supply of which, in destroying our silver and our trade, we have taken the direct means to arrest! We deliberately dry up the stream and then wonder at the want of fertility. And here I may take occasion just to remark that it appears to me that the Silver Bill lately passed in the United States has a clause pregnant with danger—that which confers the power of making special contracts in gold, which really means a power of discrediting silver. I have not failed to point out this danger in influential quarters. The banks on the eastern sea-board of the United States will, I fear, not hesitate to run down the silver, even though it be full standard, and, in theory, legal tender. The introduction of such a clause into the Silver Bill was a frail and short-sighted policy, and is sure to bring trouble and issue in monetary conflicts.

Evidently, what any country ought to possess as its proportion of the world's stock of silver may be reckoned, in a rough sort of way, on the ground of the population and trade of that country. Judged by this standard, I do not think that Canada has at any time enjoyed the legitimate proportion found in the stock of all double standard nations, a proportion which, in her case, may be taken at 20 millions of dollars. I am quite convinced that we shall never enjoy *permanent* prosperity till a free mint pours its treasures upon us in the form of plenty of full standard legal tender coin. Without this, we may *appear* to thrive for a season, but that will be all.

It may be necessary to explain, in passing, that, by a free mint, I refer to and approve of a mint where every one shall be legally entitled to have his gold or silver bullion minted to any extent, but the cost of doing so to be defrayed by the owner of the bullion. The charge of 1½d. per ounce which has long been made by theBank of England for the *immediate* delivery of coin or notes in exchange for bullion is not a mint charge—it is in reality a discount charge. But coins must always carry with them, as an added value, the cost of mintage, whether that mintage be paid for by the state or the individual. The present Government monopoly of the mint in the United States of course tends to prevent silver and gold bullion approaching to their old and long tried relation as expressed in the English sterling quotation of about 60d. per ounce. On the one hand we have the Government monopolising that which should be free to all producers of the metals; and on the other hand we have the existing paper system placing an embargo on the free circulation of the coins which are minted by the Government, and unceasingly pressing these coins back as it were to their source of issue, or into huge vaults built for their imprisonment—a fact which some very short-sighted people are silly enough to proclaim as evidence that silver money is a bad thing for the human family. It is the paper system, not the people, which says to all coins "not wanted." Coin in circulation is the destruction of paper, as paper in circulation is the imprisonment of coin. That is a surface fact which the most careless may perceive. It is simply a well known monetary law in full operation. I have just had the pleasure of perusing an admirable speech (reprinted as a pamphlet of sixteen pages) by the Hon. A. J. Warner of Ohio, in the House of Representatives, advocating a bill for the unlimited coinage of silver; or, in other words, having for its object so to amend certain sections of the Revised Statutes of the United States as to place silver on exactly the same basis as gold; in fact, to reinstate it in the position it held in the currency from 1792 to 1873. I quote the following from Mr. Warner's address: "If the Government opens the mints to the public for the unlimited coinage of silver dollars, then it should not continue to buy bullion on its own account to convert into coins. There would be no occasion for doing so. With the mints opened to the public, the control over the whole question of metallic money is in their hands. The Government never coined a dollar, either of gold or silver, of full legal tender, on its own account, until the Act of February, 1878, was passed. The Government coined simply what gold and silver was brought to it and no more. The 9th section of this bill simply returns to this practice—to the practice of the Government from its foundation to 1873, when this departure was made, and puts gold and silver on the same basis. And in this connection I would like to say a few words with reference to the section of the bill which opens the mints to unlimited coinage. I have been met on every side with this objection: Why, you are giving a profit to the bullion dealer. Not at all. There is no profit to any bullion dealer under this bill not shared in by everybody. An ounce of silver, as Locke said, is equal to any other ounce. An ounce of silver, in the form of coin, when it costs nothing to give it the form of coin, will be worth no more than in the form of bullion. One hundred ounces of silver bullion will make one hundred and sixteen dollar pieces. Now, if it costs nothing to change a bar of one hundred ounces into the form of coins, and there is no restriction on the amount that may be coined, then there is no change of value. Any one may take 100 ounces or any other quantity of silver to the mints of the United States and obtain for it 116 dollars and a fraction; and, if all can do that, no one will give more of anything for 100 ounces of silver in the shape of coins than as bullion. Hence, no profit is given to any bullion dealer. If 100 bushels of wheat are worth 100 ounces of silver bullion, it will still be worth the same weight of silver in the form of coins and no more." I may add to what Mr. Warner here so clearly sets forth—what must be indeed apparent to all—that his reasoning is just as true and to the point, so far as profits to bullion dealers are concerned, were the holders or owners of bullion required to pay for the cost of manufacture instead of having it done free. And as to the question of unlimited coinage, I should think the proposition must commend itself to all who believe that it would be a bad thing to limit the manufacture of boots, of clothing, or of loaves of bread.

I am aware that many varying quotations have been given as the different relative values of silver and gold in past ages, ranging from 10 to 1 up to 15 or 16 to 1. Many of these are local and doubtful, and many of them evidently the result of war and conquests, the overthrow of nations, or the extensive capture of treasures. Up to about the end of last century almost every country in Europe had a different ratio, not very far apart, it is true, but still diverse enough to be confusing. In the beginning of last century, according to Sir Isaac Newton, then Master of the English Mint, silver was rated in Japan and China as about 9 to 1. If I mistake not, gold has in recent years shewn even a much lower rating in the former nation. In 1860, consequent on the increased foreign commerce, the Japanese Government was compelled to alter the ratio to 13½. Among the ancient Hebrews, the silver shekel, weighing half an ounce, was worth about 55 cents of our money—the gold shekel, weighing quarter of an ounce, was worth $4—hence the ratio in these remote days appears to have been 15 or 16 to 1, or substantially the same as prevailing in our own time. The varying ratios seem to have concentrated, about a century since, on that of 15½ to 1, and there has been no substantial departure from it since. This ratio prevails at this day wherever silver is allowed fair and honest treatment, and is as strong and healthful at the age of a hundred years as it was in its youth. It is a long experience—it has stood many a shock—and even England, with all her power exercised as a demonetizer of silver, has failed to break it down one iota.

Mr. Bland, a name well known in connection with the silver movement, in a few lines following Mr. Groesbeck, agrees on the whole with that gentleman in his approval of the present American ratio of 15.98 to 1—fearing that the success of the movement to remonetize silver might be endangered "by the adoption of a new ratio on this side the Atlantic," although he is fully sensible of the importance of conforming our system to the European ratio of 15½ grains of pure silver to one grain of pure gold.

Five pages are now occupied with the minority report of Mr. Boutwell. He favors in theory the employment of a full double standard of gold and silver, but considers that the time has not arrived for the United States to embark on that standard. A pre-requisite, he thinks, is a universal international agreement on the part of all governments to mint and use both metals upon one and the same basis of relative value. There can be no doubt that the world is journeying, though slowly and painfully it may be, towards that point. A unification of the ratio, and unification of the coins, are among the good things yet in reserve for the race. In fact, one implies the other, and both, when they come, will come together. It is not a prerequisite condition, however, of the adoption of the double standard. The nation which adopts that standard, even in the face of all the world, plants itself upon a monetary rock, and takes at once a position of unrivalled strength, throwing the strong arm of its protection around the industry of its workingmen, and securing for them, in all the markets of the world, that full value for their products which no single standard nation can ever obtain. When industry is safe, commerce and all minor interests are safe. Mr. Boutwell pays immense deference to the single gold standard of England—it dominates his mind throughout—and he fears that, unless the Americans follow the example of their English cousins in destroying the silver, they will go headlong to ruin. He seems to be entirely ignorant of the fact that the nation using the bi metallic standard at, as near as possible, the true labour ratio, is in an impregnable position, and that its foreign trade must, *as a matter of necessity*, be carried on at an immense advantage over all nations trading with it, and using a single standard. It is quite evident that Mr. Boutwell has not in this connection given the subject of price any thought at all. But it cannot be properly thought out without taking *price* into full consideration. Price is established as firmly, as expeditiously, as certainly, on a silver basis as on a gold basis, because labour has implanted a certain value in each of the precious metals—that is to say, silver, if not destroyed as full money, immediately takes its proper share along with gold in forming and sustaining the superstructure of price. They rate equal in this respect. It is on the broad foundation of the precious metals *combined* that price must ever rest. It is there and there only that it has its origin and existence; that is, all that we understand by the term *price* as related to the metals. There are some truths which lie on the very threshold of this subject, and these perhaps the most important of all, and one is that a double standard country is necessarily a *full*-priced country, and that a single standard country is necessarily a *lean*-priced country; that, as it is through *price* foreign commerce must be carried on, the full standard nation is able to sell to the half standard one all its products at double rates, and to buy all it needs from the lean one at half rates—that is to say, the industry of the double standard nation will, in the end, so far as it is connected with foreign commerce, receive double pay as compared with what falls to the lot of the single standard nation—truths so self-evident that I need not waste words in their discussion. I do not know whether Mr. Boutwell has made a special study of political economy. That grand science has, at all events, no terrors for him. It requires, at the hands of its students, as all must admit who know anything about it, the most thoughtful preparation, the most scrupulous care. Now, hear what he says: "The utility of either of the precious metals, as a standard of value, is chiefly, if not altogether, in two particulars,—first, for the purpose of redeeming the paper currency of the country, whatever it may be; and, secondly, and mainly, for the purpose of liquidating balances with other countries." There is news for us as to the chief utility of the gold and silver coins which the hand of industry provides for the exchange of the products of industry. Their chief, if not their only use, is to keep them locked up for the purpose - vain hope—of redeeming those shoals of paper promises by means of which "credit" manages to get hold of the products of toil without payment, and to settle imaginary balances with foreign nations! He would have been just as near the truth had he told us that their principal use is to be conveyed by steamship to the middle of the Atlantic and there sunk to the bottom of the sea.

Mr. Boutwell says, with great simplicity, that it should be borne in mind that a metallic currency "is more expensive than paper." No doubt of it, Mr. Boutwell. You are not far astray there. It costs people just one dollar to dig a dollar's worth from the mine, or from any other source—the paper costs just a stroke of the pen and a little printing.

Let us hear Mr. Boutwell again. He mounts his horse of "business," couches his lance, and dashes fearlessly to the front. If he has any competitor for economic honors, he distances them all. "The chief use of the metals," says Mr. Boutwell, "whether one or both are employed, is to measure the value of the paper, which is and ever should be the chief instrument for the transaction of business." This is certainly one of the most extraordinary statements which I have ever read. It is too strong for even the most credulous reader. A moment's thought is sufficient to put it to the blush. Such notions have not the most remote connection with political economy, or with that branch of it known as monetary science. Individuals, corporations, governments, become debtors; they sign notes payable on demand or otherwise, promising to pay what they thus owe—a thing, not a myth—to industry. The chief use, says Mr. Boutwell, of the money thus taken from industry, and which they promise to return, is to measure the value of the bits of paper on which these promises are written! Is Mr. Boutwell trifling with us? Is he amusing himself with drawing caricatures at once of industry and of commerce? Is it wise to do so? Has Mr. Boutwell cast to the winds even the standard writers on political economy? Does he not know that there is now a growing literature abroad, not so very scant but that he can lay his hands on it should he desire to do so, the perusal of which, one would think, would for ever deter him from writing palpable absurdities? Is money a product of bits of paper? Is it not the product and the property of industry? Does Mr. Boutwell mean that the only use of money is to measure the value of the *material*, the paper slips? Or does he mean something really more absurd, that its chief use is to measure the value of the debt incurred to industry, the amount of which is written or printed across the bit of paper? It needs no measuring—the amount of the debt is printed there—the use of the money is simply to exchange for the goods, to pay for the purchase, one product of toil for another product of toil. How ridiculous to think that the chief use of a gold dollar is to measure the value of your unpaid purchase of a dollar's worth. When I am paying my debt to the grocer, the butcher, the baker, or when I pay my note, though it be in the shape of what is known as a bank dollar bill which I may have issued, I am but employing the money in paying for the things, the value, I have received. Mr. Boutwell would take it wholly out of the region of exchange and give it some mythical sort of employment which he calls, measuring the value of bits of paper! It seems never even to have entered his mind that money is a product of labour, or that industry itself has anything to say in the matter at all. His statements exactly suit a system which is *essentially* one of non-payment—paper from beginning to end. In Mr. Boutwell we have but another evidence, if such were needed, of the facility with which many of the doctors of political economy, or those who pass as such, allow their confidence to outrun their culture. That there is a mighty system of economy outside of themselves, planted in divine truth, regulated by divine wisdom, and not one of whose principles we can for a moment violate with impunity, seems never once to have dawned upon their minds. Instead of the unfolding of that majestic system, they endeavour to palm upon the world the crooked and incongruous schemings of their own disordered brains. To all bills of credit such as these there can be but one emphatic answer from men still claiming any freedom of thought, and that answer is, to borrow a commercial phrase, *no funds*.

It is not in this manner that questions of such solemn and momentous importance to the welfare of our race are to be treated or will ever find their solution. It is otherwise. I am glad to say, with the report of the majority of the Commissioners. This calm and thoughtful document reflects on these gentlemen the highest honour, and should be read by all intelligent tradesmen and working-men. Its authors have rightly estimated the position. They write, on the whole, in the interests of industry. So far they have produced a public document far in advance of recent British Monetary reports—these are filled principally with technical details; this is occupied chiefly with broad and important issues. I think the American gentlemen are fully alive to the important consideration that industry is the foundation on which the whole structure of human society is built, the chief corner-stone of the state and of political economy itself, and that it is the mark of wisdom to accept of it, at all times, as the true source of national greatness and wealth.

I here refer with pleasure to the concluding papers prepared by the Secretary of the Commission, Mr. George M Weston, They will well repay perusal. He treats of the flow of silver to the East; of the powers of Congress in respect to metallic money; of subsidiary silver coinage; and of the recently minted trade dollar. The following quotation from Mr. Weston shews in a new and original light the final and fatal results of the use of a paper currency: "If we pass from the borrowing to the lending side in international transactions we see the same thing in a reverse view. Lending nations never part with any money. England, which has been making loans for fifty years, never had any approximation to the amount of money it has loaned," (Curiosity may here ask, how then did it manage to loan a thing it never possessed? How can value be predicated of that which never had existence as a product of industry?) "and possesses as much now as it ever did. Its loans have been in substance (in substance?) mere credits to draw upon in payment for merchandise, and their net result has been the conversion of English iron, coals, cotton, cloths, and similar things, at round prices and round profits, into foreign securities. As the borrowing nations obtained no money, and only swelled their merchandise imports, England parted with no money and only swelled its exports." Is it true, then, as these words imply, that England has made rich by never paying, by non-payment, by suspension of payment? Is there anything more valuable in the non-payment of a rich nation than in the non-payment of a poor nation? Is this suspension of payment really the secret of the concentration of modern wealth, of the riches of the few, of the poverty of the many? What is this "credit" of which everybody boasts? Can a nation really thrive by never paying working-men? For, if "credit" is in exercise, it must have reference to the workers; for work, and nothing but work, pays all. Can we make a trade and a profit out of our actual non-payment? And is all our boast about "convertibility" of bits of paper only a blind with which we are deceiving ourselves and others? Is English political economy, so called, only a burlesque on true political economy? And is it the unravelling of this patch-work, the constant efforts to reconcile this burlesque with what is true, which has set English economists by the ears, and earned for the subject of their investigations the name of "the dismal science"? There is matter for thought, it will be admitted, in Mr. Weston's reflections. These may seem alarming questions to ask. Shall we fearlessly probe the matter, or, like arrant cowards, hush it all up? Once asked, these questions will have to be answered. Once the press puts its imprint upon them, they will never sleep more. No shutting of the eyes now—let us have the light. What is this "credit"? Is it the glorious thing of which the nations boast? Or is it only a miserable shift to get the products of toil, all the good things produced by human exertion, into our hands without payment at all?

Following Mr. Boutwell's paper, comes the minority report of Professor Bowen, "concurred in by Mr. Gibson." It is this report which I propose more particularly to examine. It is a public document placed fairly and squarely before the country, and it deals with questions of profound interest to all men. Its author approves of the reduction of silver from its full monetary function ("demonetization" it is generally called) and of the elevation of gold alone to the position of money. He thinks one of the precious metals, silver, only fit for the position of "tokens," and to be allied, for that matter, to a bit of pewter or brass. He recommends and approves the placing of degraded or subsidiary silver coins in the hands of all working-men throughout the civilized globe, and that these working-men should be compelled, by the law of legal tender, to accept, when offered in payment of their wages or in exchange for the fruits of their toil, silver dollars or fractions of a dollar, every one of which has had cut from it a piece of the pure metal when passing through the mint. He attributes the fluctuations in the London bullion market subsequent to the recent demonetization of silver by Germany exclusively to a depreciation of silver. He believes depreciation of the market value of silver does not at all impair its usefulness as subsidiary coinage; that its proper place is a subordinate one, because "its weight and bulk are too great in proportion to its value," and because it is subject, far more so than gold, to wear and tear and clipping; that the making of silver concurrently with gold an unlimited legal tender will be followed by "sudden and great fluctuations in the prices of commodities"—and so forth.

It will thus be seen that Professor Bowen's conclusions are diametrically opposed to those of the majority of the Commission. Having, in a public document, freely given his opinions to the world, he cannot complain of any free and fair criticism at our hands. It is needful, most needful, that the producers of the world's wealth, the working men, as well as all honourable merchants, should take up these questions, and examine for themselves what justification exists for statements and opinions so extraordinary, and devoid, on their face, even of the semblance of plausibility. Every economic truth, fairly met and mastered, becomes to us a tower of strength. If we steadily set our minds to the task before us we shall not be long in learning that, in the study of political economy, we are in contact with a branch of philosophy which may be called, in the broadest and best sense, the science of human well-being, which seeks the wealth and the happiness of all, the ruin and discomfort of none.

The paper opens with the statement that for 41 years, or from 1833 to 1874, the market price of English standard silver "oscillated around 60d. per ounce, never falling below 58½d., and never rising to 63d."; that in 1874 the price began to fall, the decline being inconsiderable, however, till May, 1875, after which date the depreciation rapidly increased, though accompanied with fluctuations, till it touched its lowest point, 47d., in July, 1876, and that after that period it rapidly appreciated, till in December following it was about as high as at the beginning of the year, that is, 56d. to 58½d.

The table of quotations from the London bullion circulars, shews that only once, in 1876, did the price touch 47d., when for a moment, it descended to 46¾d, at which price "an exceptional sale" was made; a quotation which, the majority report properly observes, "is of no more value than the maximum gold quotations of Black Friday in New York."

"These changes," says Professor Bowen, "must be attributed exclusively to a depreciation of silver......During the fourteen months ending July, 1876, there was no general fall of prices in the London market corresponding to the great depression which then took place in the price of silver. In July, 1876, an ounce of standard silver would not purchase either in London or New York by about 17 per cent. so large a share of commodities generally as could have been obtained for it fourteen months before. But gold had not risen. An ounce of standard gold could have been exchanged for very little, if any, more of other commodities generally, excepting silver, than in May, 1875."

Nothing can be more fallacious or inconclusive than this reasoning. No fall in prices, the Professor says, followed in the London market corresponding to the fall in silver. How could they, even granting for the moment that the change was due exclusively to a fall in silver? England is a single gold standard country, ruled by gold and gold prices,—its silver is demonetized, limited in quantity, such as it is, and only "token" coins as they are called. An ounce weight of silver coins, wherever silver was allowed to be fairly used and treated—in double standard France for example—would not only have purchased as much in July, 1876, as in May, 1875, fourteen months before, but has, for eight or ten years past, been gradually and surely *increasing* in purchasing power over commodities, real estate included, as every producer, manufacturer and proprietor knows to his cost. Had silver not at that date been demonetized in America, and had silver coin been current on this continent as it formerly was, an ounce weight of these coins would have purchased *more* of every commodity than it had done for many years before. An ounce of coined gold has also been steadily increasing, over all the world, in its purchasing power, as the lamentable condition of labour but too clearly testifies. Even if these mere bullion oscillations had manifested themselves in changes and fluctuations in prices of commodities in general (as Professor Bowen, in the silver part of his argument, would have us to suppose was at least possible), it would be as correct to say that an ounce of standard gold would now purchase *more* as to say that an ounce of standard silver would now purchase *less*. An ounce of the silver, the Professor says, would not in July, 1876, purchase in New York or London, by 17 per cent., as much of commodities as it could have done fourteen months before. Clearly, then, if this be so, prices must have *risen* 17 per cent. both in America and Britain. But prices have not risen—they have steadily fallen, and are still (January, 1879) falling every where; and an ounce of standard silver, coined even into the degraded or "token" currency of England, would have purchased in July, 1876, over all England, as much as it did fourteen months before. The vastly increasing power now given to English gold necessarily carries with it, in its upward movement, in the matter of exchange, the small stream of degraded English silver. "O, but," perhaps says Professor Bowen, "I mean prices as related to uncoined silver, to silver bullion, and in countries where we have, by our advanced intelligence and legislation, managed to destroy silver as money." But that would, on its face, be a most absurd statement. On the one hand it would be unjust to destroy silver as money, to demonetize it, and then set up a hue and cry against it on the score of imbecility,—and, on the other hand, such a thing as separate and independent prices for commodities in silver bullion was never known, and never will be known. The true test is, not to destroy the silver coin and convert it into bullion, but to find what silver coin, legally guarded as gold is guarded, and no more, still continues to buy. It buys as much as it ever did. It stands the test. It is an utter impossibility for any man to lay his hand on a single product of industry in any quarter of the world, and truthfully say, "this thing has risen 17 per cent. in price owing to the fall of silver in the London bullion market 17 per cent." What has really happened is, that the destruction of the silver in so many quarters, and the closure of the mints against it, have not only narrowed the metallic basis on which prices are built, and by which they are sustained after being built, but created a pressing demand for gold, to be converted into coin, and thrown on the market a vast quantity of silver bullion, or now obsolete coin, far in excess of the present demand. The meagreness of the demand is the *result* of the destruction of the silver coin and of the arrest of silver coinage by so many European governments, notably by that of France. Practically, the gold bullion is in short supply or in large demand—the silver bullion is in excessive supply and in short demand. Every merchant can trace for himself the processes now set forth—he is familiar with such movements every day. Only, let it be noted, it is not an industrial movement, not a genuine exhibition of commerce, but the fruit of national fears and follies, of violent proceedings against silver money. The holders of gold, and those who are in a position to demand gold, are now the powerful men. Where does the pressure begin and end? Not directly as between gold bullion and silver bullion, not with bankers and bullion brokers, but with the men *who work*, and who add by their toil to the wealth of the world. The emoluments of industry stored up in its silver are transferred to the gold men. The broad foundation of price is destroyed. Those who own gold, or what passes as gold, are able to demand the entire products of industry almost on their own terms. The wealth of the world is in their power. Gold and silver are provided by nature, not the one for rich people and rich nations, the other for poor people and poor nations, *but for industry and the uses of industry*. It is industry which creates the wealth of the world. It is from industry that nearly all value springs—an infinitesimal portion springs out of mere commerce. It is not poverty, but wealth, which is associated with industry, therefore gold and silver are associated with industry. The same toil which digs the gold digs the silver; the same laws which implant value in gold implant value in silver; the same laws which regulate the distribution and circulation of gold regulate the distribution and circulation of silver; the same laws which make it necessary that every nation should hold gold, make it necessary that every nation should hold silver. Human labour, and consequently real value, is embodied in each according to the quantity produced. Price must, therefore, spring equally from both,—that is to say, a thousand dollars in silver is as good a foundation for price as a thousand dollars in gold—there is no inferiority in silver. Never did a nation make a greater mistake than to cast out its silver. It has all but ruined Germany, and brought disaster and anxiety to every nation in Europe. We might as well expect to get along without sunlight as expect industry to prosper without its silver. The experiment has been also tried on this continent, and with most fatal results both to industry and commerce. On the back of the destruction of price, *poverty* comes sweeping in with all its hideous train, and the masses are not able to buy the very things made by their own hands, cheap though they have become. Nothing is wanted but money—everything is on hand but money—and this money, the money of the people, we deliberately destroy. Plenty of silver is synonymous with plenty of trade—the destruction of silver is the destruction of the poor, the cramping of trade, and the ruin of manufactures. Never did tradesmen make a greater mistake, as regards their own interests, than to permit the silver to be swept out of their hands, or out of their customers' hands. They will experience the result in slackened business and a universal cry of no money. It is the rooting up and destruction of the very seed-bed from which all growth springs. One evil impels another and carries us all bodily on the downward course to ruin, and prices never can permanently recover themselves with such destructive forces at work. Speculation may galvanise markets into temporary excitement so as to run their short day of delusive prosperity, but that will be all. It is the masses who buy and consume; it is on the masses we depend; and to destroy the money of the masses is to bring all at last to ruin. All these results, so terrible to contemplate, are to be looked for outside of bullion fluctuations in London. These fluctuations may cease, and silver even come to be again quoted there at 60d. or 61d. per ounce, but this would not recover for industry what it has lost and continues to lose by the demonetization of its silver. Price may be represented as the beam of the scales which hold our gold and silver, sensitive to the slightest vibration; and universal demonetization of silver is practically lifting the silver bodily out of the silver scale into the gold scale. The English economists and the English Journals still cling to this monetary infatuation, but it is just the broad road to utter ruin. Is it fair, is it honest, to demonetize silver, and thus transfer its value to gold, clothing the latter with illegitimate power, and then treat the silver as if it were a deception and fraud? Gold has now had imparted to it such power by this insane crusade against silver that it will purchase at this day at least 50 per cent. more of all the products of toil than it would ten years since. But all this points to the ruin, not only of the debtor, but of the creditor as well. A universal destruction of silver, such as Professor Bowen recommends, would be the confiscation of one half of the industrial resources of the civilised world, and all for the benefit of holders of gold, or of those who would thus derive their vast revenues in gold or on a gold basis. It would be emphatically the filling of the rich with good things, and the sending of the hungry empty away. Silver is the great *fertiliser* of commerce. Nationally to demonetize it is just as wise as to pass an Act that henceforth no more manure shall be incorporated with the soil. We poor Canadians drove out the silver, and now sit amidst our ruins and wonderingly ask what has gone wrong with our commerce and manufactures, and why it is that the commercial history of the country for the past six or seven years may be summed up as one constant stream of bankruptcy and distress.

Professor Bowen thinks the purchasing power of gold is steadily decreasing. Surely he must stand alone in such a belief. The stock of gold in the world during a recent period has about doubled, and yet its power over industry to-day is the power of a merciless and destructive tyrant, of "a sweeping rain that leaveth no food." We witness what appears to be a "glut of commodities," which thoughtless people say is "over-production" and the cause of our troubles, when the real fact is that the bulk of the people are now in poverty, and have no money with which to buy – actually starving in the midst of plenty. If the world's money had not been destroyed by the present merciless system of demonetization and paper, tens of millions now in poverty would have been in comfortable circumstances, and their domestic wants. backed with their own legitimate purchasing power, would. in a week's time, have swept the markets bare of every good and pleasant thing. I am no advocate for degraded silver or silver at a discount. I advocate full standard silver, equal in every respect with gold, because there is not the shadow of a reason why it should be degraded or demonetized at the hands of any government.

I am constrained to say that I think Professor Bowen entirely misapprehends the nature and functions of money. He would strike from the mighty and productive hand of industry its full silver money; he would lay an embargo on the mintage of the coins; he would reduce the fertilizing tide to a sluggish and sickly stream; he would deliberately do, under the guise of law, what honest men never think of doing in their transactions,—transfer almost bodily, and without recompense, the value of the silver into the gold; he would despoil the producer for the benefit of those who traffic and speculate in the produce; he would make this noble metal a fugitive and a vagabond on the earth. Were it in the nature of silver to be able at will to cast itself loose from its golden brother, and to take a separate and independent course and position, distracting commerce and corrupting values all round by its erratic proceedings, I would all but feel inclined to join him in his prejudices against it, and to second his efforts for its destruction. But it is not so with silver. For good, and for good only, the hand of labour once and for all joins it to that golden brother, and to the end of time there is an inseparable union between them. One price—not two prices to distract and disturb—but *one price* springs from this union. It is a notable fact, which all who study this question are required to bear faithfully in mind, that *two prices* can never issue from gold and silver money, except through our own blindness and folly in reckoning their relative values in the process of minting. This would be but a mintage error, and not something erroneous in what we understand by the double standard. Were all governments to decree that gold and silver be coined and pass current at the relation of one to ten, we would instantly have a gold price and a silver price for the products of industry over all the world, or a refusal of one of the metals to buy at all,—a protest from money itself, and a warning to us to be both honest and intelligent in our mintage of the two metals, but no excuse to us if we deliberately destroy one or the other; for, in the one case, we would have but a little confusion and some extra calculations in our purchases and sales; but in the other (the demonetization) we would have the ruin of industry. So far as the interests of industry are concerned, there is but one standard, not two. The gold standard alone, or by itself, is but half a standard; the conjoined metals are the full and the true standard—the one a paling and sickly moon, the other a bright and full-orbed sun. Speaking roughly, there is about as much silver money in the world as there is gold money. And these two powerful forces combined—and combined, not by the hand of law or by the words of Acts of Parliament, but by that mighty and irrepressible factor, human labour—must ever prove the true foundation of *price*, and the security of those stupendous interests of the family, of the nation, and of the race at large, embraced in a term so simple, yet about whose movements and fluctuations all the world feels so sensitive, because in them every human being who toils has a living, constant, and personal interest. Millions of workers are for ever investing their labour in this joint mass of gold and silver, not so much in each metal separately as, after mintage, in both combined. In every exertion I put forth, in the smallest thing I offer for sale, I have an interest in both metals, and bear an immediate relation to both. I trust my labour to the entire mass, for it is out of the entire mass—not out of gold alone—that that price springs through which I look for the reward of my toil, or a just return of my outlay. Price, the fruit of the combined metals, is at once the common property and the common safeguard of all industry, and ruthlessly or carelessly to strike down one of these noble metals—to clip here and maim there, to defame, deface, or destroy—is a crime revolting to the instincts of our common humanity, as it is ruinous to every human interest. What these interests are, no array of mere figures can ever set forth. Human prosperity cannot be measured, human misery cannot be gauged, in dollars and cents. The nation which deliberately destroys or casts out its silver money will sooner or later come to destruction itself; its commerce will eventually decay, and its working-men will, in the end, be reduced to paupers. It is a great and terrible crime which must be greatly and terribly avenged.

In no respect, industrially or commercially considered, does a bit of gold differ from a bit of silver, except that the one embraces greater value in a smaller bulk or lesser weight than the other. This is the only difference. A day's labour of digging gold is just worth a day's labour of digging silver. The value is not really in servitude to the *bulk* of the product. If a day's labour permanently produces double bulk to what it formerly did, there will not be double value—the product will tend to fall one-half if other things remain the same. Hence the relative weights of masses of silver and gold do not determine the value, but the value determines the relative weights at which they shall be coined, so as to ensure an equation of value should they be exchanged for each other or sold for goods. It is not because 15½ lbs. weight of silver are handed over in exchange for one pound weight of gold that these quantities are of relative value, but because they are of relative value that these special weights are handed over. There cannot, in the nature of things, be a cheaper precious metal and a dearer precious metal, a weaker one and a stronger one. Now, the white money has never given the shadow of cause why war should be waged against it in this persistent manner. The fluctuations of the London bullion market, on which Professor Bowen principally grounds his antipathies to silver, are in reality *the result of demonetization*. England destroys one of the precious metals—silver. She knows, or ought to know, that the world will never consent to it. Not one in ten thousand of her own people know that it is so destroyed, or what is meant by demonetization. This process naturally creates a market of gold as against silver, and anon of silver as against gold. Her public men and teachers, with these facts full before them, do not scruple to ask us to believe that the fault is with the nations who are preserving the money of the world (with double standard France, for example), instead of with the nation that is destroying the money. America refuses belief in such a monstrous doctrine, and refuses, I am glad to say, to be a partaker in such a public crime. If, at any time, as the result of such doings, France has at times been drained of much of her silver or much of her gold, she has nothing to be ashamed of, and has, in every such case, profited by the folly of her neighbour. Were there no national destruction of either of the metals, and were all minted on a common and correct ratio, not only would there be no fluctuations, but the bullion market would lose all its speculative and gambling character. The producers of silver would take their bullion to be minted, and that would be the end of it. There would simply be a market for bullion for the arts. Speculation in two things of exactly equivalent value, commanding but one price throughout the world, and employed interchangeably for one and the same purpose, would necessarily entirely cease. The opportunity for speculation and gambling would be gone. Let us mark the important fact that there is no profit or saving to the human family in mere exchanges of gold and silver bullion; but there is immense saving of labour to the race in exchange of gold and silver coins for goods. The demonetizers themselves create and sustain this bullion market, and then scold and defame the metal which they are doing their utmost to destroy. Hear these weighty words from the majority report: "It is doubtful whether any of these changes in the relative value of the metals should be ascribed to changes in their relative production. They were practically confined to the London market, and measured the varying premiums (the Commissioners are referring to a rise in silver following on the Indian demand a few years since) which England was obliged to pay for the luxury of a gold standard." Report, p. 27. The silver "depreciation" in relation to India, and as a source of great loss, has brought the whole question squarely out before the British public. It seems, indeed, as if on every hand the whole world were astir on these great industrial problems. It is, unmistakeably, the call of Providence that we should examine if our ways be right and true, and pressing these questions home upon us with an urgency not to be defeated. This silver problem has been brought to our very doors. England has a gold empire at home, a silver empire abroad. The Indian Government has had to face the most serious difficulties brought upon it by this war against silver. Thus the subject assumes national importance, and imperatively calls for free and full discussion.

If silver be destroyed as money, the prices of commodities do not then indicate, as they always ought, the value of either gold or silver, but only the arbitrary power of purchase acquired by the gold as the result of the demonetization of silver. It is an instantaneous corruption of price and value all round. There can be no true price in such a state of things. No fact can be clearer in monetary science than that the demonetization of silver illegitimately augments, to a corresponding degree, the value of gold. I do not know an enemy of silver, or a supporter of the single standard, who has ventured to deny or question such an obvious result. The poorest toiler amongst us has as deep an interest as the heaviest millionaire in the security and preservation of that price which flows from the conjoint action of the masses of gold and silver. With it is bound up all the interests of his life's toil. The moment silver is produced from the mine it must be permitted to go forth, with its embodied labour, and without hindrance, wherever its owner may choose to seek for it a market, or wherever the demands of the market may thereafter distribute it. Arrested, tampered with and maimed, it may for a time hide its head and seem to acquiesce in the violence, but it will not fail, some day or other, to find its revenge. Combined with other causes, some of them no doubt powerful, demonetization of silver money has produced an amount of misery and trouble which never can be reckoned. Freely and fearlessly accepted and coined, as it is freely produced, it will come amongst us only to cheer and bless, never to injure or impair the hand which produces it. What I wrote in 1872—quoted on the title page of the present work—I may surely repeat with stronger emphasis in 1879. I leave in the hands of the mutilators of our money, what these seven eventful years have embraced of commercial distress and industrial despair.

I do not see how a word can be added to what the majority of the Commissioners so clearly set forth as the causes of the late bullion fluctuations. I quote the passage in full: "The causes which, in concurrence, produced the fluctuations in the relative value of gold and silver, which culminated in July, 1876, were:—

"First. The demonetization of silver by Germany in 1871, by the United States in 1873 and 1874, and by the Scandinavian States in 1874; the limitation on the coinage of silver imposed by France, Belgium, Switzerland, and Italy in 1874; the closure of the Holland mint against the coinage of silver on private account in April, 1875; the refusal of Switzerland, in 1875, to coin silver at all; and, in the summer of 1876, by authority given to and actually exercised by the President of the French Republic, the suspension of the silver coinage altogether; the Spanish royal decree (1876) closing the mint of that kingdom against private depositors, and declaring the purpose of that Government to demonetize it for all sums exceeding $28 at the earliest practicable moment; and the submission (1876) to the Dutch Legislative Chambers of a ministerial project of demonetizing silver in Holland, and of extending to the mint in Java the restriction against coinage for individuals already imposed (April, 1875) upon the mint in Holland.

"Second. A serious decline, for the time being, in the India demand for silver.

"Third. An increase of production of silver in the United States, considerable in fact, but the effect of which was immensely increased by exaggerations, and by the persistent error that the yield of the Comstock lode was wholly of silver, when it was really about one-half gold.

"Fourth. The summary suppression by Germany of $130,000,000 of bank notes, and the consequent demand for gold to take their place.

"Fifth. A law of the United States, enacted in 1875, ordaining a resumption of payments in gold January 1, 1879, and thus menacing the world with another enormous demand for that metal"

With reference to what is said above as to the action of the stoppage of the mints, we can hardly venture to allege that the arrest of silver coinage contributed *directly* to its fall. It is sufficient, and within the truth, to say that the shutting of the mint doors confirmed it in its downward progress, and prevented the rise in the metal which was certain to have been more or less brought about by the mints remaining open.

It is manifest that Professor Bowen, like many others, has been led astray by the mere *quotations* of the London fluctuations. These quotations, as given from day to day, make it *appear* as if silver only were on the move; and, with reference specially to the fluctuations of 1876, as if that metal were then constantly descending in the scale from some point or platform on which gold remained as immoveably fixed as the key-stone in the arch. It is evident to me, on a careful review of the papers of Mr. Boutwell and Professor Bowen, that both these gentlemen have pinned their faith to a "fixed" standard of gold—that they confidently believe that the meeting together of a few gentlemen, under the name of a Congress, a Parliament, or a Reichstag, and shouting loudly "a standard, a standard!" settles the whole matter; that the golden image is thereupon lifted to its pedestal, to remain there for ever fixed and fastened, and competent to rule, without hindrance or dispute, and with a tyrant's sway, all the world of labour and all the world of value,—to compel its silver brother to crawl abjectly around its feet, and to set at nought all rules of monetary science and all principles of political economy. A strange faith indeed! Professor Bowen may rest assured that gold cannot thus be tied up in an Act of Parliament. It is beyond the power of any Government to "fix" the price of either of the metals. Belief in such power is a fatal heresy, which has corrupted English commerce, and monetary science as expounded by Englishmen. It would be a violation of all known rules of demand and supply to imagine that a sudden and powerful demand for so great a quantity of gold as has recently been made by Germany would not enhance the price of that metal as compared with silver. If about a hundred million dollars' worth of silver, thrown as bullion by Germany on the London market, depressed the price of silver, the simultaneous demand for several hundred million dollars' worth of gold, as bullion, must have raised the price of gold. There was an interchange of the metals. Germany gave her silver, so far as it went or was offered, in exchange for the gold. The demonetizers have as little valid reason for saying that the movement was owing entirely to a fall in silver, as I have for saying that the movement was entirely a rise of gold. It would not even be correct to say that *now* the movement is practically, so far as gold bullion and silver bullion are concerned, *as if* silver had fallen say 10 per cent.; for the material point of comparison necessarily involves some position, some former plane or platform, on which both metals stood agreed, and from which both (not one only) have departed. So that in no sense, and in no relation whatever, is it entirely a fall in silver or entirely a rise in gold. The five points risen by gold can never be converted into the five points fallen by silver. There has been nothing about the movement which we can associate with the free, just, and equitable operations of a pure commerce. The law of monetary dynamics is as invariable in its operation as the law of physical dynamics. A vast amount of silver thrown on a market from which there was no outlet must have depressed the price of silver as measured in gold; the withdrawal of a large amount of gold from a market where there is a constant demand for it must have raised the price of gold as measured in silver. In reality there has not been a single sale of silver bullion made in the London market, but it is as true that less gold has been given for more silver, as that more silver has been given for less gold. The one truth is the complement of the other. A few millions thrown on the London bullion market will at once alter the current quotations there. A hundred millions of silver thrown on that market where silver coin is not used as full legal tender, and where a heavy limitation is imposed upon its mintage, accompanied by a simultaneous demand for several hundred millions of gold from the same market where gold coin only is used as full legal tender, and no limit is put to its coinage, could not act otherwise than in raising the gold as much as depressing the silver; indeed it would be reasonable to suppose that it raised the gold more than it depressed the silver. In one year, it is stated, that not far short of 70 million dollars' worth of silver was thrown by Germany on the London market. The wonder is, taking into consideration all the powerful forces set at work within two or three years to depress silver and enhance gold, to hang over it those constant fears which demoralized the bullion market, that the divergence was not far greater than it has been. Notwithstanding all that special pleaders have got to say towards its condemnation, it is manifest that the world has still faith in its silver, and that the value implanted in it by the toiler's hands is not so easily destroyed as its enemies imagine. On the ground of that faith I say that France or any other nation need not hesitate a moment about opening its mint doors to the full and free mintage of silver. Let them fearlessly mint all that offers. There is not a workingman in France, nor a merchant there, but knows full well that the 5-franc silver piece in his pocket is equal in every respect to his 5-franc gold piece; there is not a merchant or working man in America but knows the same thing with regard to his silver dollar and his gold dollar. Why, then, should we fear or hesitate?

Manifestly, the exchange of the metals, the one for the other, whether in the shape of bullion or coin, is a matter of most trifling importance compared with the never-ceasing exchange of the metals for the products of industry. I claim for the bi-metallists that we hold that the *industrial* ratio of exchange —that is, the relative rates at which silver and gold coin will exchange the same commodities at any given time—is a far more powerful factor in the settlement of the true relative values of the metals than the *bullion* or brokers' rates of exchange in the London bullion market. The monometallists must, I think, necessarily hold the reverse view, namely, that the bullion ratio dominates the industrial ratio; that the ratio formed by demonetizers and speculators is superior to the ratio formed by industry itself. The industrial ratio, as every body knows, is 15.50 to 1 or close on these figures; the London bullion ratio is at present say 18.50 to 1. There are ten thousand transactions in the 15½ ratio to one in the 18½ ratio; these are the transactions of commerce, the others the transactions of bullion brokers and speculators. The 15½ ratio is steady as a rock; the other is daily shifting and exhibiting pranks which the monometallists themselves can neither explain nor understand. It is a ratio which has cast itself loose from all true commercial or industrial restraint. It has placed itself outside of all industrial consideration, and, instead of being applauded and fostered, is deserving only of execration at the hands of all intelligent men. There is no known change in the relative cost of production of the two metals. There has not even been the faintest sign of any such change in that direction where such a change must necessarily first manifest itself. Is it to be expected, then, that the bullion brokers will finally overpower the hand of industry; or that even the foolish hatred of silver on the part of all the Governments of Europe will ever eradicate from the human mind those deep-seated sentiments which it holds regarding one of the great metals? Gold, as bullion, never leaves a nation because it has really become dearer than silver, nor silver bullion because it has really become dearer than gold. They do so, because England, principally, has created what may be called a bullion or coin market by her suicidal policy of the half standard. The whole, or so-called double standard, is the only way to secure that the metals, once coined, shall remain coin, and that nothing shall separate the bullion from the coin but the cost of mintage only. The present contest is one between the wide world of industry, and forces set at work to destroy that industry through the destruction of its money. Can any one doubt where the victory will finally rest? To which of these two forces will the wise statesman turn in selecting facts as the basis of legislation? Will this great land, America, ever consent to legislate in the interests of money destroyers, and for the ruin of our industrial resources? Will the people of Canada not arouse themselves to the peril of having our vast Dominion shut out from contact with this great fertilizing tide? We are simply destroying ourselves with this dangerous and crippling monetary policy. I cannot conceive of anything more deplorable than that England, or English statesmen, should even hint of such a thing as demonetization to a full standard nation. I cannot think of anything more honourable, more truly beneficent, than America stretching out her hand to Europe, as she recently did, and inviting to a calm and dignified conference towards a restoration of the money of industry. If demonetization of silver is good for England, it must be good for the whole world. But the proposition to destroy the full monetary function of one-half of the world's specie is too monstrous to be generally entertained; and, notwithstanding the present position of affairs, I am pretty sure that the idea is growing very rapidly into disfavour, even in English circles. The writings and labours of M. Léon Say, M. Cernuschi, and other well-known European economists, have cast a healthful influence far and wide, and I feel it to be an honour to follow in the steps of such distinguished men. Let America stand firm with her old ally, France, in defence of true money; and let her do better than even France at its best has done, by minting *every* silver coin true to what it represents itself to be. Let us become eager to shew our faith in our silver by minting every particle of it true. Let us be done with all this monetary deception. I invite all bi-metallists who read these pages to become better bi-metallists still,—to become, with me, full bi-metallists, and to determine that no effort shall be spared to secure that no coin, silver or gold, even down to the smallest, shall ever be sent forth on the great world of industry stamped on its face with falsehood and fraud.

I have said that Professor Bowen seems to have been led astray, to a certain extent, by the manner of making the bullion quotations in the London market. Probably he has accepted of these published quotations, in their gradual descent from 60d. to 47d. per ounce of standard silver, as evidence that silver only was experiencing a change, and that that change consisted of a rapid and continuous fall. I think I am fully warranted in coming to such a conclusion.

On this point, I make the following quotation from a paper recently contributed by me to a public Journal.

"But why, then, is silver quoted as having fallen 10 per cent.?

"It could not, in the known circumstances of the case, be otherwise quoted.

"England is a single gold-standard country. Everything, silver bullion included, must of necessity be quoted *in gold*. So far as mere quotations of prices are concerned, gold is there held as if it were an immoveable standard. But, as it is impossible to throw a large and clamant demand on gold without raising its price, the quotation of silver in London at 90, or 10 per cent. discount, manifests a fall of silver to the extent of 5 per cent., and a rise of gold to the extent of 5 per cent. Each has receded to the extent of 5 per cent. from par.

"Suppose, now, that England were a single-standard silver country, how would the metals be quoted in London?

"They would be quoted in silver. Had Germany been a single-standard gold country and demonetized her gold, replacing it with silver, gold would have been quoted in London at 10 per cent. discount, just as silver has lately been quoted. It could not be otherwise. Silver would *appear*, in that case, to dominate the gold But in reality the gold would have fallen 5 per cent., and silver risen 5 per cent.

"Suppose, again, that England were a double-standard country, and that the same things had occurred with the metals, silver being demonetized in Germany, how would the quotations then be made in the London market?

"They would have been made in the double standard of England, let us call it the pound sterling.

"Would they have been quoted, silver as at 5 per cent. discount, and gold as at 5 per cent. premium? No, not in that way.

"They each, when severally referred to, would have been quoted, silver as at 10 per cent. discount from par, and gold as at 10 per cent. premium above par. Yet the divergence *as quoted*, would not be 20 per cent., but only 10 per cent. The price of silver would have been quoted at 18 shillings (18s.), the price of gold at 22 shillings (22s.), apparently a divergence from par of 10 per cent., but in reality a concurrent rise and fall of 5 per cent.

"Again, suppose England were a silver single-standard country, and that Germany and several minor European States had taken exactly the course they have recently pursued in the demonetization of silver, and that silver had been largely thrown on the London market and gold largely exported—how would the metals have been quoted?

"Gold, in place of silver, would have been under quotation, and it alone would have been quoted as having risen 10 per cent—all showing, as plain as words can point out that, in the case which is now causing so much discussion, gold has *risen* as much as silver has *fallen*.

"If the United States were to demonetize gold, she would pay her debts in a "bloated" silver dollar—were she to demonetize silver she would pay her debts in a "bloated" gold dollar—if she monetizes both metals, she will pay her debts and undertake all commercial transactions in a true dollar.

"It therefore needs no demonstration to show that, if the silver dollar now issuing from the American mint is a dishonest dollar because silver has *fallen* 5 per cent., the gold dollar must be equally dishonest on the score of gold having *risen* 5 per cent.

"But the silver dollar now being coined is a most generous dollar. It stands three gold points out of these five above the European ratio between silver and gold. To prevent America re-coining her silver dollar of 412½ grains would most certainly issue in dishonest dollars, and would be a repudiation of contract, on the part of the single-standard men, of bonds payable 'in coin.'

"What becomes, then, of all the talk about a 'dishonest' dollar, or of that financial monstrosity, a '90-cent dollar'?

"England has nearly 100 million dollars' worth of silver in circulation—does any body charge England with dishonesty because she has not called in and re-coined her silver on the ground of this alleged 'fall'? France has 300 to 400 million dollars' worth of full legal tender silver in circulation—does any body charge France with dishonesty or repudiation of contracts because she has not called in and re-coined her silver out of deference to recent panic prices in the bullion market? Germany itself has still about 200 million legal tender silver thalers in circulation,—does anybody charge Germany with dishonesty because she does not instantly call in and re-mint that silver? Is it not preposterous to single out America and brand her with infamy simply because she is re-coining her silver on the old and time-honoured ratio, *a better ratio than is adopted by any European Government*, at least 9 per cent. better than the silver of England; 11 per cent. better than the new silver of Germany; 3 per cent. better than even the legal tender silver of France." *

(*) A pamphlet of 30 pages, "Ought We to Demonetize Silver?" by Mr. Peter Marie, has recently been sent to me. I am interested to find that Mr. Marie employs much the same train of reasoning as I have here

Professor Bowen now goes into some statistics as to the supply of gold for the past twenty-five years, and quotes Professor Jevons' work on the Fall of Gold. In my opinion there has been a great deal of moonshine written on this alleged "fall of gold." At all events we would now-a-days need a new edition of Professor Jevons' book with a new title "The Rise of Gold." Relatively to silver, gold has not fallen; relatively to the products of our toil, it has risen immensely during the last six or seven years. In the words of one whose great services in defence of silver money can never be overestimated, Senator John P. Jones,—"As a measure of value gold lacks the stability, steadiness, and universal distribution of silver. Ten years ago 100 grains of it scarcely purchased a day's labour of a mechanic in this conntry. Now 50 grains, or less, will purchase that amount of labour. It is the same with commodities, and commodities not only in this country, but all over the commercial world." (The Optional Standard, by J. P. Jones). Professor Bowen, however, believes in a slow and gradual fall of gold, consequent on the greatly increased supply since 1850. I quote his words, p. 141: "While the fall of gold has been so slow and gradual as to be with difficulty detected, except when we regard its aggregate result after the lapse of a number of years, the depreciation of silver has been sudden and very great. It took place, as we have seen, in less than two years, and it amounted to 20 per cent. Its causes are easily discovered. Chiefly through the discovery and the rapid development of the silver mines in the United States, there was a sudden and immense increase of the supply, and that was soon followed by an independent but considerable diminution of the demand. Those two causes united, created something like a panic, and several of the Governments of Europe made haste to get rid, so far as was possible, of a commodity which, as it seemed, must rapidly decline in value, and to preserve their standard of value

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used as to the *rise* of gold in conjunction with the fall of silver. This is his language on the point: "Admit, only for argument's sake, that gold has risen, would you not express that rise by stating that one ounce of gold, formerly worth 16 ounces of silver, has gone up to 17¼ ounces, and would not the price of silver be quoted in London as it is now, 54 pence; and if gold kept rising, although silver stood still, would not the price in pence, necessarily continue falling? As the formula runs, whether the fluctuation be wholly confined to gold, or wholly to silver, or partly to both, it is the silver quotation alone in every case that seems to vary. In the present case, there is undoubtedly a two-fold change—a rise in gold and a fall in silver." Much the same reasoning, it will be observed, and the same necessary conclusion.

by demonetizing silver." The Professor attributes the alleged fall in gold some years since to the greatly increased supplies of that metal. Now the silver "fall" must, according to his views, have been brought about by the same cause. Can we find any explanation of the alleged fall of 20 per cent. in the tables of production furnished by the Commissioners (p. 56). Not the shadow of it. Look over these tables carefully from 1800 to 1875 and what do we find?—that whilst the annual supply of gold has varied all the way from 13 millions a year up to 193 millions, the extreme range of silver has only been between 35 and 76 millions a year, and the annual movements much less erratic in themselves than the corresponding annual movements in gold. There was nothing extraordinary in the production of the years 1874–76 to account for the fall of 20 per cent. If *quantities* be at the bottom of this subject, there must have been a sudden increase over current average annual production (or within three or four years at any rate) of something like an aggregate of 600 million dollars of silver coin, accompanied by a total cessation of the yield of gold! The increase of the out-turn of silver for 1874, '75 and '76 over what it was ten years previous to that time, was not equal to the amount estimated as annually required for the arts. The supply in 1865 was 62 millions—in 1875, 72 millions. And yet the Commissioner imagines he has "easily discovered" in this slightly increased out-turn of silver the cause of the fall of 20 per cent. in the value of a stock of coin of over three thousand millions of dollars! By the "independent but sudden diminution of the demand" for silver I suppose he has reference to the wants of India. It is true that for a few years preceding 1876, the demand for the East lulled somewhat, requiring only about 20 millions a year. But it is also true, to quote Mr. Weston, "that India's money demand has resumed its normal condition of activity and power, and in fact far exceeds the average of 20 years past." In the year 1877, the metallic exports to Asia amounted to 105 millions—in the year just closed, 1878, to at least 75 millions. I am at a loss to conceive how any one can find, in either of these circumstances, the slightest explanation of this so-called fall of silver.

"The Comstock lode," says Professor Bowen, "has been for our own times what Potosi was for the 16th century, though its effects have been developed much more rapidly."

Potosi was not accompanied, as the Comstock has been, by the demonetization of several hundred millions of silver money, and by the closure of all the mints of Europe against the coinage of its product. Its silver treasures were welcomed. The money destroyer was not abroad in these days. It was about thirty years after the discovery of Potosi that any enhancement of prices began to be discernible. The stock of metals at that period, the Commissioners observe, was but a slender one, and therefore less able than now to resist the disturbing influences of large additions. Besides, there are a multitude of influences, outside of the precious metals, to be taken into consideration in estimating the effects of the supplies of these metals, and which render all conjectures as to prices, with their variations, pretty vague and uncertain. If, before 1570, a quarter of wheat sold in England for two ounces of silver; and if, in consequence of Potosi, according to Professor Bowen, a quarter in 1600 sold for six ounces, the increase of money being from say 50 millions to 126 millions, then the quarter of wheat should have sold in 1700, when the stock was 1450 millions, at somewhere about 27 ounces of silver. But he says that the price of wheat arrived in 1600 at a point from which it has not receded to this day. All shewing how futile the attempts to calculate prices simply on the shewing of the supplies of the precious metals. In fact, it is known, on the best authority, that prices will remain undisturbed, or may even persistently fall, in the face of large and increased supplies from the mines. The movements of commerce, and the opening up of new fields; the increase of productive power; the rapid growth of modern cities; the peopling of new States; the vast additional area brought under cultivation; the construction of railroads and other large public works; are all forces immeasurably greater than those flowing from the annual out-turn from the mines. If the addition of thousands of millions has failed to affect appreciably the price of wheat for centuries, it is not at all likely that the supplies from the Comstock lode will endanger a single interest. As to the "effects upon our own times," which the Professor fears from the Comstock, it may surely quiet all apprehensions when we reflect that the annual yield from the entire of the Comstock lode has been only about 15 millions, *nearly one half of it in gold.**

Is the 55 per cent. of silver dangerous and pernicious? Is only the 45 per cent. of gold healthful and good? Is it upon the thin edge of this 5 per cent. that the worthy Professor would

(*) "Its production (silver) in all other places than Nevada is not increasing, but rather decreasing, and the famous mines of Nevada are but pockets that may soon be emptied."—Gold and Silver—Address before the American Bankers' Association, by W. S. Groesbeck, of Ohio, 1877—a valuable contribution to the literature of Monetary Science.

venture with all his schemes for the emasculation of our silver?

Professor Bowen quotes the annual yield of the Nevada mines as examples of the suddenness and largeness of increase of silver—in 1870, 16 millions; in 1875, 32 millions. In 1861, and steadily for ten previous years, the total annual supply of the world, 40 millions; in 1875, nearly 80 millions.

Compare it with gold. In 1848, 67 millions; in 1852, 193 millions. Silver doubled in five years, but gold nearly trebled in four years. At no time during the present century has gold been able to shew such a steady record as silver, namely, 40½ millions for ten consecutive years. For suddenness and largeness of increase silver cannot compete with gold. The reasons are obvious. Silver is laboriously extracted generally from mines of more or less depth—gold is gathered mainly from placers and surface washings. If steadiness is the thing desired by the monometallists, then silver is the metal eminently fitted to hold up the gold—cut the silver adrift and the gold will at once shew that its true support is gone. Witness single-standard England, hardly ever out of fever about her gold. Silver has in past times demonstrated its capacity to move the commerce of the world for hundreds of years at a stretch, what, I am sure, gold alone is incapable of doing, unless, indeed, we can imagine a state of social existence in which industry has neither position, rights, nor rewards. It is only on such a platform that the money destroyer can venture with his wild projects.

It is worthy of special observation that, during the ten years subsequent to 1848, when the immense treasures in gold were thrown on the market from California and Australia, there were no such disturbances in the bullion market as have recently been witnessed in the case of the silver. The decline, during all these years, in the silver price of gold, was something under 2d. per ounce. The explanation of this difference in results must be sought for in the fact of a determined combination to ruin silver as money such as was never launched against gold, unfortunately aided, as that combination has been, by the temporary fears which the course of Germany has inspired in the countries forming what is known as the Latin Monetary Union. If my words should reach the able public men deeply interested in that Union, let me say to them that I hope foolish fears or prejudices will never be permitted to endanger the practical working out of one of the noblest problems ever brought before our race, a problem having the happiness and welfare of many millions now in its keeping, and that this grand Monetary Union, at first ventured upon in the faith of true monetary principles, will spread and grow till it takes the entire commercial and industrial world under its benignant sway. France at this moment holds destinies of no ordinary nature in her hands. She has distinguished herself beyond all other nations as the conservator of true money. I hope Frenchmen will be true to their principles in the future as they have been in the past.

Professor Bowen stands before the Comstock with fear and trepidation. The Comstock is the head and front of the offending. The out-turn of its glittering treasures fills him with apprehensions of national disaster and industrial ruin. "No wonder then," he says, (he has the Comstock and the falling-off in the India demand before him) "that the depreciation of silver should have been as sudden and great as that which we have witnessed, and that the principal states of Europe should have made haste to get rid, as far as possible, of their large stocks of this metal, and to substitute gold for silver as their standard of value. In the opinion of the undersigned, it will be wise for the United States, as far as may be, to follow their example." He is expert at figures and calculations. I place the following before him for solution. If an addition, from 1850 to 1875, of 1279 millions to the world's stock of silver caused that metal to fall 17 per cent. below gold, what would be the effect of the addition of 3327 millions to the world's stock of gold in the same period? If a decline in value of silver to the extent of 17 per cent. followed upon the addition (between 1861 and 1876) of 126 millions of silver from the Comstock lodes, what should be the decline in gold consequent on an addition of 1800 millions of that metal during the same period? If a *decline* of the demand for silver for the East from 67 millions a year to 10 millions contributed to a *fall* of silver bullion in London of let us call it only 10 per cent., what should be the *rise* consequent on an increase of the demand to 105 millions a year? But perhaps it will be as well for the Professor and those who join with him in this strange hatred of silver to leave these questions unsolved. At all events there can be no doubt, even in Professor Bowen's own mind, that it had been better if the following sentence from his Report had never been penned: "As it is improbable that the debt of India to England will be sensibly diminished for many years to come, it cannot be expected that the drain of silver to the East will be resumed to anything like its former extent within the life-time of the present generation." The ink on his pen was hardly dry when it was reported that the Asiatic demand for a single year had absorbed 105 millions, upwards of four times the annual average of the past 40 years, thus shewing, among other things, how slender is the connection between the debt of India and the in-flow of silver. I, for one, all along "expected" the resumption of the drain, and so did the majority of the Commissioners. It may be worthy of note that, during the recent American civil war, France supplied to India in one year no less than 65 millions of dollars in silver for the purchase of cotton, and supplied it from her own double standard reserve; whilst England, having no such reserve of silver, had to cast about for it in every direction, and purchase it at a loss of nearly 2d per ounce in the exchange of her gold. And it is also further worthy of note, just in this connection, that the nation which protects itself with the full standard has the power always present of drawing to itself, at every favourable opportunity, a stock of silver to be held either as coin or bullion, and to send forth, as occasion serves, the stock so accumulated, or a portion thereof, at a profit which it is impossible for the half standard nation to realize. I have not been able to discover, after long study of these questions, a single point of view in which the half standard nation is superior to the full standard. It is entirely the reverse—from every point of view the whole standard nation is superior to the half standard.

Professor Bowen strives hard to link the "fall" in London with the falling-off in the Asiatic demand. The two things had but a remote connection with each other. The one was an industrial movement, the other was not—a point which the enemies of silver have failed to grasp. The Asiatic demand fell off from 24 millions sterling in 1863 and '64, to 14 millions sterling in '65, to 10 millions in '66, and to 3½ millions in '67. Why did not silver in London then begin its retrograde movement? During all these years it never once fell below 60½d. Unfortunately for Professor Bowen's arguments, silver lost its chance entirely. It behaved itself with great regularity. If the cessation of the Asiatic demand had the powerful influence upon silver which the Commissioner would have us believe, silver should have fallen very low in 1867. The annual average for that year, as shown by the London market quotations, was as 15.57, to 1, equal to say 60½d. per ounce, or, as quoted in our currency, to 102.67 cents. The tide of exportation was turned in 1868. That year 10 millions were sent to the East. But silver shewed no sign of change worthy of note. In 1869, 9 millions were exported; in 1870, 4½ millions; in 1871, 6¼ millions. During all these years the price of silver remained very steady at about its old and long tried relation to gold, rising only very slightly in sympathy with the Indian demand of '63 and '64. It was not till the year 1875 that it began to fall; in that year averaging about 59d. 1876 was the fluctuation or panic year, when it fell from 56d. in January to 47d. in July, rising again to 58d. in December. The German demonetization of silver went into effect in 1873. From 1873 to 1876 nearly every nation in Europe was, more or less, up in arms against silver, and every mint may be said to have been closed against its coinage. The German demonetization of silver, and the consequent great demand for gold, with the closure of the important mints of France, associated with the fears thus engendered, were no doubt the most powerful influences at work in creating and sustaining the violent bullion movements exhibited in the London market. And we all know how fluctuations in any staple or stock, when once started, will be kept at work by the wild fears and yet wilder fancies of speculators—how rumours are started and how far these rumours will prevail, with so many conflicting interests at stake, and with every faculty of invention on the stretch in the endeavor to distort the truth or to give being to that which has no existence at all. I do not see how there can be any doubt on the point. Never were causes more clearly and visibly at work than were the monetary commotions and needless alarms in Europe at this period in bringing round the changes in the relative quotations of gold and silver bullion in London. For Professor Bowen to attempt to disparage our silver by attributing this great divergence or "fall" to the paltry 7 or 8 millions annually turned out from the Comstock, or to the temporary reduction in the Asiatic demand, with, at the same time before his face, all Europe engaged in a work of violent destruction, is far-fetched indeed. In doing so, he shields the guilty and condemns the innocent, calls good evil and evil good.

Facts clearly prove that, on the one hand, the gradual absorption into the world's circulation of all the gold produced within the last twenty years has not appreciably altered the ratio, and, on the other hand, that the demonetization of her silver by Europe has, to a serious extent, altered the bullion ratio. In other words, gradual monetization of the metals *as produced* is not only a harmless but a healthful operation; demonetizing silver, once it is coined and has passed into general circulation, is a disastrous process.

If, as Professor Bowen intimates, the fall in silver was primarily caused by the greatly lessened demand, a few years since, for the East, simultaneous with the yield of the Comstock, and has simply been ***aggravated*** by the combined action of the

European Governments, then silver should have all but righted itself by this time in the bullion market. The exportation to the East has in two years risen to the unprecedented amount of 280 millions. The greatest amount ever before exported was in the four years of the Indian cotton demand, when it amounted to 270 millions. If, then, the gradual fall from 270 millions contributed so largely, along with the Comstock, to the fall of 17 per cent., what effect must follow the powerful demand for 280 millions exported in only two years' time? Can the Professor lay his hand on any facts in connection with the movements of the London bullion market in 1878 and truthfully say, "here are the great fluctuations, the upward movements, of the silver, consequent on the renewed outflow to the East?"

It will, I fear, yet turn out to be a disastrous thing, both for Europe and America, that there is such an immense outflow of our silver treasures to the East. It is a matter which our statesmen should carefully ponder. We are educating Asiatics in a false system—the exclusive use of silver—or, rather, confirming them in a false education. We shall not easily recover this treasure when we come to want it. Europe, by this blind infatuation, and by the closure of the mints, is simply disinheriting itself of one of its most precious and indispensable acquisitions, and Asia is being enriched at its expense. And Europe in thus wronging itself, and casting out this great fertiliser, cannot fail also to wrong America, unless the latter protects itself by the full monetary system advocated throughout these pages. The single standard for America at the present time would be her ruin. The full double-standard coin—and plenty of it, not in vaults, but in the hands of the people—would prove her salvation. I repeat, the discharge of silver to Asia on so vast a scale, is big with untold disaster to European interests. Deliberately and constantly to cast out of Europe this silver money is a crime of such far-reaching magnitude as to invoke the most serious apprehensions. No man can take any measurement of the oppression on industry, the complications of commerce, the ultimate national disasters sure to follow. I cannot at the moment think of any factor so pregnant with blessings for Europe as the free and full circulation of this simple product of industry in the hands of Europeans at the present time—one more powerful in allaying strife and public commotions than all the edicts and armies of kingdoms. To sweep the full standard silver from the homes of our artizans, from the counters of our tradesmen—to compel a doleful silence to take the place of its cheerful clink—is madness, not wisdom.

Professor Bowen would have his readers believe that, previous to the universal raid made on the silver of Europe, the metal was in a thoroughly depreciated condition—that it was so persistently and so thoroughly on the road to destruction that the action of these Governments only hastened it towards a fate that was inevitable. He does not either read or state the record correctly. The fall of silver, that fall which has attracted so much public attention, was entirely subsequent to the act of demonetization by Germany and to most of the proceedings instituted against it in Europe. All that has been done against silver was either accomplished or hanging over it in the shape of threatenings before it fell. Silver has, over and over again, shewn its ability to withstand, without any serious disturbance in the bullion market as great if not greater, changes than we have recently seen in the history of the Comstock or of the Asiatic drain. but never before had it to withstand such combined influences as were aroused against it in 1873–76. If Professor Bowen is in search for causes, let him look at the *destruction* of our silver not at its *production*.

"If silver had not really depreciated," says the late Dr. Linderman, the Director of the U. S. Mint, in his annual Report, 1877, "this demand (he refers to the recent heavy exportation to Asia), which probably exceeded the entire gold coinage of the world for the same period, would have carried the price to or above the point at which it ruled before the German money system was changed." In reply to this it should be sufficient to say that there was no demand in Europe at all for silver as money, which is by far the most powerful of all demands. There has been an intense demand for gold both in Europe and America within the last few years. The amount of silver despatched to Asia in 1877 was more than balanced by the amounts from the mines and from Germany that year. From Germany alone, as I have already said, not far from 70 millions of dollars were launched upon the London market in 1877. It would be correct to say that, if silver had been remonetized and its coinage resumed in Europe, the Asiatic demand in 1877 would have *helped* to carry it up to its old bullion relation, and perhaps something beyond it. And it is of course obvious that in that case, as regards remonetization, the cessation of so great and urgent a demand upon the gold market would have powerfully aided in speedily obliterating the divergence between gold and silver. If no nation in Europe wants the silver, it will of course go off in a stream to the nations of Asia. Dr. Linderman says that the refusal of silver to respond, to any extent, to this great Asiatic demand, proves that the fault lies with the silver, that it alone has depreciated. What could he have made then of the simultaneous demand forced on the gold market by so many European nations, as well as by America, every Government barring the progress of silver but clamouring for and hoarding the gold under the influence of vain and imaginary fears? Here we have Dr. Linderman pronouncing silver faulty because it refuses to sympathize with the Asiatic demand; here we have Professor Bowen pronouncing a like condemnation because it did sympathize with that demand—both enemies of silver, but both equally astray. To say that silver had alone or chiefly fallen, and that gold remained "fixed," or nearly so, is as unreasonable as it would be to say that, if we had but two articles of food on this continent, oatmeal and flour, and if the Government forbade the use of oatmeal under pain of death, then the oatmeal would alone fall in value, and the flour continue to be easily purchased at its former price. To such a dilemma are the enemies of silver brought, unless indeed they are prepared to say that gold is a product not subject to ordinary economic laws a ground on which I think the most "advanced" will hardly yet venture.

I thank God, with all my heart, that the United States have not, so far, followed the example of the principal States of Europe in "making haste" to get rid of their silver, and that American legislators have taken a step a long way in the opposite direction to that recommended in the paper under review. The people themselves can never too jealously guard their silver coin.

Professor Bowen desires the American system of metallic currency to become assimilated to that of England. He quotes, with warm approval, the English system with its half or single standard. He speaks disparagingly of the system of France with her whole or double standard. He could not have fallen on a more unfortunate illustration, or, rather, comparison. France, in finance and currency, since the beginning of the century, has been a model nation. She has stood firm and erect like a rock amidst the waves. Her monetary affairs have, in the main, been guided by master minds. If at one time silver has predominated in her circulation, and at another time gold, not the slightest inconvenience has resulted to French industry on that account. It might incommode speculators, but never industry. If a double standard nation with sound mintage parts with a metal, it parts with it at a profit, never at a loss. It could not possibly be otherwise, for it parts with a portion of one of two metals of equal value for a return of more than the equivalent value in the other metal. It just picks up the value which the demonetizers, in their folly, have cast away. Hear what a competent authority, Mr. St. Michel, of Paris, says, as late as February, 1878: "The 5-franc piece has not yet lost a particle of its old value in the eyes either of the provincials or of the Parisians. It circulates freely—more francs than ever since the International Convention of 1865, by which France, Italy, Belgium, Switzerland and Greece* agreed to adopt a common monetary system, based upon the 15½ to 1 theory of bi-metallism. You may meet any quantity of the big coins in Paris, but however the number swell, I invariably find that they are welcome guests, and there is no dissentient voice uplifted in their case to the application of the proverb that tells us, the more the merrier. By the French mint regulations of 28th March and 8th April, 1803, the silver franc was made the monetary unit, and gold by tolerance to be also a legal tender,—a franc to contain 4½ grammes of pure silver and ½ gr. alloy; and 15½ grammes of pure silver to be equal to 1 gr. of pure gold. The legislation of the day distinctly understood that a change of ratio might be needed in the future." The Code Napoleon, article 1190, taken in connection with article 1186, gives the debtors in France the option of paying in silver or gold, unless otherwise provided. I may add that the French coinage law of 1803 provided that if any change should occur in the ratio, the gold coins only were to be melted and reminted. But the French system has for seventy-five years, if not longer, been essentially bi-metallic at the ratio of 15½ to 1, one-tenth alloy, for all legal tender money. The present legal tender coins are six in number, five in gold and one in silver, the latter the well-known 5-franc piece. The franc piece itself was demonetized by the Monetary Convention of 1865. Here is a nation going on steadily for three quarters of a century undisturbed by all changes of metallic demand and supply. Nothing ever alarmed her till Germany struck down her silver. Then, as a sort of precautionary measure, or overborne for the moment it may be by the gold advocates, she closed her mints for a season against silver. It is known that France has been at times able to receive and retain one-half of the entire annual out-turn of silver. The demonetization of silver by France would have been a world-wide calamity—the retention of her double stan-

* Known as the Latin Monetary Union. It now includes, I believe, Roumania, and the Papal States.

dard has been a safeguard when and where it was little expected. The Prussian war fine of a thousand millions of dollars, had she been single standard, would have brought her to the verge of ruin; as it was, she paid it promptly, and still prospered (paid it by a manner of settlement, which of course included the exportation to Germany and elsewhere of her merchandise, and by the actual handing over of at least 150 millions of dollars in specie,—but paid it in reality by the loan to the Government of an enormous amount of money owned by the people of France, amongst whom we reckon her five millions of thrifty and prosperous farmer proprietors), perhaps the most telling fact in all past history in favor of the full standard of gold and silver, and of the national employment of every particle of the precious metals furnished by the hand of industry for the security of its exchanges. And to this day France has the satisfaction of knowing that, with her double standard, she renders it as impossible to break national faith and contracts as to endanger the interests of her working-men. France, according to one of her best living authorities, "has always been able to find the metal of which she stood in need." She has coined nearly a thousand million dollars worth of legal tender 5-franc pieces. The Bank of France less than a year ago (in February, 1878) held in its vaults 400 million dollars worth of coin, nearly one-half of it in silver. And yet Professor Bowen says that "every attempt to establish the double standard has been a failure." It is the very reverse. Every attempt to establish this half standard, this spurious standard, this broken standard, has been a signal failure. Witness England with her monetary panics and convulsions and her degraded millions. Witness Germany, with her recent work of monetary destruction only half completed, already overwhelmed with commercial and industrial distress, and apparently alarmed at the dangerous course she has taken. Everywhere the cry is for money. Swiftly has the blow descended on that powerful empire, and speedily has it been made to feel the want of the very money which it has destroyed. To quote the words of Mr. Groesbeck:—"Such is the boasted demonetization of silver by Germany. Begun in 1871, it is not more than half consummated in 1877, and silver is still uppermost among her people. Why this movement was made has not been satisfactorily explained. I have not yet met with the faintest commendation of it, and to an outside observer it has the appearance of a foolish, costly, and most unnecessary blunder. Will France repeat it? Germany tried it under the most favorable conditions. Her debt was less than five hundred millions, and she had in her hands the French indemnity of a thousand millions. Her preparations were ample, the undertaking seemed easy, but it is not yet a success. The debt of France is more than three thousand millions, she has no fund for experiments corresponding to the indemnity, and her stock of silver is larger than that of Germany. The trial by her coming after that of Germany would be still more difficult and costly. She may continue to embarrass her rival by limiting the coinage of silver, but we may be certain she will not demonetize it. Nor should the United States. Her debt is also large, and she is in a state of suspension on 700 millions of paper currency, and the financial embarrassments of her people are almost too heavy to be borne. The case of Germany, instead of being an example to be followed, is rather an admonition and a warning."—Gold and Silver, p. 17.

Now, let us turn to England. About sixty years since she adopted the policy of the single gold standard. What have been the results? I will not affront ordinary intelligence by presenting, as of any moment, custom house statistics of imports and exports. It is not the dry bones of skeletons like these that wise men will ponder. Let us go out amongst the people, let us walk up and down through the length and breadth of the land, and contemplate the condition of the living beings who create the wealth. Let us see if they dwell *in homes* or in hovels, whether England's millions are clothed with comforts and filled with bright and joyful hopes, or whether the beasts that perish, in the midst of their stalled comforts, present a contrast enough to send the blush to every honest cheek. Are even the mercantile and manufacturing classes contented, prosperous and happy? England has had sixty years of trial with this mutilated standard, and a most perilous and disastrous experience it has been. She is kept in a perpetual fever about preserving her gold. A drain of gold is the *result* of demonetization. She has but one cistern to draw from instead of two when the drain sets in, that very drain which she has herself created and provoked by her monetary legislation. Simply to preserve her single standard, the Bank of England is compelled to alter and raise the rates of discount sometimes several times in a week, a point which is well brought out in the Majority Report. The rates have ranged all the way from 2 to 10 per cent. Panic, as a consequence, frequently sets in—commerce becomes demoralised—violent and disastrous fluctuations are engendered—the merchants of England are driven to their wits end to procure the means of payment of maturing obligations—suffering falls on all classes—these fictions, credit and confidence, are thrown to the winds, and everybody clamours for gold, *the product of labour*—and the entire nation has at times been brought to the verge of ruin. Before demonetization, rates of interest hardly ever varied or went above 5 per cent., and these demoralizing and disgraceful panics were all but unknown. To prevent, as she thinks, some slight and really harmless aberrations between the bullion value of gold and silver, England takes the perilous step of demonetizing silver coin. Never did violated law take more terrible revenge upon transgressors than has that demonetized silver upon the people and commerce of England. Degraded and ever threatening millions on the one hand—on the other a vast commerce resting on a foundation so precarious as to be the sport of every passing rumour—enormous wealth in the hands of the few and pauperism the lot of the many—society broken in pieces—the distribution of wealth a meaningless term—crime and poverty advancing hand in hand—these are some of the bitter fruits which England is now reaping for having taken the lead in so many commercial heresies, the destruction of one of the precious metals amongst the rest, a product given by God himself for the service of humanity, and consecrated to that service by the sweat and toil of millions of our fellow men. Everywhere throughout England, poverty and wealth, rags and purple, flaunt each other in the face. I hardly know which to pronounce the most alarming and sickening sight—the crowds rolling past in charioted luxury and splendour, or the degraded millions around these chariot wheels sunk to the lowest social depths of infamy and shame ; but this I know that I would as soon think of parading the naked savages of New Guinea before you as examples of modern culture, as accept of these unhappy and suffering millions as the genuine outcome of true industrial civilization. Alas ! that it should have to be written that between these two seething elements, there is no "great gulf fixed" by a merciful hand.*

(*) In the sixteenth and seventeenth centuries, the English Government by the mint regulations alternately over-valued or under-valued both silver and gold, causing first the exportation of the gold coin ; and thereafter, on going to the other extreme, the exportation of the silver coin. In the last century her rating of gold was too high or the rating of silver too low, and silver coin in consequence became very scarce in England. This is actually advanced at the present day, in leading English journals, as a justification of the reign of monometallism in England, and of the destruction or demonetizing of silver. I have just had an opportunity, ere these pages go to press, of reading an article in the London Fortnightly Review, "The Case against Bimetallism," by Mr. R. Giffen. Mr. Giffen records, with evident pride, that Mr. Bagehot was so disgusted with bimetallism that he

For the easy descent of the people of this great nation to a similar loathsome social condition, Professor Bowen would at once pave the way by his proposal to emasculate our silver and to gorge the gold—the silver which we handle and in which we are paid—the gold which we never handle and in which we are not paid. Ought we not to arouse ourselves to a sense of the peril in which we stand? Let us at least determine that our silver shall not be any longer tampered with and destroyed.

The Professor evidently despises silver. Let us hear his further indictments against it. He says it is only fit for purposes of small change, for small retail purchases, and for adjusting the fractional portions of accounts—that its proper place is that of a subsidiary or token currency—that it should be overvalued by law—that nobody should be compelled to receive more of it in one sum than $20; or, more correctly speaking, that those who are creditors having claims of over $20 falling due, should be entitled by law to demand payment in gold—that it is unfit for use as a standard of value, because as bullion it has been subject in 1876 to violent fluctuations, and because these fluctuations, as he holds, are chargeable to the silver, "since the price of commodities generally, reckoned in gold, have been comparatively stable,"—that its weight and bulk are too great in proportion to its value—that it is very inconvenient for use in large transactions and for the settlement of international balances—that it is liable to considerable loss of weight and value by abrasion and clipping, a deterioration to which gold coins are but little exposed—and that the cost of repairs, and the difficulty of maintaining the currency in full weight and good condition, is at least twenty-six times as great for silver coin as for gold. Here is a lengthy indictment. Alas! poor silver, how can you ever again hold up your head in respectable

refused to reason on the subject at all, on the same ground, as the writer suggests, that mathematicians refuse to reason with squarers of the circle or with those who hold that the earth is flat! Now, there are many grave errors committed in England to-day in addition to the falsification of the mint ratios by the ancestors of Englishmen. For example, people lose their lives at times by the carelessness or ignorance of physicians. Why does not Mr. Giffen advocate on this ground a general massacre of the human family, or at any rate of one of the sexes? There never was a stronger point made for sound money than the publication of this case against Bimetallism. Certainly a weaker "case" was never presented by an advocate before judge or jury. Surely the minds of even the "City men"—of whom Mr. Giffen makes the boast that they, of all people, are the most thoroughly under the spell of this delusion of a mutilated money—must be awakened to enquire if this is all that can be said in favour of unsound money as against sound money.

society, when a Professor of Moral Philosophy in a leading American College launches against you such a multitude of charges of imbecility, criminality, and fraud? If all, or even one half, of what he brings against you be true, then you are a vile impostor and usurper, unworthy of a position alongside your golden brother, or of a place in the pockets of the wealthy or of those of industry itself, of the very working men who take the trouble to bring you to the birth. Yea more, if this silver be what Professor Bowen says of it—if it needs to be clipped, maimed and disfigured, and to have a lie stamped on its face before it can be equitably used by industry—then it never should have been formed in the mine, and Providence made a mistake in creating it at all.

Professor Bowen must excuse me when I say, very deliberately, that of all the charges made in this public indictment against our silver, *not one word is true* in the sense in which he sets these charges forth. It is here I feel as if the battle must be fought. The interests involved are stupendous beyond all reckoning. If silver be guilty, let it go—if it be found innocent, then, in God's name (a name I pronounce with deepest reverence), let it remain with us and with our children's children, to do its work whilst the world stands.

First charge: only fit for purposes of small change, for small retail purchases, and adjusting fractional portions of accounts.

Suppose I were to admit, for argument sake, that this be true, ignoring for the moment the fact that silver for hundreds of years moved almost the entire commerce of the world—what then? Should the monetary function of silver be therefore destroyed? Because a thousand dollars in gold are more quickly handed over in exchange for an equivalent value in goods than a thousand dollars in silver, is silver therefore to be degraded, to be called *subsidiary* to gold, or to be maimed and clipped before it is sent forth to the people? If I take the trouble to hand over the thousand dollars' worth of goods—sixty boxes of tea for example—would I have any reason to complain of the weight or bulk of the silver which I buy for the tea and which I can tuck under my arm? The silver can be handed over in a tenth of the time and trouble wasted in wrangling over the bargain. If I am at the trouble of delivering 60 boxes of tea as my part of the bargain, ought the other to complain of any trouble in delivering the silver, even though it should be of the "enormous" weight of 50 or 60 lbs.? If the silver is to be discarded on the ground of its weight, ought not the tea to be instantly discarded on the ground of its weight? Did we ever hear of any complaints at the mint of the trouble of handling the silver either as bullion or as coin? The express companies will move for you a million dollars in silver for the same pay as they will ask to move for you a million dollars in gold. Professor Bowen speaks of the small retail purchases, and seems to hold them in light esteem. Does he not know that these retail purchases are really the great and true trade of the world—that gambling, and corners, and speculation, where they exist, are almost entirely confined to the wholesale trade—that it is in the vast retail market producer and consumer really meet—that it is this retail trade and these "retail payments" which are the support of the wholesale? Is not the purchase by the working man of his barrel of flour for family use of as much consequence as the purchase, by the mere speculator, of a thousand barrels? One buys it for the use of his family, and consumes it, and creates an immediate demand for another barrel—the other buys it for the sake of gain, and neither consumes it nor takes it off the market, but sells it over again, perhaps without even seeing it, and pockets largely by the "operation." Which of the two transactions is really the best for industry? The working man has not, at any rate, enhanced its price—the speculator has enhanced its price, and that to the working man; for everybody now knows, or ought to know, that there is no value without labor; and no goods without the producer; and no payment without product—that it is not *money* which remunerates the world of industry for its labour, but the *products* only of that labour which so remunerate. Therefore I say the price is enhanced to the working-man. The wealthy classes are the purchasers of articles of luxury, but it is the masses who consume the great staple products of industry, and it is these great staples which are the real foundation of all commerce. There is no production in *buying* a thing, neither is there any production in merely *selling* a thing. If the speculator makes a hundred dollars out of the thousand barrels speculation, where, I would like to ask Professor Bowen, does he get that money? Out of whose toil does it come? He has, of course, before he put pen to paper in disparagement of our silver, thought such questions well out, and he will be able to tell us *exactly* where the hundred dollars come from. Instead of flippantly snuffing out this retail trade and speaking as if for it degraded or subsidiary coins, mere "tokens," were good enough, it would be far more creditable for Professor Bowen to set his wits to work to see how the best safeguards can be thrown around it. Is it not on the foundation of the house that we usually bestow the most vigilant care? But it is not true that silver is only "fit" for purposes of small change, for small retail purchases, and for fractions of payments. The man who can make such a statement has paid but little attention to the reading of history as bearing on monetary questions. On the contrary I say, without fear of contradiction, that silver can do all that gold can do, and even something more, penetrating into nooks and crannies where gold cannot reach, and keeping the entire traffic of the world alive with that healthy movement without which this wholesale trade would speedily become stagnant, and die of having nothing to do. In ten thousand instances it has *demonstrated* its ability to do this—to pay on a vast scale or to pay on a small scale. Nobody but an enemy of silver ever made this complaint against it. Who ever heard industry itself complain in the person of the producer? When the ponderous machinery of the industrial world can be moved from day to day without a complaint—all the vast products of industry continually transported over oceans and continents,—this notion of the "unfitness" of silver for anything but "fractions" is simply absurd. If, for some large purchase, gold is at hand, gold may be said by very particular people to be more convenient in payment. We are willing to leave them in the exercise of their freedom and rights. Let them use gold when they wish. But in nine hundred and ninety-nine cases out of a thousand, when gold is not at hand and silver at hand, it would be a thousand times less trouble to hand over the silver than to run about seeking gold in exchange. Let them both remain, *as nature and as labour gave them, and wherever commerce itself may have distributed them*, to be used, either of them, for any particular transaction which may arise—and do not destroy both this free choice and this ready convenience by demonetising one or other of them. Silver never betrayed a trust committed to its care. When faithfully, not fraudulently, stamped by the mint, it gives its pledge to the hand which dug it from the mine, that the labor implanted in it by that hand shall never be lost until the silver itself is worn out in the service of humanity.

I have ever regarded this objection to silver on the ground of its weight as about the most childish that any man could advance. One might as reasonably repudiate his tea kettle, his hat, or his loaf of bread, on the ground of weight. I never think of it but two classes come in review before me: first, tens of thousands of hardy toiling men, past and present, who have laboriously dug the silver from the mines and sent it forth on its mission of usefulness to the world, and millions of honest working men who gladly receive and pass it from hand to hand; and second, a few gentlemen bidding the silver away from them as if it brought with it some sort of pestilence, and enjoining the industrial world to take and use instead what costs no toil, the promises to pay. These gentlemen apparently don't want to see the silver in circulation, except as limited and degraded coin, because the general use of full weighted and full standard silver would seriously interfere with the circulation of the paper handled by them. Or, it may be, we are gravely told that somebody has got a note for twenty or thirty thousand dollars to pay, and that as it would be highly "inconvenient" for the gentleman to handle so much money, or to pay 25 cents for a cab to carry it to the bank, therefore the silver of the great world of industry must be degraded or driven out of circulation. Better, they say, let us use paper all round and enjoy a general suspension of payment. If, in the future of our commerce and economy, there are to be such large individual payments (of which grave doubts may be entertained) why should the hour's labour of counting the money on one side of the bargain oppress us for a single moment, when an amount of toil representing that large sum has been given as the other side of the bargain? Or perhaps some learned doctor in political economy will refer us with perfect satisfaction to the daily payments of London, representing the world's commerce, with most of its gambling and speculation, repeated it may be a dozen times over before reaching this central paper focus, and then triumphantly ask how the silver could ever compete with all those ledger inscriptions, those endless summations, those innumerable writings on bits of paper! And such rubbish is constantly appearing in the journals as justification for the destruction of the world's money. One may well ask, will the world continue to listen to it or tolerate it much longer?

Assuming its unfitness for big transactions, Professor Bowen approves that silver money be overvalued by law, and that nobody be compelled to receive more of it in one sum than $20. Forty shillings is the English limit—the Commissioner is generous to American silver, and proposes to stretch the limit to twenty dollars. Perhaps few of my readers understand the deep iniquity of this thing that the Professor applauds. Subsidiary or "token" silver is the minting of pieces of diminished weight or lowered standard. The entire volume of silver permitted to remain as current coin in England, and of the new silver of Germany, is minted deficient in weight. Sometimes it means the lowering of the standard, that is, keeping full weight, but putting in more alloy. In England this fraud on industry is accomplished by coining a troy pound, say 60 shillings worth of standard silver (that is, worth as related to gold), into 66 shillings, and sending forth these shillings, each one deficient in weight, to circulate among the people, the law compelling every person to take forty of these shillings if tendered in one payment as the equivalent of two pounds sterling, but compelling none to take more than forty of them in one payment. The banks are thus effectually protected against the degraded silver, for no one can pay his notes in silver coin, and an occasional result is a discount on the silver if it be plentiful (as was the case a few years ago in Canada). This, in part, is the law, so called, of legal tender. These English shillings are accounted a legal tender, or good in law, up to forty in number for any one payment. These coins are thus overvalued exactly to the extent they are depreciated. Each is called a shilling or the twentieth part of a pound, but is neither a shilling nor the twentieth part of a pound. It is a falsehood and a fraud combined. It is the working millions, the producers of our wealth, who are of course principally compelled to use this silver, so one can see at a glance where the loss is experienced. These silver coins are "alway liars." It is not in them to tell the truth. The falsehood is in the over-valuation, the fraud is in the depreciation. This is the necessary result of the half standard—calling it a shilling, its advocates say, makes it a shilling. Clipping a little from each silver piece and leaving the gold untouched, they say and believe, does no harm to the silver and gives no advantage to the gold. This clipping of the coins, they say, preserves the equality between silver and gold. In fact, they will say anything about it. To what desperate straits are the advocates of the mutilated standard reduced to give a shew of justice to this bare-faced imposition. They set themselves up as wiser than Solomon, for he believed that that which is wanting cannot be numbered, but they declare that that which is wanting can be numbered. They hesitate not to conjure up a myth to give a colour to such wrong-doing. They have another way of reasoning themselves into the belief that all is right and proper. All single gold standard nations necessarily greatly limit the amount of silver coinage—they send forth but a small stream. Ah! they say, we have found out the secret—this puts it right, there can be no depreciation now—the clipped silver will continue as good as the unclipped gold—there is no danger of either foreigners or our own people making a bid for our little stream of degraded silver—we have clipped its wings effectually—we now issue for the use of industry one clipped dollar to set over against five unclipped dollars for the use of the wealthy—the bad money, we know, drives out the good, and now we have made this silver so bad that it is sure to stay—it will never get the turn of the market for a moment in its favour—and then, to prevent it competing with gold and driving it out, we will not suffer more of it than a couple of pounds to be paid to anybody. The demonetization of silver in England, and the limitation of mintage which necessarily follows, must very nearly double the purchasing power of English gold. Wages are in theory based on gold, but the working-men of England do not receive what is stipulated in the bond. They may hire for 5 shillings sterling a day, but it is impossible they can be paid 5 shillings sterling with 5 clipped English shiliings. It is a far more serious loss, however, than simply 6 shillings out of every 66. To double the purchasing power of the gold is to reduce prices all round one-half, and thus really to lessen the value of the products of labor in England one-half; or, in other words, to take away one-half of the just demands of all toil. Industry is a true thing, and never put such a stamp on its coin. And so the bad work goes on from age to age, and the veil of silence and darkness is thrown all around it, and the eye of a just and long suffering God witnesseth it all. And we have a man of Professor Bowen's intelligence placing himself on a level with the curbstone economist, and gravely proclaiming that God's present controversy with us is because of "impaired credit and want of trust in the future;" as if it would not be a blessed thing for industry if there were a little more of this "impairing," a little more of payment instead of more of non-payment; or as if this "trust in the future" (whatever the learned Professor may mean by such a doubtful phrase) can have any connection with value for value, or with those great principles of exchange which are the security of our toil. There is no value for value, no exchange of any kind, in "trust in the future;" but there is true value for value in payment in the present. Do right with the present and the future will yield us no fears. Destroy our money now, and the future is sure to come upon us like an armed man. The Commissioner believes in the justice of all this being done with our silver, for he approves of it for America, so far as America has followed English example in minting and issuing degraded half and quarter dollars and smaller silver pieces. But the whole silver dollar of America has never once, in its long and honored history as a coin, since 1792, been thus disgraced. Its enemies lately struggled hard to have it so, but a patriotic Legislature happily defeated their machinations. This ancient coin, the silver dollar, has contained, since 1792, 371¼ troy grains of pure silver. The quantity of pure gold in the dollar has been changed—once, notably, in 1837, when the amount extracted measured by the old silver dollar of Charles V. of Spain (the original standard, adopted in 1786, by the Congress of the Confederation) represented 9½ per cent. below par. Hence the manner of often quoting sterling exchange to this day. Gold had some years before somewhat appreciated, owing to the great demand by England for that metal, in order to resume payments after the close of the continental wars,—a temporary rise which, unfortunately, induced America to raise the ratio to 15.98, thus slightly over-valuing gold and under-valuing silver—a departure from the established ratio of 15.50. But the silver dollar has been essentially the standard coin of America almost as much as it has been the standard of Mexico, and practically, for many years in the past, of Spain. Silver dollars have circulated through industrial hands to a far greater extent than either gold sovereigns or gold dollars. The gold dollar itself is a coin of comparatively recent production, and was unknown in the early years of American history. I believe it was at the suggestion of Mr. Madison in 1806 that full-weighted legal tender half dollars were first coined, and between 1806 and 1853, 71 millions of them were issued. I sincerely trust that legislators will consider the propriety of again issuing a full supply of these most useful coins. Now, what does Professor Bowen propose to do with this time-honoured silver dollar of 371¼ grains pure? "That dollars be coined, each containing 345.60 grains of pure silver, which shall be legal tender for any sum not exceeding twenty dollars, and shall be issued only in exchange for paper currency below the denomination of five dollars, and the one dollar and two dollar notes so received in exchange shall be immediately cancelled and destroyed. These silver dollars, however, shall be receivable to any amount in payment of any dues to the Government, except for duties on imports." But these paper promises are for 371¼ grains of silver, and it would not be honest to compel people to take 345.60 grains in discharge of such debts. Is Professor Bowen also among the repudiators? What a cry there would be if the working-men ventured on any proposition like this with regard to the gold pieces. No name would then be bad enough for them. That, however, in passing. What would be the effects on industry? These pieces of silver would be no longer "dollars"—what all the world has understood by a dollar for the past century and what all the world understands by a dollar to this day. Professor Bowen knows better than I can tell him that, under American law, and by universal commercial agreement, a dollar is 371¼ grains pure silver, or 23.22 grains pure gold. But he wants two dollars in the same nation, a rich gold dollar and a poor silver dollar. A strange sort of double standard! Now, if you hire your working-men for, say, a dollar a day, it is for payment to them, at the week's end, of 2227.50 grains pure silver, or 139.32 grains pure gold. Professor Bowen proposes to pay them newly stamped pieces, six of which will only contain 2073 60 grains pure metal. He does not wish that they should be paid in gold, for he proposes that law should compel them to take 2073.60 grains when they have hired out for 2227.50 grains. He proposes that every hired working-man in America should lose by force of law 153.90 grains of silver every week —every year 8002.80 grains. Hodge is an unsuspicious sort of fellow—he believes in the honesty of his betters—he takes much on trust. The coins would be new and bright, and why should Hodge miss 154 grains of silver stolen from the pieces? If you were to clip off a piece before his eyes, he would not fail to cry "Hold on there." But he does not see the theft committed, and so is content. And where would the money, the fruit of such robbery, go to? Does the Professor think it would be cast into the sea or fly off to the moon? If he has not thought this out, I have; and I can tell him where it would go. It would practically fall into the hands of the holders of gold, or of those who draw what is known as "revenues," and who could, by this wicked law, compel payments in gold. It would practically double to the gold men the value of all the debts they hold; or in other words compel the furnishers of interest, the working men, to pay double interest from year to year. For, this limiting of the stream of silver and this clipping of each piece necessarily destroys silver as true money. It would, especially, give to what is known the world over as "sterling" money, enormous and destructive power. It would intensify that dangerous process which has been going on these many years—the concentration (not the distribution) of wealth. "No one," says Professor Bowen, "is then obliged to receive the deteriorated coins, except to the small amount to which they are legal tender." No one! Is he dreaming? Is this the meek sort of sentence to be written on the face of such a law? Whither are we drifting? The entire world of industry would be compelled to receive these coins at a false valuation—in plain language, to give its *toil* in exchange for a *lie*. Let me tell the Professor, and all who think with him, that there is not a sphere of labour where industry lifts its arm or bends its back but would feel the withering effects of such wrong-doing. All producers throughout America would lose, simply in their silver, to the extent every year of 8,002 grains of pure metal, an amount which, multiplied as lending of money is multiplied in those days, would at the end of their toil, call it thirty years, leave every one of them the owner of a comfortable home and surroundings—in a word, would leave them *rich* instead of *poor*. Is not the whole thing an atrocious conspiracy against the rights, the liberties, and the earnings of industry? Is it anything else than the "hire of the labourers kept back by fraud?" I wish, with all my heart, that I could see it in some other and better light. But there is the naked fact, and we dare not trifle with it. Can it be possible that our universities and colleges are in danger of becoming hot-beds of such heresies as these? For myself, I would tremble to enunciate such monetary doctrines. The beams and the stones of the poor man's house would cry out against me, and I would deserve to be smitten with judicial blindness for my pains.

If, unfortunately, the United States Government should ever hearken to such a proposition, then I would beseech Congress to be honest about the matter, and make plain proclamation of the fact that there are two sorts of money in this nation, one for the rich and the other for the poor,—the one a clipped dollar for labourers, the other a bloated dollar for the wealthy classes. Dare Congress face such an issue? Better, a thousand times better, were England, at this moment, to undeceive her people, in the manner I suggest, with regard to her degraded silver money.

Professor Bowen says these coins "could not introduce any uncertainty about the just fulfilment of contracts." There could not well be any "uncertainty" in the matter; it is absolutely certain that no just contract could be made or fulfilled by paying coins for a dollar which are not a dollar. Moreover, no just contract could be made with what would still be known as gold dollars; for, if you destroy the silver dollar you also destroy the gold dollar. You cannot manipulate one without injuring the other. Gold and silver money are different from all other products in this respect—that, whilst iron, cotton, flour, and all commodities may rise or fall in value, and the precious metals remain unchanged, you cannot tamper with silver without injuriously affecting the gold, or *vice versa*. The metals, as it were, ever rest on the scales of the same beam, and if you cause one to fall you cause the other to ascend. And as nobody can be paid, or contracts fulfilled, *except out of the products of labour*, it is just as absolutely certain that all producers would lose by the false value lodged in the gold held by the wealthy, as they would by the depreciated value of the silver held by, or paid to, the working-men. When, as in England, a nation demonetizes its silver and reduces the volume of that metal four-fifths, two ruinous results are inevitable:—the producers lose directly the amount of silver clipped away, or the short weight given, and they lose it, moreover, in every payment made to them; they lose indirectly by the impetus given to double the purchasing power of gold. Hence the tendency of demonetization is ever to bring goods to a ruinously low price in that nation; which, in other words, means that labour is not paid as it should be—for though the producers, under our modern mercantile system, do not own the things they produce, and never, therefore, earn "profits," yet we have to reason out the present question on the assumption that they do own the products of their handiwork. In short, demonetization is ruin all round, a complete destruction of the commonwealth—first to the producers, and next to the wealthy themselves; for how can the latter live if labour is ruined? The wrong done is as manifest as the light of day. No just contract could be executed whether these metallic pieces were paid singly or by the million.

Professor Bowen says "these coins could not be melted up or exported without loss, and as receivable by the Government to any amount, they could not become depreciated in the market." That is true. They could not well become further depreciated after such work as this perpetrated upon them. The clipping they had already received would in effect *be their depreciation*—a second depreciation could hardly be accomplished. He believes that the reception of the coins by the Government to any amount in the payment of dues would keep up their value and prevent depreciation, that is, keep their value equivalent with gold. He must believe, then, that full weighted and full standard whole silver dollars will circulate freely and fully alongside of the proposed degraded dollar. Let him try the experiment. If, as he says, they are not depreciated, then they must be of full value, and there could be no risk in trying this experiment. Does he really believe that the reception of the degraded coins by the Government would put back into them the silver of which they had been robbed? The Government would be simply receiving a degraded silver dollar, just as any body else would be receiving it, one of 345.60 grains pretending to be one of 371¼ grains. The Government might even take it out of circulation—would that convert what is not a dollar into a dollar—convert falsehood into truth? I can hardly escape the conviction that Professor Bowen has actually reasoned himself into the belief that value, and all that springs from value, are creations of "Government." Shoals of pamphlets are sent to me, all labouring to shew that "Government" is a god, and that it can create values by the mere exercise if its will, combined with certain printing powers and bits of paper. Has the Professor studied even what rates of foreign exchange are founded upon? Is it not on the relative quantity of pure metal contained in the national coins—simply how much human labour is in them? Can he demonetize either of the metals and preserve any true par of exchange at all? Or does he believe dollars, and pounds, and shillings, to be things of names and nothing more, creatures of the imagination, myths? He would do well to divest himself at once of all faith in such monetary necromancy as this. I ask the working men of America, I ask our intelligent tradesmen, our patriotic legislators, if, to quote the language of the Report, they would desire in this manner "to make our monetary system conform in all important respects to that of the most prosperous and best ordered commercial countries of Europe"? I think I hear an emphatic NEVER.

After what has been already said, I need hardly again refer to what Professor Bowen sets forth as sufficient evidence that the late fluctuations are chargeable to silver, namely, that "the prices of commodities generally, reckoned in gold, have been comparatively steady." What is here insinuated—that prices of commodities generally, reckoned in silver, have been unsteady—has no existence except in his own imagination. Nowhere has there been unsteadiness of prices, reckoned in silver. Prices reckoned in gold money or in silver money have been equally falling all round. Only, it is the gold exerting the great power which has been imparted to it by the demonetization of silver, and apparently or as a matter of price carrying with it the little silver left as a purchasing power so far as it is allowed to purchase as "token coins." Even the banking journals of London are now compelled to admit that gold has risen greatly in purchasing power. Nowhere has such a thing been witnessed as prices in silver falling away, or "unsteady," and prices in gold remaining firm and immoveable. Professor Bowen seems to have given the subject so little true thought, that he does not perceive that, in setting forth such a thing, he is attempting a caricature of obvious and plain monetary laws. The Minority Report would have been true to itself had it been headed, " A treatise on the best way of destroying the silver of industry, and on the art of quietly clipping the coins of the workingmen."

We come now to a most extraordinary argument—" the weight and bulk of silver are too great in proportion to its value." No one who cares for his reputation as a political economist would venture such a statement. The best answer I can give to the objection is, that it is not true—that it is a transparent error. The reverse is true. The statement carries its own refutation on its face. It hardly needs a word from me or anybody else. The weight and bulk of silver are exactly proportioned to its value. The weight and bulk of a full standard half dollar piece are as much in proportion to its value as the weight and bulk of an English gold sovereign (that bit of metal which the Professor evidently thinks puts all other coins and all other metal to the blush) are in proportion to its value. These two qualities, instead of being too great, are just the exact thing. If weight and bulk of silver, coined or uncoined, are out of proportion to its value, then value, throughout the entire realm of industry, is a thing on which nobody can place the slightest reliance, and all mints may at once close their doors. Professor Bowen wants a lesser weight and bulk for the same value. He cannot get it. He must move out in search of what he will never find—a third precious metal. If the weight and bulk of silver are *too great* in proportion to its value, then the weight and bulk of gold are *too little* in proportion to its value, which would be a disqualification of both metals. One statement is just as true as the other, which means that both are equally false. Is it not obvious that the weight and bulk of silver are just what are needed to make silver coin what it really is? Were these different it would not be silver coin, and could not reach the small payments effected by silver. If it had the same value in less weight and bulk, then it would approach to gold, and we would be at a loss for silver. The world could not get along, everything would fall into confusion, all traffic would be arrested, with silver anything different from what it now is. There is great danger in such reckless statements, for it is evident that multitudes take such on trust without a moment's thought at all. What a serious responsibility rests upon us when we grasp our pens to discuss such subjects. The Professor evidently considers that no harm will be done either to silver or industry if he indulges in a little quiet clipping, a little "watering" of the coins. Let him try it with gold. That metal is a product of industry just as silver is. It is designed for our exchanges just as silver is. Won't it affect gold in the same way? But I must recollect that there are people belonging to the same school of political economy as Professor Bowen who have gone so far as to condemn even gold on the ground of its bulk and weight. They might just as reasonably condemn the metals because one is white and the other yellow.

"It is very inconvenient for use in large transactions and for the settlement of international balances." Well, if you really believe it to be so, haven't you gold for such? Why disparage silver on this account? Have not the two metals been provided for our use? If, to cross the Elephant, there is but one suitable bridge over the stream, are all otherbridges to be broken down and everybody made to contribute toll at the one left? Silver is just as competent as gold to settle every clamant living want of humanity. The "large transactions" are not seldom associated with mercantile gambling and speculation, the influence of which is invariably towards the corruption of values and the oppression of industry. Is there any ground to be found there for the demonetization of our silver? The Professor also refers to a period in France about thirty years ago when American travellers, owing to the then scarcity of gold, were put to inconvenience in having to carry about so much silver. A poor apology indeed for the general destruction of silver money, and referring to a circumstance which ought to have turned his attention to the expediency of preserving both metals intact, so as to keep in operation the causes which would prevent those very inconveniences of which he makes complaint. Had silver not been demonetized in England, would these travellers ever have had occasion to complain of a scarcity of gold in France? But it is a serious mistake to suppose that the precious metals are designed for the settlement of balances, international or otherwise. Political economy with its grand and living principles here comes into full play. Before these living principles, I am glad to say, I have ever reverently bowed my head, and have never sought, by any subtlety of reasoning or process of self-deception, to limit or to thwart the world wide beneficence of laws worthy of the great Law-giver himself. The provision, by an all-wise Providence, of these noble metals, never contemplated "settling of balances." Neither the metals nor political economy has any part or arrangement with debt or a system of debt, or of so-called "credit." Though popularly recognized and spoken of as such, the precious metals are not in themselves even media of exchange, for they exchange nothing outside of themselves—an economic fact of some importance with which I have become familiar in the more recent years of my investigations. They are not the media of exchanging human labour, but they *are* human labour exchanged, just as much so as when corn and cotton are exchanged. The usefulness of the metals consists, not in their suspending or superseding exchange, or in their becoming media of exchange, but in their *nimbleness* in exchange, in the facility with which they come and go. They always present themselves as commodities, to be valued and exchanged like other products of toil. When men sell goods for money, they just barter the goods for the money and the money for the goods The idea that coins are only "tickets" is absurd. It is only human labour which is ever sold—the material out of which all things are constructed is the gratuitous gift of God. The thing upon which this labour has been spent or exerted becomes *property*, and is *appropriated*, because human labour has been exerted upon it and for no other reason. There is no other title that I know of to the things we hold in possession. We reclaim from nature, and convert nature's products, as it were into human products. When I cut down a tree in the forest, and fashion it into a canoe, what I sell to you is not really the material, but the human labour spent in making the canoe, that and nothing more. A simple thought this, one will say, but how grand, instructive, and far-reaching. Practically, purchase and sale, like production and consumption, demand and supply, are relative terms. I cannot sell unless I buy—I cannot consume unless I produce—I cannot demand unless I supply. The metals are themselves exchanged just as truly as, and in no other way than, the goods are exchanged. They pass from our hands simply as a commodity, the product of our labour, in the same manner as the flour, the iron, or the cloth, passes into our hands as a commodity. Because we attach to them the name of *money*, they are not therefore made any thing less or more than a commodity, a product of labour. A piece of bullion, like a piece of leather, is the raw material—a handsome gold eagle, like a well finished pair of shoes, is the finished product, the commodity ready for sale. The mint brings no magic to bear on the metal. It adds a little useful labour, that is all. Whenever we pay money, whether an account in full at once or in repeated payments, it is only labour given for labour from first to last.

The tail of the account is nothing different from the head of the account. But when and where was ever an "international balance of trade" settled in a mass of gold? I would like any one to lay his hand on the date, place, and manner of settlement. Is it done hourly, or weekly, or monthly, or yearly? Which of them? Buying and selling never cease, producing and consuming never cease, paying and receiving never cease. What does this wonderful international balance consist of? Is it money or is it goods? If you say it is on one side money, is it not on the other side goods? Is not one "balance" as good as the other? Does a nation's outgoings square its incomings? Or is there some unfortunate country always afflicted with the payment of this international bugbear? If England, in one year, buys from America 70 million pounds worth of goods, and if America during the same year buys and pays for 30 million pounds worth from England, where is there any balance? England has no balance in her favour, neither has America. Each has given value for value. There is no more balance left in either case than there is between the bakers who sell the loaves and the farmers who raise the grain out of which these loaves are made. There is a true pulsation in commerce, an uninterrupted giving and taking, otherwise commerce is corrupt or no commerce at all, and no man in his senses would think of building general principles on a corrupt system. In a word, this "settlement of the international balance," this "international" tail of the matter, is a myth, but withal a useful sort of phrase which often gives an air of learning to a mass of unmeaning commercial jargon.

We come now to the last indictment against the silver—that relating to the loss of value by abrasion and clipping. He quotes some experiments made by Professor Jevons on the average loss on gold coins by wear and tear, and comes to the conclusion that the loss on silver from this cause is twenty-six times greater than the loss on gold. One would think, if such be the case, that he would do his best to save silver from further depreciation. But no. This loss by wear and tear is a good reason, in Professor Bowen's estimation, for giving the silver a little further quiet clipping at the mint. He deliberately hastens the destruction, and feels no compunction in recommending a Government to do what he would consider theft in a private clipper. The latter clips only now and again, the former does it by wholesale. Industry loses a little by the private clipper—it is hastened towards ruin by the public mutilator. If the clipping away by the Government does it much good, a little private clipping must surely do it some good. In both cases, it is just removing so much value from the coins. If silver deteriorates by wear and tear, it must surely deteriorate by this clipping. Now, let Professor Bowen turn to the Report of the British Monetary Commission of 1868, p. 96. He will there find Professor Jevons, in his evidence before the Commissioners, giving the result of many and careful experiments with gold coins, and to this effect, that one-third of all the gold circulation of Great Britain is below weight. How does this statement coincide with the opinion of Professor Bowen when he says that worn gold coins "never get a foothold in the currency"? He says that silver coins are more frequently handled than gold, that they circulate with more rapidity, and thus become subject to great deterioration, and so unfit for anything but "tokens." But does he not perceive that this wear and tear is fully compensated by the usefulness of the coins, by this frequency of handling, and rapidity of circulation? Is it not a blessing to tradesmen and working men that they have good sound silver to handle so frequently, something that so thoroughly meets their wants? It is *useful* to us every time we pay it over the counter. Can Professor Bowen expect a shilling to perform so great and useful a work, and experience no wear and tear? Can he reasonably expect that gold, carefully shut up so often in bank vaults and treasuries, should shew as much sign of hard work as the useful and mimble silver always on the move? Will the Professor introduce his doctrines to the management of his own wardrobe? Will he clip his trousers to the knees because they have done good service in the past, and may have become something the worse of the wear? Will he recommend us to turn out with our coat tails cut off because our upper garments shew some signs of use? Or will he apply the scissors to these things the moment he receives them from his tailor, on the ground that they will gradually wear out if put to active service? Will he decry and mutilate our homespun because it is not just so carefully kept, or shews more signs of hard work, than the silks and the satins? He says silver coins are handled carelessly, and that that is another objection to their full monetary use. I can speak for myself. I see a little silver, gold I never see. I handle my few silver coins with miserly care. And I think I can speak for industry—they are handled there the very reverse of carelessly. A full rich man, who never knew what it was to want a shilling, may handle it more carelessly than he will a sovereign. That, however, is not to the point. It may be obtuseness on my part, but the Professor has a statement which it beats me to decipher.

"Now, a shilling exposes to wear about as much surface as a sovereign, and therefore, from this cause alone, a pound sterling in silver shillings will lose annually by abrasion twenty times as much as the same value in one gold piece." He believes that one gold sovereign, exposed to the same wear and tear as a shilling, will not only outlast one shilling, but that an amount of friction concentrated on one coin, a sovereign, when distributed over twenty silver shillings of equal value with the one piece, will cause twenty times more loss to the twenty than to the one! Nobody can believe it. Every one knows that a silver shilling, when put to the same work as a gold sovereign, will last just as long as a sovereign—indeed the hard and sonorous silver may possibly outlast its softer companion. It is plain that twenty shillings' worth of gold would be gone in the same time that one shilling's worth of silver would be gone. One may object to this by saying (and perhaps this is the idea which has been confusing Professor Bowen's mind) that every time the sovereign is used, it exchanges twenty times more value than the shilling. But that would be putting the matter in a false light. For you cannot buy a shilling's worth by paying a sovereign as an equivalent, and the shilling has to do what the sovereign can never do. It fills a sphere of its own where sovereigns cannot penetrate. Silver may help gold in an emergency, but gold sovereigns can never take the *rôle* of silver shillings. And so, to destroy silver because it wears away quicker than gold, would, even were that true, be the height of folly. To destroy our silver because its great usefulness renders it subject to wear and tear, is as sensible as it would be to destroy our steamships because they use up a great quantity of coal, or to break up our household utensils because they gradually become the worse of the wear.

Professor Bowen speaks plausibly when he says, p. 145, "Legislation is not competent to select *two* such commodities, and to declare that they shall *both* be the standard or common measure; or, in other words, that there shall be a *double* standard. To attempt to do so is as absurd as it would be to declare by law that two clocks should both be the standard for measuring time, though, as everybody knows, no two clocks can be made which shall keep perfect time with each other."

I will take the liberty of completing the argument. Therefore, let no attempt be made to construct correct clocks—let Washington pay deference to Greenwich—let there be no national clock on this side the water—we cannot be sure that the one at Greenwich is *absolutely* correct, "for no *two* can be made to keep perfect time"—*one* clock may go a little wrong, as well as two, or ten, or a hundred, therefore, hear Greenwich time, and let all cut ten to twelve inches from the pendulums of their clocks—let no one presume to endeavour to make true clocks—let all but one be maimed and mutilated. In a word, to keep everything tight and square, we decree that every watch, and clock, and chronometer, except the Greenwich instrument, shall be put, more or less, off the balance.

But Professor Bowen, moreover, uses a false illustration—it is smart, but it wants the vital element of truth. He has fallen prone over the old "yard-stick" illustration. He seems, elsewhere in his Report, to hold to the sound doctrine that there can be no *absolute* standard of value. Everything, he says, varies in value from week to week. "The best that can be done is to select an approximate standard, that is, some one commodity which seems more stable than any other, and establish that by law as the *standard* by which the values of all other commodities are to be measured." Here he gets confused, and the old and absurd doctrine of the standard of value gains the ascendancy over his mind. It is beyond the power of man to establish, by law, any standard by which the values of all other commodities are to be measured. I know exactly what Professor Bowen here means. Notwithstanding his former declaration, he believes that this law-established and law-begotten "standard" can measure the value of all commodities in the same way as the yard-stick can measure the length of the fabric, or the bushel the quantity of the grain, or the clock the lapse of time. Had that idea not been uppermost in his mind he would not have used the clock illustration. The illustration itself discloses the fallacy and the notion which gave birth to the fallacy. It is a dangerous error, fatal to all enquiry. Money, even though it were stable as the everlasting hills, can never do any such thing. It would not be money if it could do so. It would be just as reasonable to speak of an absolute standard of length or height as of an absolute standard of value. Such a standard, to quote the modern jargon of the schools, borders on the "unthinkable" and may certainly be ranked with the "unconditioned." Every product of labour, money included, in every act of exchange, is simply measuring and being measured. Money, my product of labour, when exchanged for your iron or cotton, measures these commodities in no other way than the money is measured by them. Each may be called a standard to the other. However steady money may be, however stable in the mass, it cannot place itself above law. There is a mutual measuring to obtain or arrive at a mutual price, or at two relative values; and the two things thus measured are the two things or commodities exchanged, the one for the other, the product for the money, the money for the product. A piece of cloth submits to the arbitrary and unchangeable measure of the yard-stick, and this it does with the view of obtaining the length of the cloth, not with the view of exchanging a yard-stick; the money measures the barrel of flour, and the barrel of flour measures the money, and this they do with the view of arriving at the relative value and for the purpose of a mutual exchange. A child may perceive the radical difference. Value may be reckoned or counted up *in* money, but can never be arbitrarily measured *by* money. There is a standard (the yard-stick) outside of the cloth by which the cloth is measured—there is a standard (the bushel) outside of the grain by which the grain is measured—there is a standard (the clock) outside of time by which time is measured,—but there is no standard outside of value by which value is measured. There is something else than grain and cloth to measure grain and cloth, but there is nothing but value to measure value. For, every toiler in bringing his product to market, be it money or anything else, is continually measuring and being measured by every other product. So value may be truly said to be constantly measuring itself. It permits no outside interference with its great prerogative. Every product, without exception, measures money as much as money measures product. England thinks that in her single gold standard she has imposed upon the world, so far as her influence extends, a "yard stick" standard, a notion which is exploded by a moment's serious thought upon the subject, and which is falsified by the familiar events of every-day commerce.

Professor Bowen's ideas about this law-begotten "standard of value" would issue in the corruption of all values. But he sins in good company. The Royal Commission itself, under the Presidency of Lord Halifax, to which I have already referred, utters the following wise deliverance: "It is indisputable that the first requisite in any standard by which value, weight, or size, is measured is that it should be as invariable as the nature of the subject will allow." True, very true, with regard to weight and size, but very absurd with regard to value. For there is no standard, as I have shown, with which to measure value. The thing is an utter impossibility. The commodities exchanged measure each other. There is no "standard" known which can come between them. Each has the power within itself, of measuring the other; and, in arriving at the equation of exchange, it looks to the amount of human toil embodied in the things to be exchanged.

I have thought it necessary to dwell on this point, because these widespread notions about law and the standard are at the heart of much of our monetary corruptions and troubles. The heresy of demonetization would appear to be a natural outgrowth of the heresy of the "yard-stick" standard of value. Adopt the one and the other must follow.

And now, a few words as to the law of legal tender.

The position of the advocates of the double standard is constantly misrepresented by those in favour of a single or mutilated standard. They charge us with futile attempts to "fix," as they call it, the relative values of gold and silver, and allege that the varying quotations in the bullion market are constant evidences of the futility of attempting to establish a double standard. Now, not only do we hold that these fluctuations are evidences of the destruction of the full standard, but we further hold that we do not attempt to establish a double standard at all. We do not "decree" either a ratio or a standard. We never tried such a thing—it is outside of our business—it is done for us—we find it ever ready to our hand. We no more "establish" a double standard of money, or a "fixed" ratio between the two metals, than we establish a supply of air for our lungs, or a supply of sunlight for the world, or a double flow of the tides every twenty-four hours. We accept of what industry provides for its exchanges throughout all the world, the two precious metals, silver and gold, at their long and well-tried relation, and we simply declare by law that nobody shall be allowed to repudiate one or the other by refusing payment when tendered in the coin of the realm. If any one does so, it must be at his own risk of loss. Industry, commerce, labour—these are the true regulating factors. We have to guard against dangerous propositions. We know that industry itself will never refuse the coins provided by its own labour and stamped by its own hands. But we know, from dear-bought experience, that there are men, and bodies of men, who will repudiate silver to gain certain ends. All that we say is—if you do this, you shall not be allowed to harass industry and distract commerce with your claims—you must not be allowed to complicate and throw into disorder the great wheels of monetary circulation—if you refuse the lawful coins, issued from the national mints and complete with all the safeguards thrown around them by able and expert men, law will not shelter you in your wild proceedings—law will protect industry and trade, and will protect, also, the national coins. Do the demonetizers deny that gold and silver have a relative value? Do they say that it is anything harder to obtain a knowledge of these relative values than to find the comparative values of a quarter of wheat and a barrel of sugar? Do they deny that silver and gold, in their mutual relation, are the most stable of all articles known? Will they venture to say that any bullion or other oscillations have ever been discovered in past ages, *caused by changes in cost of production*, calculated to cause a moment's inconvenience to commerce, or the loss of a cent to industry? Can they deny that the very "oscillations" which have troubled themselves so much are the fruits of their own manipulations with the currency? Our design is to guard against unlawful attempts to swell special treasuries at the expense of industry and commerce. The mutilators of our currency would have people believe that we introduce two standards of prices. It is not true. A double standard of prices was never introduced by the actions of the bi-metallic upholders of the currency. That which is so acceptable to all true merchants and manufacturers, *steadiness of price*, is the very thing we secure by the full standard. But a false and oscillating standard of price must inevitably be introduced by accepting gold and discharging silver, because the basis of price is immediately destroyed. It is a result just as inevitable as that darkness comes with night. You could not, by any possibility whatever, have any other result. With one metal demonetized, the coins, instead of working together in harmony, are made to work in constant antagonism. It is an attempt, and generally but too successful, to overpower the resources and investments of industry as related to its great product, silver money; an attempt not only to throw the ownership of our gold into the hands of the wealthy and powerful, but to confer on that gold the value which legitimately belongs to our silver; an issue, surely, of far mightier and more disastrous consequence than a few farthings variation in quoted prices of bullion in London. The result on industry is world-wide and crushing—as to the bullion, it affects only the fortune or misfortune of a few speculators in the precious metals in one or two large cities. Our merchants and tradesmen are blind to their own interests when, with total indifference, they pass such work by. They are simply permitting the money destroyer to sweep business from their doors and profits from their tills.

Making money legal tender never "fixes" the ratio of gold and silver. That it does so is generally the burden of newspaper articles on the subject. The mint simply *adopts* a ratio commended to us by the experience of centuries, and the law of legal tender just intimates to everybody concerned that no national standard coin, within the limit of "tolerance," shall be repudiated by being refused in payment. This law of tender is nothing else than a sort of police supervision of the metals, and has really little, if anything, to do directly with questions of industry or commerce. It is obvious that it is a very different thing from compelling people by law to take bits of paper as equivalents for their labour. People ordinarily never need to be *compelled* to take current coin of full weight and value. Law may defend your virtue, but cannot impart it to you. In like manner it defends silver and gold money, but is powerless to create values and ratios. Labour alone does all that. It simply declares that a tender of the coin of the realm, in either metal, shall be sufficient obligation on the part of the debtor, and that if the creditor refuses to take it, he must want. Buyers and sellers, we know well, will never interrupt the circulation, if great creditors dealing in paper are not permitted to repudiate it. A more just and equitable law was never framed. It declares that a tender of the coins which industry has provided, and which the realm, in just defence of a far mightier realm, that of industry, has stamped with its authority, shall be good in law. The demonetizer destroys the full monetary function of one of the great metals of industry, and then invokes law to support him in his dangerous and destructive work. In saying that we try to "fix" the ratio we are charged with doing a thing we never attempt, and which, by a mere declaration from us, would be as silly as to declare that the sun shall shine or the rain fall. The law of legal tender as desired and interpreted by the mono-metallists is an invoking of law to support and defend them in destroying our silver—as desired and interpreted by the bi-metallists, it is an invoking of law to permit no wrongdoing with either metal. Had the money destroyer not come upon the scene in recent years we would probably never have heard of such a law—the necessity for it never would have arisen. The gold men destroy our silver, and then, deliberately shutting their eyes, charge us with the mischief which follows upon their own acts. For it is quite obvious that it is the alternate destruction, as full money, of one or other of the metals which causes, now a run upon gold and anon a run upon silver. And hence arise those bullion fluctuations in London which the mono-metallists are so silly as to accept as evidences that the great labour ratio of centuries is constantly undergoing a change. The manner in which bullion flows into and out of England, and the sensitiveness of the bullion market, are evidences of the destruction of the monetary function of one of the metals. It flows away at times from England in a continuous stream, and is landed *en bloc* on the shores of America or of other countries; but a mere driblet gets into the hands of industry. This is not commerce. This is not industry. It simply drives speculation wild, fills men's heads with fear and excitement, blocks the exchanges, and cripples and confounds legitimate trade. What real permanent good did it ever do to the industry or commerce of America to be told that there are great masses of specie locked away and concealed in some underground places in New York or elsewhere? These masses are here to-day and away to-morrow. Industry has lost the possession of them. Industry never distributes them. Industry never even sees them. Public men who induce the people to believe that all this is good for the people are not worthy of being trusted by the people, so far as their crude monetary doctrines are concerned. The nearer we approach the double standard for all nations, the more powerful will be the forces set at work to distribute the money into the hands of the people, and the less chance will there be for any one to put his hand to these speculations with the metals. The full standard shuts the door full in the face of the money gambler.

Mr. Sherman, the Secretary of the Treasury, intimates in his last annual report (1878) that it was the intention of Congress, by its recent legislation, to "create a bi-metallic standard of silver and gold, of equal value and of equal purchasing power." Mr. Sherman, by the use of such incautious language, lays himself open to the charge of not fully understanding these questions. Congress did not embark on any such act of creative folly. It simply accepted of what industry provides for its exchanges. It "fixed" nothing, except to declare that the people for whom these coins are prepared by mintage shall be protected in their use of them, and that if any one repudiates them in payment, he does so at his own risk. Unless government is a sham, its first duty is equally to protect the gold and silver of the industry on which all governments are built. To give a public creditor the right to demand gold and refuse silver, as Mr. Sherman proposes, would be a step fatal to all hopes of the concurrent employment of gold and silver. It is simply a proposal to destroy the law of legal tender, to destroy the double standard itself, to set at nought what the national constitution declares to be the law on the subject of money. In regulating the relative weights of the silver and gold dollars, Congress wisely shut its eyes to the *bullion* fluctuations of the metals in countries where one of them, and that the most indispensable, is demonetized by law, and where the ruling classes are all on the rampage against it, and looked to the existing mintage and current ratios in the full, open and free markets of the world. It took in the range of centuries, not the fluctuations of a day. It minted at (or near) the stable ratio at which gold and silver have been buying for ages in every market, not at the fluctuating *bullion* ratios brought upon the stage by the action of the destroyers of money. It preferred the rock, not the shifting sand. It wisely took industry into its counsels and shut its ears against all that demonetizers had to say. Mr. Sherman says that the market value of the silver in the dollar at the date of the passage of the Silver Act was 93¼ cents in gold. If this be so, then I can tell him of another *fact*—that the *London bullion price* of the gold in the dollar at the same date was 108 cents in silver, and that this gold dollar was so swollen, not by any inherent power or virtue of its own, but by the robbery of its silver brother. If 100 cents be the true par, one dollar was as far astray as the other. If it be, nationally, an evil thing to pay 93¼ cents in gold for a silver dollar, it must be equally pernicious to have to pay 108 cents in silver for a gold dollar. Men who have charge of the finances of a nation ought to be able to perceive this much at a glance. If the silver dollar became a vagabond because it was worth 90 cents in gold, did not the gold dollar become as thorough a vagabond because it was worth 110 cents in silver? The silver did not become so by robbery—*the gold dollar did by robbing its own brother*. If the giving of 110 cents in silver to procure the same quantity of gold bullion as formerly proves that silver has fallen 10 per cent., surely the giving of 90 cents in gold to procure the same quantity of silver bullion as formerly proves as clearly that gold has risen 10 per cent. If I have been buying boots at $12 for 4 pairs, but now get 5 pairs for $12, that is an indication that boots have fallen in price, but no proof that money has advanced in price or purchasing power—an important principle in monetary science being here involved, and which I will take occasion to refer to more fully before I close. But it is different with specie. A fall in silver must ever mean also a rise in gold, and vice versa. And the reason of this yields to careful and close inspection. For the silver and the gold have, as money, but one and the same office to perform in the satisfying of human wants; and this office they perform interchangeably; and industry itself makes no account as an item of labour, of which of the two metals is tendered in payment or given in exchange. And so, as I said before, the metals necessarily ever rest, as it were, in the scales of the same beam, and one cannot move, or be moved, without correspondingly affecting the other. If there is any instability in the matter, it is surely as chargeable to the gold as to the silver. The gold press deceived itself, and did its best to deceive the nation, by ringing the changes on the "90 cent dollar,"—they had not the impartial justice to say a word about a far bigger vagabond, the 110 cent dollar. But I can say to Mr. Sherman, with all confidence, that he never saw or handled such a monstrosity as a 93¼ cent legal tender silver dollar. I promise him 99 cents for every one he sends my way. And I can tell Mr. Sherman of yet another *fact* of far more importance to American citizens—that the moment this silver dollar was coined—the moment it had existence—it was worth and passed for 100 cents, and that its gold friend could do no more. Silver was faithful, as it ever has been, to its great mission. The moment that a wise and just measure undid, on American soil, what a foolish and wicked law had done on European soil, silver sprang to the front and placed itself on the same line with gold. And the silver dollar, with the same protection as the gold dollar, and no more, will buy all that the gold dollar can buy. And the decisive proof that silver has not depreciated in real value, and that in the great markets of the world it remains on a perfect equality with gold, is found in the fact that legal tender silver dollars will buy as much silver bullion as legal tender gold dollars will buy. Yea, more, they will buy as much gold bullion as the gold dollars themselves will buy. And Mr. Sherman, unless he closes his eyes, cannot fail to see that a silver dollar which can do all this can never be a 93¼ cent dollar, but just what the universal *consensus* of industry recognizes and approves, a 100 cent dollar. I am sure there is neither statesmanship nor monetary genius in this twaddle about a 93¼ cent silver dollar—quoting the false price of the raw material in London, the market of the money destroyers, in constant disparagement of the monetary system of America, whose legislators have recently acted so wisely and well in defending and preserving true money. I differ entirely from Mr. Sherman in his opinion about the silver in the dollar. The market value of the silver in a legal tender silver dollar can never be 93¼ cents—it is always 100 cents. Use that dollar as you like, it will never fail, so long as it circulates, to turn you out 100 cents. The silver it contains is worth 100 cents, otherwise 100 cents would not be given for it. There is 100 cents worth of silver in it in exchange for 100 cents worth of every product of human labour, and if the raw silver in it does not at present exchange for 100 cents in gold, it is not because it is not worth that much in gold, but because its enemies are labouring to destroy its monetary functions. There is no more truth in the statement that the silver dollar is a 90 cent dollar than in the statement that the gold dollar is a 110 cent dollar. There is nothing but silver in the dollar—it is all the commodity, the material, that is there. And if this piece of silver, formed and fashioned by the mint, continues to buy in all the markets of the world at its old relation to gold, it is an absolute and satisfactory proof that the silver in the dollar is worth 100 cents, even though it should be quoted in London (the locality and market of the destroyers) at a farthing an ounce. If our silver dollar is a 90 cent dollar, then it is absolutely certain that our gold dollar is a 110 cent dollar. And still one more fact for Mr. Sherman,—that the re-coinage of the full standard silver dollar, and the legal protection again thrown around it in America, have not only practically secured circulation for the silver dollar at its true worth so far as our present paper system permits it to be circulated, but taken out of the gold dollar its false value—in a word, restored the one to its true place in the currency, and pulled down the other, placing both on the same level. And if Great Britain and Germany point to their silver and gold bullion at variance through their own foolish proceedings with their coins, the United States, France, Italy, Switzerland, Belgium, Greece, can point to their silver and gold coinage in perfect accord, and exchanging (so far as they are permitted to exchange) every day, without a jar, the products and commodities of more than a hundred millions of people, what they would soon cease to do were this London bullion variance a true or industrial variance. And I can add yet another fact, perhaps more important than all, that our silver dollar does all this, and continues to do so, not because it is made a legal tender, *but because it is worth a gold dollar*. Our silver dollar, as compared with the gold dollar, is no more depreciated than the new shoes on our feet or the new clothes on our back. Just protect the silver as you protect the gold, and gold bullion turned into gold coin will buy no more than silver can do—silver bullion turned into coin will not buy less than gold can do. Give them but equal chances, and you will have equal results. And it will need no "limitation of amount," as suggested by Mr. Sherman, the moment Congress unlocks the prison doors and lets the hoarded millions go forth into the hands of the people. Mr. Sherman thinks both gold and silver coin, from their weight and bulk, "naturally" seek what he calls a safe deposit in some immense vault (Report p. xii). It would be safer and of as much use to industry in the mine.

Better prohibit mining altogether; it would save all this expense and trouble and quarreling. I will not affront the intelligence of my readers by telling them where our gold and silver coins should be, or for what purpose they were designed and given, or where they would be safest. In the name of tens of millions of toiling men I demand that the coins of industry be returned to the hands of industry. They were never mined and minted for the purpose of locking them up in immense vaults, or for carrying them about from bank to bank in order to bolster up a paper system. There they are entirely lost to industry; and so long as they are held fast by such a system they are instruments of evil, not of good, to industry. They are as completely useless as the steamship high and dry upon the beach. Their present round of circulation is entirely outside of industry. It shews how complete is the hallucination of many public men on this subject when we find a gentleman of Mr. Sherman's position confidently telling both Houses of Congress that the *natural* flow of the precious metals is not *into* but *out* of the hands of industry, to be locked up and confined in some great central vault. Never was a greater and more fatal mistake made. Never could a public man plant himself in more thorough opposition to the well-being of a great and growing nation than to propagate such a statement, and to act upon it as if it were true. Industry and commerce, with one breath, pronounce it untrue. Industry writes upon its metals "life to life." Mr. Sherman's motto is "dust to dust." Industry cries, "let our money go, let us hear its ring, let it come forth to fertilise every channel, to enrich and to protect our toil and our trade." Mr. Sherman cries, "lock it all up, consign it to uselessness, silence and death."

"It is now proposed, for the purpose of taking advantage of the depreciation of silver in payment of debts, to coin and make legal tender a silver dollar of less commercial value than the gold dollar." President's veto, 28th July, 1878. This sentence reveals the complete misapprehension reigning in the mind of the President. All the facts of the case, and all the arguments advanced by the advocates of silver, contradict his statements. It would puzzle wiser men than the President of the United States to shew how the people could pay the national creditors in silver dollars, every one of them current among themselves at 100 cents to the dollar, and yet save 8 to 10 per cent. on every dollar paid; or how it would be within the range of possibility to coin and make legal tender a silver dollar at the ratio of 15.98 to 1 of less commercial value than the gold dollar, when it is in the power of each of these dollars to buy everything on the market at the same exchangeable value, that is, 100 cents a piece. The American people did not propose to offer the European creditors masses of uncoined silver bullion. They bound themselves to pay in coined silver money or coined gold money—national dollars—every one of which was current among 40 millions of people at 100 cents to the dollar, and every one of which was received and paid by their own Government at that rate—better coined money in fact than any silver current in Europe. There could be no "taking advantage of" in buying silver which appeared to have depreciated 10 per cent. with gold which had appreciated 10 per cent. If the mint got cheaper silver it paid away dearer gold. If Europe casts its silver into the sea, it is no business of ours viewing us as debtors. The labour of America pays the debt in what costs us 100 cents to the dollar. It is immaterial to me when I pay my taxes whether I pay in gold dollars or in silver dollars. Even if gold were to remain firm and unmoved at par, and Europe to destroy the monetary function of silver, America preserving that function equally with gold, would there be anything wrong in America stepping in and buying the raw silver at 93 cents to the dollar, or at the current European market quotations? America might well say to Europe, in view of this monetary destruction, "You are only injuring yourselves; we would far rather have you preserve your silver at par; and, to shew you that we are in earnest, we promise to take this silver in which we pay you at 100 cents to the dollar for every product of labour produced on this broad continent which you may desire to buy." Knowing full well the vast public interests at stake, I will never forget the intense interest with which I watched the recent silver struggle in the United States, and my satisfaction that honesty and rectitude eventually triumphed over prejudice and wrong.

When thieves break through and steal it is customary, is it not, to arraign the depredators at the bar of justice, and not the people who have suffered in the loss of their goods. Here was a combined raid made upon our silver by some of the most powerful nations of Europe. A vast amount of our industrial wealth was stolen from it and handed over bodily to the gold. To the disgrace of most of the newspaper press on our eastern sea-board, the silver was condemned by them and the gold acquitted. To the everlasting honour of a wise Legislature, in the winter of 1877–78, the silver was saved and protected, and the strong arm of law thrown as a defence around it. True, the people as a body may not expect to reap much if any immediate benefit from this wise legislation. It points to the future rather than to the present. The argument that, because the new silver dollars flow back again to the Treasury and refuse to any large extent to remain out, therefore the people do not want silver—this, advanced in presence of a paper system which dominates all money and makes its corrupting influence everywhere felt, and whose very being and existence depend upon the destruction of monetary circulation and forces, is about the shallowest thing I have read in all this controversy. Not till the paper system passes away will either silver or gold be seen circulating as they should in the hands of industry. But as a defence of great principles affecting our dearest interests, and as a protest against a mighty injustice done to industry, the people of America can never be too grateful to the men in both Houses of Congress who stood up during all these eventful days in defence of the silver of industry.

Professor Bowen seems to have lost sight of, or not detected, one of the most important facts in relation to these monetary problems, a fact which controverts every page of his Report. For it is a truth susceptible of abundant proof that the mere relative supplies of gold and silver from the mines have little if any influence on the ratio of value between them. Even though the prices of commodities generally should exhibit some slight appreciation under the influence of very large supplies from the mines, that is not necessarily accompanied by any alteration of the ratio between gold and silver. The majority of the Commissioners occupy about eight pages of their Report in setting forth this truth under the following caption: "Fluctuations in the relative production of the metals do not affect their relative value under the present condition of the world's business, so long as the law of one or more important countries permits the unrestricted coinage of both metals, and invests both equally with the money function." The recognition of this principle in monetary science is as old as the time of Xenophon, for that philosopher taught the Athenians the necessity of using silver on the ground of its being less liable to fluctuations than gold, and scouted all fears of depreciation from increasing production of the metals. So far as I can trace in the Minority Report, Professor Bowen has not once referred to this law. He holds fully to the idea that the London fluctuations are evidences of changes in the relative value of the metals, or of changes in the ratio, and that these changes in ratio and these London bullion fluctuations are caused by changes in the relative supplies. The notion won't hold water for a moment. Xenophon knew better. It is the labour spent in producing these supplies—or "cost of production" if my mercantile readers prefer that phrase—which must ever prove the dominant factor in the case. This explains why the ratio of 15½ to 1 has remained very steady for about a hundred years, notwithstanding that the stock of gold recently doubled in about twenty years, whilst the stock of silver left in Europe and America had, during the same period, certainly not increased. Had the ratio followed the supply, all the mints would have had to constantly make new and different arrangements as to the ratios, and they would not have been long sure of them when made. What a calling in and reminting of coin there would have been! Gold and silver are not two articles, in their use, in antagonism with each other. They do the same work for our race—always engaged in the one act of "buying"—and do it interchangeably, a fact which, in itself, is a most powerful factor in the prevention of fluctuation in the ratio. The demand for iron cannot be satisfied by the supply of wheat, but every individual demand for money can be satisfied with either of the precious metals. And the doubling of the stock of gold in twenty years was no indication, by itself, that the same quantity of gold was being produced with one half of the labour formerly spent. A vast additional quantity of gold may be produced relatively to silver, but that is no reason for us to believe that the silver is being produced at any more cost, or the gold at less cost. From all that we know of the matter, there can be no doubt they have, on the whole, for several generations, been produced at an unchanging relative cost, or at the same general expenditure of labour, say, as fifteen and a half to one, a position which the mere *quantities* of each turned out from the mines does not in the least qualify. This ratio at all events has prevailed long enough to give us a secure platform, and in all probability its permanency is now beyond hazard. We may be sure that it was not originally chosen without full deliberation. Had ratio been obedient to relative supply, we would have seen gold and silver quoted sometimes as one to one, sometimes as one to fifty. Supplies of gold and silver may fluctuate in their relation to each other, but I think relative values of the metals are now beyond all reach of fluctuations. The re-opening of the mints, and the remonetization of silver, would speedily bring back the old quotations of bullion in London, but would have no effect in altering the great labour ratio between the metals, and at which they are exchanged, in the form of coin, for goods in all the markets of the world—a ratio indeed which it is seen was not in the least degree affected by all these recent monetary disturbances in Europe. The sooner we all come to realize this great monetary truth the better—that it would require a serious and long continued change in the relative cost of production of the metals to alter the ratio between them, or impose the necessity of a lesser or larger dollar in either silver or gold—a change, let me say, which I think the world is never now likely to see. I think we may now lay it down as a principle in monetary science that, if Governments simply do their duty with coins, and no more, *a cheaper and a dearer metal will be things unknown.* It is not in the nature of things that there should be a cheaper and a dearer precious metal. The ever-changing quotations of the so-called prices of silver in the London bullion market have no connection whatever with changes in the true ratio between gold and silver. They are in a large degree evidences of destructive, gambling, or speculative forces being at work. People do not ordinarily buy gold money with silver money, or silver money with gold money, as they do other products of labour. It is only when the metals are tampered with by Governments that a species of gambling in them is brought into play; and in the very "fluctuations" created by this vicious interference with the currency rest the fears and the hopes of mere money speculators. Perhaps it is a bad sign when Governments have so tampered with money that any bullion market, except as related to the arts, should have existence at all.

But the existing mass of the precious metals must be taken into account in the consideration of these questions. We do not consume the mass of these metals every year as we do our flour, sugar, cotton, and corn. We have not to begin anew their production every spring as we have to do with our cereals. The mass is there, existing for ages. And not only is it ever present, but it holds in its mighty grasp (and a tremendous reserve force it really is) the labour spent on it in the past, the "cost" of its production. And we may be sure that is one element which it will securely hold to the end of time. The toilers may be in the dust long ago, but the fruit of their labour is there, a great, exhaustless, and conservative power ever exercised on behalf of the toilers of each succeeding generation. People do not reflect how truly conservative and beneficent this saved mass of metal is to all who toil from day to day, but I will endeavour, before I close, to show how this comes to pass. Were it generally distributed in the hands of the toilers, every conceivable transaction would be instantaneously and equitably settled by its exchange. Now, if there be at times any change in the relative cost of production of the metals; if the many millions of gold produced within recent years have really cost in the aggregate less of human toil, sweat, disappointment, care, endeavour of all kinds, than formerly, or than silver, then it has to submit to the reserved power, the power of determining price or relative cost of production (I use the word price here in its ordinary acceptation) laid up in the previously existing mass. The greatest yield of gold any year was in 1852, when it reached about 195 millions of dollars. But this great yield was swallowed up at once in the then existing mass of 1400 millions. And the same of any year's production. It cannot escape the over-powering forces which it has to confront. It must yield at once. And it is not, of course, these supplies swept into the mass once a year, but it is a daily act of appropriation. We tabulate them as an annual yield, but they are ever, without intermission, disappearing in the mass. And so this augmenting force ever rolls along, increasing constantly in its power over those daily or annual supplies, and gaining daily, monthly, yearly, in its conservative strength of embodied human labour, and thus becoming, as it were, more and more the sheet anchor of the entire world of industry. Any slight alteration in relative cost of production of the precious metals, if such there be, must therefore be wholly inappreciable when confronted with the labour cost of the entire money of the world. And it is of course the same with the silver product as with the gold. Instead, therefore, of *instability* of value being a characteristic of the precious metals, as constantly reiterated by the London press, their *stability of value* I regard as a most impressive fact, in connection especially with two commodities of so peculiarly sensitive a nature, and whose influence is daily and powerfully felt throughout the entire world. Coins may wear out, the mass of the precious metals never will. And this mass, continually and on the whole *augmenting* as I think, forms not only a constant retreat and security for industry, but is the sure guarantee of the *steadiness* of all prices throughout the commercial world. Hence we see the absolute necessity of all labour being in constant contact and intercourse with the metals, or, in other words, that exchanges should be *for cash* and not *on credit*. If *credit* prevails the usefulness of the precious metals to our race is gone or greatly impaired—if *cash* prevails that usefulness is in full play. Labour must be in constant contact with its coins—it must be ever handling them.

In no other way can an interest in them, either special or general, be kept up. Nothing but labor and money ever in reciprocal intercourse and in free and constant play, can secure to price its full and legitimate exercise. If you prevent industry handling its money, you will bring industry to ruin. If money is not constantly *handled* by industry, then price will be as rude and vague as quantities would be, were we to fling away our yard-sticks and measures and sell by guess what we have in our warehouses and stores. Industry must see its money, must handle its money, must count its money, not driblets of the mass, but the entire mass. It is all needed, for there is price in it all and labour in it all. In a word, without its money, industry will perish or be reduced to abject slavery.

On grounds such as these I claim on behalf of industry that the entire coin of Christendom shall be permitted to circulate in the hands of industry. Justice demands it, and mercy approves the demand. That is the great issue before us.

Taking all these things into consideration, we may see how little liable to change must be the ratio between silver and gold. And hence, also, we see how utterly vain is the notion that bullion changes in the London market can ever be evidences of changes in the relative labour values of a mass of the precious metals computed at thousands of millions of dollars. Ordinarily they have no more weight than the feather on the foam. The minting and launching of hundreds of additional millions of either gold or silver on this great metallic ocean would not, of itself, alter the labour ratio a single iota. For it seems to me that the natural tendency of additional supplies of the metals, however vast, is not to crowd the market or elbow any one out of the way, but to create new markets and cut out new channels for themselves. But, on the other hand, let us destroy a half or a large portion of this money mass, and we will not fail to turn into a desert those fair fields of human industry and beauty which, by its help, have been opened up, enriched, and fertilized.

The ratio between silver and gold—that which has been so well tested by France, say 15½ to 1, and tested, until recently, with every coin issued from her mints—has not been in the least affected by the varying supplies of gold and silver. If Professor Bowen's doctrines be true, that ratio should, some years ago, have shifted to 7 or 8 to 1. But it has not so shifted. And if he says that this is the fault of the mints in not revising their ratio, then I say, if such be the case, there would have been long ere this, and over all the world, a gold price and a silver price for all commodities. Silver would have refused to buy at its old relation ; gold would not have been able to buy at that relation. But no such thing has made its appearance. There has not been the faintest symptom of anything of the kind. And I think I may safely venture to assert that Professor Bowen himself does not believe that the gold dollar in his pocket is to-day worth only 50 cents in silver. The truth is the discoveries of Californian and Australian gold have put this grand ratio of 15½ parts of silver to one of gold to as severe a test as it is ever likely again to receive. The probability is that it will never receive such another test. In spite of the demonetizing influences of nations so powerful as Great Britain and Germany, combined with those of a minor character, the ratio has shewn that it rests on a rock from which it is not likely that it will ever be removed. That rock, in its entirety as well as in its parts, *is human labour*. This is the one powerful element which predominates over all others—the one grand and conservative force which, in our precious metals, links all industry as it were into one common brotherhood, and which no nation can attempt to destroy but at its own extreme peril. And the test of a true ratio, apart from demonetization, would be, concurrent circulation of both metals throughout the world.

It may be necessary to say, just in passing, that it is an error to suppose, as some do, that different ratios prevail in different localities, or in places more or less distant from the mines. Because Mexico produces silver and Australia gold, there is not therefore a different ratio between the metals in these countries. The cost of transmission of silver to Australia—if there be, under a true system, any cost in the matter at all—is balanced by the cost of transmission of gold to Mexico. The ratio is of course calculated *as between the metals*. People who are deceived into the opposite view by the existence of bills of exchange in our modern commerce, have made but meagre enquiry into the subject. Practically but one ratio prevails over all the world. The complications, or profits in transmission this way or that way, introduced by the paper system, of which bills of exchange form a part, do not touch this monetary truth at all.

Does Professor Bowen believe that if silver has really fallen in value 17 per cent. it would still be purchasing in the world's markets with the same power as formerly? That is the crucial question. Would not double standard France long since have been emptied of her last gold coin? He says, and says truly, "always the bad money pushes out the good, as every one will adopt the easiest and cheapest means of paying his debts." But this bad silver of Professor Bowen's has not pushed out of

France a single gold Napoleon. Have the people of France been all stricken with financial blindness that they cling to the gold? Is it within the range of possibility that Frenchmen should persist in paying and buying with gold when they have at hand an abundance of silver depreciated 17 per cent.? Will Professor Bowen or his disciples consent thus to throw 17 per cent. of their earnings into the fire?

But Professor Bowen is not even honest with his "depreciated" silver. He says silver has lost 17 cents in every 100, say, in round numbers, one-sixth of its value. And yet he proposes a new dollar, reduced only 26 grains out of 371, when, to bring it fair with gold, the reduction should be, if silver has thus fallen, over 60 grains. To put matters square he proposes to give us a silver dollar a great deal more valuable, according to his reckoning, than the gold dollar itself. The coined silver dollar of America has never once been changed in the amount of its pure silver. Professor Bowen proposes a new coin of the weight of two of the present subsidiary half dollars. Even if silver has fallen only 10 per cent., this new coin would not be true, for it would be from 3 to 4 per cent. above even that reckoning of the relative value of gold and silver. And he gravely proposes that this new dollar, more valuable, according to his own shewing, than the gold dollar, shall be legal tender only to the amount of $20! A strange reversal of the law of legal tender. He would compel people, by law, to take, to any amount, the *least* valuable, and the new and *more* valuable coin to be limited as legal tender. Has he lost himself entirely in these "endless mazes" amidst which he is wandering? Has he no faith in all he has been setting forth in his Report? Or is he really only endorsing the action of hundreds of monetary prophets who last winter saw nothing but ruin in the restoration of the old silver dollar, but who, the moment the Silver Bill passed, hastened to invest by the million in the very silver which they feared threatened their destruction? The printing presses are at this moment too slow in their movements to throw off the bonds clamoured for by people hastening to invest at 4 *per cent. per annum* in this ruined *double standard* nation! I would recommend to the most hardened mutilator of our coins, failing all other reasoning, simply a re-perusal of the weekly issues, for the past eighteen months or so, of some of the American religious journals. I have recently so glanced over one of the leading New York weeklies. Alas! not a single prophecy fulfilled, though plentiful as autumn leaves. Nobody except these wise men of the East can believe the doctrines they have been so inveterately proclaiming,—that the silver dollar of America is only a 90 cent dollar. How many of these dollars, I would like to know, have these men given away for 90 cents? They are perfectly sensible that they are just giving 100 cents for 100 cents' worth. A bullion divergence, represented by sensitive fluctuations, has occurred between silver and gold bullion in the London market, caused by destructive forces brought to bear on silver and still maintained at work. The best evidence that these fluctuations have had no effect on money in general, is to be found in the fact that not a single coin in two of the greatest commercial nations, Great Britain and France, has been called in and reminted; that the old ratio has not suffered the least change; and that the coins are everywhere buying as much as ever. If the silver coins of France, of Britain, of America, are buying the same as formerly, we may rest assured that all other silver coins are buying the same as formerly. The thousands of millions of coined money will in the end overpower the hundreds of millions in bullion. The dead bullion of London will at last have to submit to the living coin of the great world of industry. Neither France nor America need have a doubt or a fear on that point. Now let us reason for a little as if gold had remained at par and silver only had fallen. If Professor Bowen will take the trouble to consult recent annual mint reports he will find that that institution has just been buying its silver bullion where it could get it cheapest; and that, as it has thus become a trafficker in bullion, stepping in, as it were, between the producer and the consumer, the mint has apparently been making large sums in the shape of profit. A *free* mint—that is, a mint open to all—is of course the only sure guarantee that the bullion will pass from the hand of the miner into the hand of commerce, loaded with nothing more than the cost of mintage. A free mint is an absolute necessity for the people of the United States. It is a birthright of industry. It passes my comprehension how Professor Bowen can denounce the Government for buying silver bullion in large quantities in London or San Francisco, or elsewhere, when it has been brought to a low price by the folly of European monarchies, or how it can be unjust to these monarchies to mint that silver on a more generous ratio, as compared with gold, than any other nation in the world. When European nations, stricken with insane fears, cast overboard this noble metal, shall America, its principal producer, be debarred from stepping in and buying it at the low prices they have placed upon it? Where is the guilt in America buying this bullion as cheap as she can, and coining it at a ratio with gold at which it passes current for commodities over all the earth? Shall their folly be the measure of our wisdom, or their fears the measure of our faith? Shall we become monetary madmen like themselves simply at their beck and command? Profoundly thankful am I that the overwhelming vote in Congress last winter saved the nation from such a degrading and miserable spectacle. Mournful and humiliating would it have been had America thus consented to the spoliation of her own people at the bidding of the European demonetizers, or even at urgent solicitations from our own halls of learning. Ah! Mr. Bowen, these silver dollars are too hard for both you and the "religious press." They will kill you outright unless you let them alone. Silver is not the weak antagonist that some people consider who seek its destruction. It can handle far more powerful enemies than Professor Bowen. It can bleed a nation to death which persists in its foolish animosity. Silver is of equal rank with gold; it is not one whit deficient in power as compared with gold; industry has invested as much of its labour in silver as in gold; and, therefore, we need be under no apprehension that the human race will outlast its silver money, or that gold will eventually run down its silver brother. Every *government* under the sun may engage in its destruction, but *the people* will never believe that it has lost a particle of its value. And the voice of the people will yet prevail.

Then, again, why does not Professor Bowen begin a crusade against the European nations for holding on to this wretched silver? England has not re-minted one of her silver coins. There they circulate on the old terms, at about 6 per cent. below gold, when they are worth, according to the Professor, only 17 per cent. below gold. How is this? The stars in their courses fight against the worthy Professor. Nothing will fall in with his arrangements. The full standard 5-franc silver piece of the Latin Union, the silver rouble of Russia, the silver florin of Austria and of Holland, the silver dollar of America, the silver rupee of India, must all now be reduced, if there has been such a fall, to the position of mere "tokens." But in no instance has the gold refused concurrent and friendly circulation with these coins. In truth, they seem to like the silver atmosphere. But gold should be thoroughly on the stampede if the Professor's doctrines are correct. And if silver has really so fallen, and the British Government persistently refuses to alter the mint ratio of coinage, keeping the silver going at a false and *over*valued ratio, is it not practically the adoption by England of a sort of silver standard? Only, as now witnessed, it would be a veritable monetary chaos, laws reversed, disorder rampant. English token coins shorn of about one-fifth of their value actually circulating by force of law at a greater value than English gold! Then, turn to Germany. That Empire must be also deliberately overvaluing its silver. It has gone a long way in the matter of depreciation, for, if I mistake not, its new "token" silver coins are some 11 per cent. below the gold standard. But even this, according to Professor Bowen, is 6 per cent. above the value of gold. And yet the old legal tender silver thalers of Germany are still floating, at their former values, alongside of the gold. Chaos again! The coined gold of Europe has in no instance retired before the presence of the overvalued silver, this "bad money" of Professor Bowen. It refuses, point blank, to endorse in the smallest degree the doctrines of its erring friends. In persisting to stay in France, in Germany, in all the nations comprising the Latin Monetary Union, the gold of Europe must be either setting at naught all known monetary laws, or convicting Professor Bowen of writing nonsense. Which?

Amidst the grand and ennobling truths of political economy, the careful and attentive student may daily revel with supreme delight, but it passes my comprehension to understand what happiness can have been brought to the mind of Professor Bowen in stringing together so many fallacies as are presented to us in this Report. The demonetization of our silver brings sadness and sorrow to my mind—to that gentleman it seems to bring happiness and pleasure.

But Professor Bowen's ideas are something more than monetary heresy, they are revolutionary. The Constitution of the United States provides for a bi-metallic currency—gold and silver as full legal tender. The power of coinage is vested in Congress alone, not in each State. Congress is bound by the Constitution to provide full legal tender gold and silver for the needs of all the States. The late Act of Massachusetts (13th Feb., 1878) in declaring that her public debt, principal and interest, shall be paid only in gold, is subversive of the Constitution, revolutionary in principle, illegal in act, and a high affront to Congress itself. Its tendency is to introduce monetary discord throughout the commonwealth, and to give to its bondholders dangerous power. There could not be a more deliberate violation of constitutional law and authority. And all this, Professor Bowen approves.

I have spoken of the *supply* of the precious metals. And I have spoken of that supply freely because we have, to some extent at least, reliable statistics to guide us. But of the *demand* for these metals, who can presume to speak with confidence? When was the demand, the desire for gold and silver ever satiated? Is it this demand, this desire in the abstract, which is the thing to be considered? Or is this demand to be measured by the quantity of all the products of labour offered for sale throughout all the world? Is the demand for money thus limited only by the visible *strength*, as it were, of human arms throughout the civilized globe? Or is there really any effective demand for money in the same way as there is an effective demand for the necessaries of life? Or is there, as it were, a sort of *unconscious* circulation of money in the hands of the human family, the real demand being for all other commodities and always *overleaping*, so to speak, the coined money which comes in between? I leave these questions for the reader's solution, satisfied for the present that that solution, whatever it may be, and however interesting the necessary investigation may prove, need have little, if any, practical bearing on the questions we are now discussing.

It is clearly shown that demand and supply do not affect, so far as known, the relative values of gold and silver or the long and faithfully proved ratio between the metals. They may raise or depress, locally and for a season, *prices* in the bullion market, as represented by the London quotations; but *price*, as every economist knows, is not *value*. Value ever has its seat far away down in the undisturbed depths of human labour—price, as often witnessed, may become the creature of an hour, fanned into existence by every passing breeze, or hanging trembling on every rumour's breath. How can a wise man be so indiscreet as to substitute the one for the other, and then make the vain attempt of building thereon a new system of monetary science?

It is a grave error to accept of demand and supply as the source of value. I am sure that those who hold to that view have not penetrated very deeply into the subject. It is one of the rotten branches of English political economy, and, like all rotten things, is destined to fall. Demand and supply are the source of *exchange*, but never the source of *value*. Our wants, our demands, confer no value on what we produce—labour alone can confer value. Demand and supply will divert or distribute the produce of our labour into particular channels, and these elements will cause *prices* to slide this way or that way. We demand air just as we demand food, but this demand confers no value on air. If we had to manufacture the air, even though the supply were practically unlimited, the labour would confer a value on it. And though there is enough food for all, just as there is enough air, it is the labour which gives value to the food, just as the absence of labour renders the air valueless. If our food could be picked up everywhere without what we understand by labour at all, the demand for the food would give no value to it. Gold and silver are products of labour, and there is a universal demand for them, but it is the labour in production which is the source of their value. In every act of exchange there is nothing but human labour exchanged, and value may be taken as a word expressive of the amount of that labour exchanged. Value, when active, can only be in faithful exercise when two similar quantities are exchanged. Whatever difficulty we may experience in giving a strictly scientific definition of political economy, this definition of value seems to me at any rate severe enough to satisfy any scientific mind. Products may become cheaper or dearer, but that does not affect the matter. A gradual cessation of demand will cause a gradual cessation of production. When there is no demand at all, production of the article will cease. An increased demand will cause increased production, an increased desire to invest our labour in the thing called for. These are the legitimate effects of demand and supply. Humanity has wants—industry satisfies these wants. Value is eliminated in the act of exchange—there is a contest between two parties to get an equivalent for each other's labour, or for the amount of vital force expended; and this is the law which must ever prevail in the settlement of that value of which labour is the source. In connection with the metals, let us try to reduce this demand to its simple elements. What do you make of it? Is it not just your handing over a bit of money in which you have invested your labour, but *on* which you have bestowed no labour, in exchange for my product on which I have bestowed much labour? Your labour comes to me preserved in a bit of coin but not increased by the bit of coin, indeed slightly lessened by the friction of the coin—the material I give to you, say a pair of shoes, goes to you with all the added increment of my labour. Profit to me there must be—profit to you there cannot be. Is there any commercial "profit" to the world, to the human family, in bits of money? Is not its work, from beginning to end, wholly unproductive? What did a bit of money ever produce? If it produces what comes into your possession, then the pictures of Raphael are the products of yellow gold, not of the hand of the great master. Industry, backed by thinking, produced the picture, just as industry, backed by thinking, produced the spade and the drain. Thinking will produce no picture—thinking will produce no spade, no drain, no beef, no corn. Money will produce nothing for you; but it will keep your labour absolutely safe, for the time being, in its grasp. Probably the great and sudden fluctuations witnessed under our modern paper system of commerce have led to the notion that demand is the source of value. It is in reality a sort of monetary error all through. People have become thoroughly demoralized with the notion that the world's "profit" is, some way or other, hedged up in a great mass of silver and gold, and that the man who successfully thrusts his arm deepest into its great money bag has legitimately reaped his share of the really economic quantity we term "profit"—if it be an economic quantity, of which I think there can be no doubt. It is a long time since I defined *profit* as "labour saved," and I can find no better definition to this day. The fallacy of the notion that demand and supply are the source of value may also be seen in this way. Value is, strictly speaking, the relation which subsists between two articles with regard to the amount of human labour contained in each. *Valere*, to be worth, expresses the idea. Two individuals, engaged in barter, have each an amount of supply and demand to offer. Wherever there is effective demand, there is at the same moment and on the same side a certain amount of supply. Each party brings with him his own demand and his own supply. The constant use of money in transactions does not throw out of exercise either of these fundamental elements. My demand for your ox is not the source of the value of the animal; neither is your demand for my gold the source of the value of the money. If it be held that *demand* is the source of value, it is equally proper to hold that *supply* is the source of value. Such a notion leads to the absurd conclusion that demand may be the source of the value of a piece of machinery, but not of the value of the gold for which that machinery is exchanged. A surface reasoner may be led astray by the idea that fluctuations in demand and supply exhibit results inconsistent with what I have now stated, but a close observer will not fail to perceive that these fluctuations tend rather to confirm the principle set forth—that human labour is the only true and real source of value, and the only thing that it is possible to exchange. Indeed it cannot possibly be otherwise, for all exchange is but labour exchanged for labour. If demand be the source of value, it would be impossible for any one ever to sell anything at a loss, for he would always get full value, whereas we know that commodities are frequently sold below their value or cost of production. All good and true men, therefore, are deeply interested in seeing that *price* should always, as nearly as possible, be the true expression of *value*—it is only speculators and demonetizers who can wish it otherwise.*

We can hardly over-estimate the importance of what I have now set forth. Under the current notions regarding supply and demand, I do not think it possible that nations can enjoy true or perfect monetary legislation. I have stated these doctrines somewhat carefully in order that those entrusted with legislative authority may have their attention drawn to the subject. It is at any rate worthy of the most careful scrutiny. The truth is we must all humble ourselves to go back to school on these questions, for it is evident we have a great deal both to learn and unlearn. A thorough knowledge of political economy seems to be the one thing absolutely needed by the legislator of the present day. And it is plain that the source from which value springs ought to be ranked among the first and most important of his investigations.

The advocates of the mutilated standard are never weary of ringing the changes on the alleged "stability" of gold. Bring up their notion square with the important doctrine set forth in the preceding paragraph. The "stability of gold" to which they refer must necessarily have reference to the value of something else—that something else is not goods, it is silver. Nobody will allege that the value of silver, in its relation to the value of goods, is less stable than gold; for the quantity of human toil invested in a lump of silver will buy the same value in goods as the same quantity of toil will buy when invested in a lump of gold. And it is beyond controversy that for a century past the same lump of silver, coined, has continued to buy as much of everything offered for sale as the same lump of gold, coined. So the controversy is between gold as gold and silver as silver. But if you destroy silver as money, you cannot any longer, in this relation, speak of the value of gold. Or if you destroy gold as money you cannot any longer, in the same relation, speak of the value of silver. For the value of a thing in commerce, has reference to the value of something outside of itself, and, in this case you have destroyed all points of comparison and launched yourself upon chaos. Therefore it is absurd, speaking commercially and setting aside exchange of

* "New Catechism on Political Economy," p. 11.

goods for money, to look for value in gold by *itself*, or independently of silver, or vice versa. I say, speaking commercially—that is, in commerce, in exchange. And it is equally absurd to look for any real or permanent value between a mass of silver bullion and gold in the London market, when the presence there of the silver bullion is the result, not of true commerce or of any commerce, but of violent and destructive measures executed against it by powerful Governments. How could silver and gold coins ever be expected to circulate together if minted, as was lately proposed by some to be done in the United States, at a ratio of 18 to 1 or 20 to 1, when they are circulating over nearly all the world at the old relation of 15.50 to 1? I accept of the old and well-tried ratio of 15.50 to 1—tried in joint circulation of all the coins of commerce for nearly a hundred years (except those of the United States, which are coined at the ratio of 15.98 to 1, a trifling difference)—not of bullion ratios in London changing every few months or every few days. We may hold that value in its primary character is lodged in every commodity by strength and skill of arm; but, *practically*, the moment we speak of the value of a thing, the mind instinctively takes knowledge also of some other thing—a duality is then always before us. The value of gold bullion is ascertained by seeing how much coined silver will be exchanged for it—the value of silver bullion is ascertained by seeing how much coined gold will be exchanged for it. In destroying the monetary function of silver you destroy at a stroke the value of the silver, and the only means of discovering the relative value of the gold. You leave nothing on which to form an estimate, no basis, no platform. You destroy true commerce itself. There can be no true commercial relations between a full standard nation and a mutilated standard nation, because the former bases its prices and its trade on one set of facts, and the latter on a different set of facts. You remove the only platform on which values can be discovered, compared or appraised. And, as to the alleged superior stability of gold, the advocates of the mutilated standard must be prepared to show that it is at one time taking *more* labour, and anon *less* labour, to produce 15½ lbs. of silver than 1 lb. of gold—which, I am sure, is beyond their combined ability to do. For I need not point out the dilemma they would be in, with reference to both gold and goods, if they only were able to show that it is constantly costing *less* to produce silver than gold. Or will they try to show—as in duty bound they must—that gold is always produced at the same expenditure of labour, lump for lump, and that the silver only sometimes gets above the gold, sometimes below? In that case it would not be fair *always* to discard the silver. Or will they post away to "demand and supply" to help them out of their difficulties? There they will only rush upon destruction. Or, even granting that some slight divergence in the relative values of gold and silver bullion should be fairly established in the course of years - that a new ratio has become apparent beyond all reasonable doubt - would it not be the right thing to correct the mint ratio, rather than, to use an expressive phrase, cast everything to the dogs by a combined and world wide process of monetary destruction? Little do the mutilators think what they are about in demonetizing silver. And little do our college men realize what they are doing when they aid in such a work. Once more, I repeat, better let the silver alone. Trickery will never do with the precious metals. Silver becomes a very tough problem indeed to those who seek to injure it.

A few thoughts here .

1. *Price* can only be established, secured and perpetuated, upon the presence of the precious metals, gold and silver.

2. *Price* can exercise its high office only when the precious metals are abroad in the hands of industry, seen by the producers, held by the producers, exchanged by the producers.

3. There is as little certainty about *price* with the metals shut up in vaults as there is if they were still in the mine. Where goods are on the market, the metals must also be on the market. For *price* is the offspring of the comparison between the value of the labour in the money and the value of the labour in the goods. Consequently, to drive the money out of circulation, out of the only path where it can make its influence felt, out of the only market where it can exhibit its value, tends to the corruption of true exchange and the decay of true price. A thing never on the market can never have a price.

4. Price is, or ought to be, always the true expositor of value, of what the expenditure of muscular strength is to receive in recompense. Price, if true, returns to labour an equivalent value. When exchange intervenes between the producer and the enjoyment or consumption of his product, price may be said to give to abstract labour concrete form and expression in something tangible—the only form in which labour can ever secure a true or equivalent reward for toil. For hired labour never receives a profit on the exchange of goods, as it never owns the goods.

5. Price is not formed or established by stamping oblong bits

of paper, "this is a dollar"; or square pieces of paper, "this is a pound"; or, "I promise to pay bearer a dollar," or, "I promise to pay bearer a pound" (that is, I promise, because I have got bearer's labour into my hands without payment)—for it is upon the precious metals, as embodied labour, that *price* is built, not upon people's promises or debts; on money present and in circulation, not on money absent and out of circulation; on money stamped by labour with a value, not on morsels of paper stamped by governments or corporations with a mark or device.

6. The proper quantity of money for the world is what the arm of industry itself produces from the mines, not a dollar less or more. It is not to be estimated by counting heads. There is no *absolute* quantity necessary. What labour itself puts upon the market is the right quantity on the market. If you want to ruin industry as well as unsettle price and complicate values, just dilute the basis with bits of paper or narrow the basis by destroying silver. Put both of these in operation simultaneously, and there is nothing but blank ruin before industry, and we cannot complain if we have to face the music.

7. Price springs from the precious metals. Therefore it is only these metals in full and free circulation which can yield what is indispensable to true commerce.

8. The natural or economic difference between the value of bullion and coin is simply the cost of fabricating into coin, whether the comparison be made between gold bullion and silver coin, or between silver bullion and gold coin.

9. Paper currency is, in its origin, the creation of a vast debt to industry by the general suspension or withholding of payment. And then it is a pretence of making payment to industry by the substitution of the actual debt in place of payment and in place of the precious metals thus withheld from industry! For surely nobody will deny that, so long as the paper floats, it is the promise to pay put in place of the payment. Toil gave the money, but toil did not give the paper; and yet the paper has the money. Having thus swept the money out of the hands of industry, it no doubt suits the convenience and profits of the paper system to say—"we will now issue five or six paper promises to pay dollars for every dollar belonging to industry which we hold in possession, and we think we may be able to calculate on returning, to an occasional caller, gold for the bits of paper. We think we may safely calculate on the people not coming in a body to get back their money." And all this is dignified with the name of "specie payments"! Returning to

specie payments, as it is called, may be a change of front, but it is returning to the most deplorable and disastrous deception which has ever blinded our poor human race. And foolish men stump through the country calling upon the people to believe in this crazy delusion of what they call "honest money."

10. Bits of paper can have no industrial value. And where there is no industrial value there can be no commercial value. The promise to pay the debt inscribed on the bit of paper can have no industrial value. Labour never produced it, never was in contact with it, therefore labour can claim nothing for it. Accordingly no true economist can ever speak of bank or government notes as having any value. A thing has not value on the ground of goods being given away for it on the faith of it having value. Were it not so, counterfeit pieces of lead or pewter would have value. The *thing* we purchase has material value—it would be absurd to suppose that our failure to pay, or non-payment, could convert that failure, or non-payment, into an article of merchandise. It is utterly impossible to convert an *obligation* to pay for what we buy into a product of industry. And yet all paper currency, of whatever form and by whomsoever issued, is an attempt to do just this thing. Writing words on a slip of paper does not alter matters. For the question, it is evident, as affecting the rights and rewards of industry is not, are we able to pay? but, do we pay? What can industry gain from *ability* to pay if be *not* paid? Nothing. Value is in exchange of goods for goods, of labour for labour, but no value can spring out of withholding payment of the goods. True, goods are shifted about by the system. We can get products, plenty of them, into our possession, into our hands, by handing over bits of paper. But that is not true commerce. The paper may be handed from one to another in a ceaseless round, but that does not make it anything else than a constant suspension of payment. And if there is no payment, then there can be no true exchange. By such means the entire products of industry become the playthings of a vast system of commercial gambling, in which the losers of the game may be said to be the unhappy men who perish in that dark river of commercial bankruptcy which has worn so deep and terrible a channel throughout human society, and which will never cease to flow so long as the system stands. Some recent writers have endeavoured to justify the system as one of indirect and ultimate barter. Never was a greater mistake made. Barter is goods for goods, labour for labour, value for value; the products of labour in the hands of and owned by labour; all industry prosperous, happy,

and contented under an exchange of real values. Do we see anything around us approaching such a state of things? Who owns the goods of industry? Is it not this paper system which has discounted other paper, and whose vast claims extend every moment over everything fabricated by mortal hands? Barter of value for value would never permit of a bankrupt—tens of thousands of upright and worthy men are the victims of what is the very opposite of barter. Are my readers aware that the entire commercial world is, on the average, destroyed every fifteen or sixteen years by this paper system? Could I state a more appalling fact in relation to human society? Barter of value for value is a cash system—barter of goods for paper is a debt system—the one free and independent; the other, all workers reduced to a position of industrial slavery, for that is indeed, in the end, the terrible outcome of the whole system Thus we compel industry not only to pay for the things made, but to pay also for the promise to be paid for the things made! For it is the paper which is discounted, and it is paper which floats as currency, and the burden of it all in the form of what is called "interest" is laid on the back of labour and drawn out of its toil, for there is no other back on which to lay it. I need not point out to an intelligent mind how utterly crushing such a system must be to the industry of the world. Its dreadful effects are visible on every hand. You are confronted with them every time you cross your threshold. No wonder, under the working of such a system, that commerce is alternately paralyzed with fear, and anon driven wild with excitement. It is in reality a wholesale and never-ending process of eviction carried on against labour, in which industry is constantly ousted from the goodly products of its own handiwork.

11. In every act of exchange ownership is exchanged; and the man who gets money, a product of industry, and still retains ownership, has given nothing in exchange.*

Utilities are gratuitous—that is, labour is exchanged for labour, and industry enjoys the free consumption of its own products. Industry cannot both pay for its products and for the consumption, that is, the use of its products.

Here are two economic definitions, the first my own, the second that of most modern economists. They are both absolutely

* This definition has been already published. "The logic of your formula voices to my own reason that which was never so satisfactorily answered before. The right was apparent, but the reason somewhat in obscurity. Now the right and the reason both stand in the light." Extract from private correspondence.

true. They stand in such close relation to each other that the economist who ventures between them will be ground to pieces. A little close thought here, and the reader may grasp a truth of great importance indeed, one which he will never afterwards let go, and which will introduce him to a new world of thought. Voices innumerable may seek to clamour him away —commerce, with her thousand noisy tongues, may attempt to drown the uprisings of conviction. Heed them not ! Fear them not ! Let him go to his solitude for a while, and be encouraged by the thought that thousands of earnest men are pondering just such problems now. If true to himself he will not fail to conquer in the mental struggle. For full well I know that he must pass through a mental conflict ere the light comes. But, just on that account, will he rejoice all the more in the victory he wins.

Now, in verification of the foregoing statements, I call out the entire army of working men the world through. When one takes a thoughtful survey, the conclusion is irresistible that not all the combined powers of evil, in their malignant ingenuity, could fabricate anything more withering, more utterly desolating to the human family than this modern paper system. Not seldom does one hear christian men rising up in its defence on the ground that they would not be refused specie for the notes when they go a-travelling or for any other purpose. This is the sum and substance of their political economy. As to what the system of paper really *is* they make no enquiry ; or, worse still, they are satisfied with the fact that, ordinarily, they can get what they want with the paper notes—so *self* has its instant wants supplied. They would like to have plenty of these bits of paper which they find so light and convenient—further enquiry they decline to make—and the relation of the entire system to industry (the only relation which, as men claiming reward for labour, ought to concern us) is apparently a matter of indifference to them. All very good and all very safe were there no judgments poured upon the system even in this life, and were there no judgment to come.

But, if my reading does not deceive me, some modern professors of political economy are ill at ease in their present position. They know better than I can tell them that the science is in a most unsatisfactory condition. It is chaos, and what comfort or progress can cultured minds find in chaos ? Can it yield any pleasure to be constantly demonstrating error ? Some of these writers appear to me to be approaching the light. They are beginning to refuse to take things, on trust, as they formerly did. Questioning voices are heard from influential quarters. It is well. Our great hope for them is, that they may never again suffer themselves to be shrouded in the thick darkness.

This continent may be said to be now divided into two monetary, or rather, paper classes—those who, driven to desperation by long suffering and wearied with burdens now unbearable, say that it is best for the people to keep their money and issue paper which says it is determined it will never pay—and those who take the people's money out of their hands and issue paper promising to pay, but payment of which, as they well know, is their monetary death. Which is best? Is there anything for industry itself to choose between them? The "redeemable" brother scolds his irredeemable brother, and calls his own paper honest money; the "irredeemable" brother does not fail to pay back the redeemable brother in his own coin. Thus the battle rages—between them poor industry is ground to pieces. Who has the best of the argument? Our irredeemable friend who boldly says he won't pay; or our redeemable friend who says he will meet an occasional call, so as to flatter the thoughtless into the belief that it is all steady as a rock? The latter prides himself greatly on "honest money," but there is one little factor he forgets—just one little factor—big enough, however, to make of his mountain a molehill. *The little money at the back of the paper is the people's money, the lawful property of the holders of the notes.* That indeed is honest money. Take away all that belongs to the people, and what has the "redeemable" brother left? Anything we can reason about? Anything we can take a grip of? Let us enter the vaults and see—cast all the light we can around—I do not think the people will faint under the burdens they will have to bear away. And yet men claiming to be intelligent overwhelm the people with speeches about sound money, honest money. It is simply ridiculous. The stumps on which they stand are not half so rotten. It is monetary fanaticism—monetary insanity—a delusion too transparent to stand a moment's examination. Where does this honesty lie? Is it in the people's money, the product and the property of industry, the gold and silver, at the back of the mighty mountain of paper? If so, the redeemable brother can urge no claim on the ground of honesty; for surely the honesty must be either in the real money produced by industry and owned by the people, or in the people themselves. Or is this honesty in the bits of paper? Nobody is blockhead enough to say such a thing. Or is there a little borrowed honesty, the paper venturing to appropriate to itself some of the "sterling" of the people's money? But not even paper would venture to parade itself before the people in borrowed honesty, for then it would be descending to the tricks of the common rogue. Where, then, is this honesty to be found? In what part of this wonderful monetary body is it seated? I leave it to all the learned doctors in creation—doctors of anatomy, doctors of divinity, doctors of political economy—to dissect this *corpus*, and when they have found in what part of it the honesty lies, to reveal it at once to the people. I am sure every press will be set in motion to proclaim the discovery. My good redeemable brother, permit me just a word. Your little specie payment is just your paying a little of your debt. Surely you do not need to be reminded of that. You may torture yourself to death ere you make anything else out of it. Better accept the truth at once and talk no more of specie payments. For, you know, there is danger of deceiving the people themselves about such a thing. Now, is not truth best? I am sure you would start at the very thought of deliberately leading the people astray on a matter of such momentous importance to them. The apology for a paper currency generally advanced by the paper school is that there is not enough of money in the world, and that it is therefore necessary to issue paper—that is, promises to pay that which has no existence! I defy all the flails in creation to thresh a grain either of logic, of economic truth, or of common sense out of such a statement. It is a wonderful platform on which to establish the convertibility of paper currency—a platform of nonentity and a conversion into thin air—an attempt to do the impossible right in face of the acknowledgment of the impossible. We cannot, you know, alter the great principles of political economy, the principles of exchange, of value, of industry itself. Let us be honest and act like men. Let us cast all such delusions to the winds, and rather heartily endeavour to defend and promote the truth we now labour to destroy. If we persist in propagating palpable absurdities, then we will deserve to become the common laughing stock of mankind, a worse fate than to be beaten to death with rods.

My redeemable brother, I entreat you in all seriousness not to believe what the press labours to make people think of you—*a hard money man*. I am sure you are not so *soft* as to believe such a palpable untruth. Repudiate it. Scorn it. The press would parade you in borrowed garments—would march you out as a sort of financial miracle, as not your veritable self. Let us class all such attempts with the new philosophy which condescends to inform us that our grandfathers were apes.

Industry may be said to have been clothing itself, during the course of ages, with the two precious metals, silver and gold, the entire masses of which are thought to be about the same in relative value, and therefore the same in purchasing power and in their beneficent and conservative influence on the world's progress. Every product of labour may be said to percolate through this *conjoint* mass of metal, for everything that is sold takes its price from what the *whole* mass holds in trust for toil. The exchangeable worth of everything produced for sale is therefore destroyed by the demonetization of either of the metals. There cannot in such circumstances be one true sale effected. Every person who has anything to sell is, consequently, deeply interested in the preservation of both metals. He has a constant living partnership in them. There is hardly a day but he is entrusting, more or less, the fruits of his toil to the safe keeping of these metals. Every man who puts a shilling in his pocket is so entrusting for the time being. There is not a human effort put forth but has reference to the stability of the precious metals. I therefore speak for countless millions. Professor Bowen speaks for comparatively a few wealthy men. Who has the winning side? The bullion value and the coin value of the metals should never, as I have already said, be separated by any margin wider than the mere cost of coinage; and, under a true monetary system, they never would be further separated. The action of the silver mutilators has so widened this ordinary and lawful margin as to compel all holders and producers of that metal to submit to a very serious loss ere they can get the product of their toil turned into coined money—a great injustice to all who produce or invest in silver.

Now, do not all these thoughts lead us to perceive how wonderful a piece of mechanism is embraced in the precious metals? They have not dispensed with barter, but intensified it; and so intensified it that their vast service to our race is performed without the cost of a cent to a single individual. Even the beautiful and delicate workmanship of the mint gives its full recompense to labour in the superior facility of coined money. The metals are absolutely unproductive, and yet they never for a moment cease in this grand and gratuitous service to humanity. All other commodities are fitted to be exchanged and used—these alone are fitted to be *used in the exchange;* hence, in doing their work, they pass in a moment from your hand and produce nothing. And yet, in relieving us of the labour and delay of what we would otherwise be compelled to do—exchange by what is popularly understood as direct barter—

they have saved the human race labour to such an extent that it may be said, with all truth, without them we could not be lifted much above a barbaric state. All debts and all interest of debts are paid out of the products of toil. They cannot otherwise be paid. The revenues of the Queen, the salary of the President, are both the fruit of toil. All these are paid *through* money as an instrument but not really *by* money. Although money is a completed product of labour, and although it is bartered like every other commodity and thoroughly completes every bargain and sale, yet it is evident that the ultimate utility to our race is not in the money but in the other good things produced by labour; first and principally, the products in universal demand and indispensable to life, such as the food from the field, the clothing for our bodies, and the houses for our shelter. Money may be said to be *commercial* payment—these other products may be said to be real *utilitarian* payment. The one is useful only in exchange—the others are useful in sustaining human life. So that, in speaking of industry as a whole getting paid for its labour, we must step a long way beyond the mere precious metals. It is the continuous product of the working man which is constantly paying all debt, all interest of money, all rents, all public salaries. *Through* the agency of merchants and manufacturers these payments may be made; but there is nothing more absolutely certain than that we are narrowed up to this conclusion—*that it is the product of the toil of the human hand which provides for every payment.* I would advance this as the first truth in political economy, and the student who will not learn that truth will find the science dumb to him for ever, and he and I may at once part company. Industry, accordingly, may be truly said to be making constant drafts on the broad basis of the combined mass of gold and silver for every payment necessary to be made—that is to say, the breadth and depth of this metallic foundation is that upon which industry has built its prices, and on which it rests its security for the receiving of those prices the moment it desires to turn a product into money. To strike down one of these metals is, therefore, an infamous crime; a blow aimed not only at the vitals of industry but at the very vitals of humanity. It destroys at once the means of payment and the hope of payment. It is tantamount to the ruin of the indebted or industrial world, for it destroys the portion of price resting in or dependent upon the silver mass, and throws it into the gold mass—that is to say, the gold is endowed with double purchasing power, and the prices of all products of industry fall one-half; in fact, there is no saying to what extent they will fall. The price secured by the silver is dissipated—the price secured by the gold, now the money of the wealthy, is doubled. What a world of interesting enquiry opens up to us here, not only to the working-men but to honest and diligent tradesmen in every branch of business. Is there any room to wonder, when facts such as these are placed before us, that commerce and industry are filled with so much confusion and suffering?

Should Europe become wholly committed to the gold standard, and every nation on that continent demonetize silver, then from every point of view it will be the interest of America, instead of following suit as Professor Bowen recommends, to adhere firmly to the double standard. We would drain Europe of her silver at a clear gain to us, simply in the matter of coinage, of at least 5 cents on every dollar's worth, perhaps 10 to 20 cents eventually. Our full and broad metallic base would thoroughly overpower the narrow and contracted metallic base of Europe. Even were the contest to issue in giving to Europe nothing but a gold currency, and to America only a silver currency (as a similar result seems to be the final outcome of the monetary contest between Europe and Asia) the industry of this continent would be far safer on such a basis than the industry of Europe on its gold basis. But the struggle could never end in that way. The demonetization of one-half of the metallic base in Europe, the preservation of the entire base in America, would at once throw international trade in our favour. We would have full prices; they would have lean prices. Only prejudiced men can shut their eyes to what that means. They would have to pay us double for our produce; we would buy their manufactures at half price. For every sixpence earned by the producer in Europe, the producer in America would earn a shilling. They could not drain us even of our gold, for "exchange," with such a trade on our side, would be immensely and constantly in our favour; and our gold dollar and our silver dollar, being both full money and full legal tender, and we therefore having the full option of payment on our side, they would not have the ghost of a chance against us. Our base would be constantly broadening and strengthening at their expense. We would drain Europe even of her gold after we had emptied her of her silver. It would be the industry and trade of America pitted against the industry and trade of Europe; but it would, ere many years were over, come to be the strength of a giant against the weakness of a dwarf. America would simply have to sit still in her conscious strength and witness Europe turned into a scene of confusion, panic, suffering, and revolution. To secure such a magnificent result for America—if one dare use such a term in so sad a connection—it would only be necessary, on her part, to liberate her precious metals from bolts and bars, and send them forth, full standard, into the hands of industry. As I said before, the double standard nation never parts with its money at a loss, but always at a profit. If it parts with silver, it is by the acquisition of a more than equivalent value in gold; if it parts with gold, it is by the acquisition of a more than equivalent value in silver. So far forth the single standard nation is ever at the mercy of the double standard nation.*

Here is a field of study for the investigation of statesmen, one worthy of their best and highest efforts, something far more ennobling than long-winded discussions as to the best way of taxing our pepper, our tea, and our tobacco. This paper will be read by some thoughtful men in England. Let me entreat them to ponder the matter, and see if they cannot find, in my simple pages, some tangible clue to that industrial decadence which is overtaking English industry, and filling so many minds with the gravest apprehensions.

I am under promise to the reader to refer, before I close, to one more important monetary law. And I do so with the more satisfaction because, in leaving the subject, it appears to me, if I succeed in bringing this law clearly out, that I will place the student who is desirous of continuing the investigation, in possession of sure holding ground from which to push forward his further researches.

Let me assume, then, that a thoughtful enquirer asks me the following question : Does the rise in value, say, of the leading staples, indicate that the purchasing power of money has declined?

It is just one of those subtle and entangling questions which have so often perplexed writers on political economy. So many side issues here thrust their demands upon us that we cannot be over careful in threading our way. Let us, at any rate, consider a few simple elements, and see whether these lead us to anything definite and satisfactory. For example, if wheat this year brings two dollars a bushel when last year it only brought one dollar, and if this rise is caused by a half crop, it is manifest that there is no real alteration in value—by which, of course,

* I have shewn the results of demonetization on international trade somewhat more fully in a pamphlet, "The Money Question in the United States"—page 10.

must be always practically understood, the value of human labor—but only an alteration in *price*. The growers of wheat will get the same returns for their labour,except in so far as they themselves consume a little wheat. But is not the world so much poorer than last year by the want of the wheat? That is incontestible. The world is nominally as rich as ever in money, but absolutely poorer by the loss of the wheat,or by the deficiency of crop. But yet it is true, as just said, that the *value* of the labour of the wheat growers has not changed; for by value, in exchange, we mean simply equivalent amounts of human labour exchanged. All the world may become poorer from the effects of a universal famine, and yet all may continue to get full value for their labour; that is, get their labour's worth. All may be poorer, but all exchange will not be the less equitable. The wheat is of the same *utility* to our race that it was thousands of years ago, but it may exchange for a different number of yards, say, of textile fabrics—for though the actual cost of raising the wheat may not have altered much, the human labour involved in manufacturing the fabric may have altered to a great extent. In the case of the half crop of wheat, however, the human labour involved has not altered. There has been the same ploughing and harrowing and sowing, all for half returns in produce. There is about the same labour in the half as in the full crop. But now comes in the subtle question: Has the purchasing power of money a tered or declined in the case supposed? Now, it is evident hat the alteration is on the side of the wheat, not on the side of the money. The supply of money is the same. The yield of wheat consumed in a season may be very different in the course of the next season. That cannot be predicated of money. A year's production can only have an infinitesimal influence on the vast volume, existing for ages, of the world's specie. Its power of purchase must continue unimpaired for very lengthened periods. On the surface, it does look as if the purchasing power of money had declined, when this year a dollar only buys half a bushel of wheat, whereas last year it bought a bushel. But it is not so. If I am able to wrestle with one man and hold my own, neither party succeeding in throwing the other; and if a second approaches, and, joining his strength with the first, casts me down, it would manifestly be untrue to say that my power had declined. Now, this may be taken as an illustration of what we are considering. We will say five millions of dollars bought the crop of wheat, five millions of bushels, last year; and five millions of dollars buys the crop of wheat, two and a half millions of bushels, this year.

For, let us remember that one half of the money of the world does not retire out of circulation because only one half the usual crop of cereals comes to hand. The supply of wheat has altered, but the power of the money—by which we must ever understand labour power—has not altered. There has been a decrease in the visible product of labour, but no decrease in the power of money. For this question has to be decided, not on the ground of quantity or mere price of produce or returns in more or fewer bits of money, but on the ground of reward for labour. And the money, owning a certain and definite amount of human labour—for the human labour, let us never forget, *is* its value—has manifested not only the *steadiness* of its value, but its power to reward, this year, a relative amount of labour, just as it did last year. And yet it is true, as already pointed out, that money measures product just as product measures money. There is one law for all. The bakers this year will likely have to pay double what they did last year for their flour; and, though it may seem paradoxical to say so, it is nevertheless true that their money goes just as far this year as last; for, if it bought flour at the same price this year, it would be accomplishing an economic miracle, namely, buying produce at one half its value. The money goes as far as ever in the purchase or reward of human labour—the wheat has come short in supply, and, as to quantity, has doubled its purchasing power—the money has not come short either in supply or in purchasing power. For it is only over human labour, in its products, that money exercises this purchasing power. In its products, I say (for, whenever we speak of money as purchasing labour *in the abstract*, that is, separate from the product, or as hired labour, we are conscious at once of something abnormal, of something out of place in the economic system, of something corresponding to what the geologists aptly term, *a fault*). Money manifests its readiness, so to speak, to come instantly to the relief of the unfortunate toilers who, through adverse seasons, have gathered in only half the usual crop. Money, more wonderful and powerful than the wisest philosopher has ever yet dreamed of, will not suffer these toiling husbandmen to experience, as they otherwise would, the full effects of losses and shortcomings over which they have had no control. It places two dollars instead of one in the hands of every one of them, and commands and encourages them to go forth and freely buy; and, except in so far as other food crops may be influenced by the short wheat crop, the loss to the husbandman is actually distributed, by the presence and power of money, over all other producers of the necessaries and conveniences of life; doing for these poor men, without delay, what no system of direct barter or trade without the presence of money could ever hope to accomplish. The loss to the *producers* of the wheat is distributed silently, expeditiously, surely, over the vastly greater number of *consumers* of the wheat. Were the value of money subject, like its miserable counterfeit, paper, to sudden and violent fluctuations, it would immediately lose all its power, and cease to be the genuine friend and protector of labour which it really is. Did the destruction or loss of half of our wheat crops cause the value of money to fall fifty per cent., then the toilers for wheat would be in a miserable plight, and the rest of the industrial world in a state of miserable confusion. Money, in its collective and accumulated energy, thus seems to be a world-wide philanthropist, compelling even the selfishness of men to yield before the claims of less fortunate toilers, and engaging the produce of the toil of past ages wrapped up in our simple gold and silver coins in the good work of protecting and aiding the toilers of the present day. It speedily places before the farmer's lean barns and thin stack yards the same amount it laid at his doors the year before. The fact of other cereals being produced in greater or lesser quantities alongside of the wheat, may somewhat complicate this subject, but cannot affect or alter the principle now set forth. Thus we see that every fresh fact in political economy leads us to admire the wisdom which has provided that stable article, money, for the use of the human race. We have not at all estimated how grand a factor it is destined to become in the world of industry when the reign of our true economy comes round. The monetary law I have now pointed out forces upon our attention how much the liberty, the happiness, and the progress of the world are bound up in our metallic money—that money whose grand offices the mutilators labour so earnestly to destroy. To destroy money, to put it out of circulation by any substitute or artifice whatever, is to ruin industry.

Are these statements in conflict with the fundamental principles of value and exchange as now generally accepted? I think not. To say that value is a ratio is but expressing the truth partially. We express, in terms of money, the relation which one product of labour bears to another product. An equitable exchange (and no other can be known to true commerce, or be embraced by the economist) consists of a certain amount of human labour exchanged for a similar amount of human labour, embodied in two products whose qualities are diverse enough to render an exchange desirable. Unless we bear this persistently in mind we shall be continually running into the error of confusing and mixing up exchange with value. I think it is evident that the ratio of exchange between gold or silver and say wheat, may alter, and the alteration be yet the product of movement solely on the side of the wheat. Just as the earth at one period of the year is farther from the sun than at another; and as the sun may be said to be now farther from the earth just as truly as it is said that the earth is now farther from the sun; yet it is true that the sun has kept its position, and that the altered ratio or distance is the result of movement on the part of the earth alone. And so, it appears to me, that it would be as far from the fact to say that the sun had altered *its* distance from the planets, as to say that the mass of the precious metals is, as a rule, altering *its* relations to all the various products of labour. In the illustration I have used there is only an apparent decrease of purchasing power on the part of the money—on the part of the wheat there is not only an apparent, but real increase of purchasing power.

I think economists talk loosely when they define the value of a thing to consist of anything else for which that thing can be exchanged. Such language becomes the auction room, but imparts no dignity to that noble science which it is our delight to study. It is a definition which embraces every wild notion of the vulgar, the fanciful, and the depraved. When we define value as a certain amount of human toil exchanged for an equivalent amount of human toil, expressed through the hand, we have an elementary definition, rigid because it is truthful, and conservative because it is true—a definition which instantly fences itself against intruders on every side. And it is all these becauses it recognises the important fact that it is human labour only that can be sold—never the gratuitous gifts of God.

The distribution of the precious metals throughout the world is regulated by a simple but beautiful law, which I may designate *the law of the equilibrium of prices*; or, rather, the distribution would be enforced by such law were the metals permitted to circulate freely in the hands of industry. All prices everywhere tend towards an equilibrium, because at the back of that there lies the fact that every toiler naturally strives to get a full equivalent for his toil, to exchange at relative values what he has got to sell. Every producer, when he offers a product, is making a demand for the precious metals, and they are everywhere dispersed abroad according to the intensity of this demand. If there be a superabundance of goods (goods in demand) and consequently low prices in one country, and a superabundance of money and consequently high prices in another country, the goods are sure to go abroad and replace the money, and the money is sure to go abroad and replace the goods; and this will continue until the equilibrium of prices is restored. This, in effect, is the natural law with all nations carrying on international trade. The plethora of money in the one nation is corrected, the gap in the other is filled with the needed money. High prices on one side give way—low prices on the other side advance. Hence there is an invariable tendency in money and prices to an equilibrium over all the earth, when free trade is permitted to prevail and when money is not seized and locked up in vaults. A universal international coinage would of course bring this law more clearly and practically out. And the close thinker, once he gets to the heart of his subject, will not fail to perceive that all this is in reality just human labour seeking out for itself a full and fair reward—that it is value itself under the reign of an inexorable but beneficent law, a law as old as the time when Abraham employed the current money of the merchant and weighed his silver in the audience of the sons of Heth. When a nation destroys or demonetizes one or other of the precious metals, it of course destroys, to that extent, the healthful equilibrium of prices, and the healthful operation of this law. The activity of the industry and commerce of a nation may, consequently, be fairly set over against the amount of gold and silver which that nation will require and be able to maintain in circulation.

Hence we are led to the conclusion that the very stamping of the national coins with a national device—the guarantee of the free circulation of the metals *within* that nation—is, to a certain extent, a barrier to the free circulation, agreeably to the law of equilibrium now set forth, of pure or standard gold and silver throughout the world, or *without* that nation. The stamping of a piece of gold with the figure of the American eagle, or of a sovereign with the head of Her Majesty, is a barrier to that fluency of the metals which is one of their characteristics, and a leading element in their utility to our race. As diversities of language form a barrier to free oral intercourse between nations, so diversities of coinage form a certain barrier to industrial intercourse, and to the free development of monetary laws. This great law of the equilibrium of prices, it is obvious, does not enjoy free and elastic play under the present system of national coinages. The coinage systems of all nations must, as it were, suffer reduction before the law can gain exercise. It is endless expense and trouble, and seems withal needless. Shall we ever enjoy a system of coinage when the several pieces will be familiar by face in every mart, and at once recognized as equivalents throughout all the world? It is satisfactory to know that scientific minds have been for some time engaged on this interesting problem of a universal coinage. When the nations, in their wide fraternity, are ready for the change, the change will come, and the learned men who are now tasking themselves with the subject will approve themselves as the benefactors of their race. Of course such a great achievement as this need not be expected so long as the precious metals suffer so general an industrial demonetization as they do by our present commercial system.

All this leads us to perceive that money can only prove healthful to a nation when value has been given for it. The providential arrangement is that a nation must *earn* it, and earn it *gradually*. Sudden acquisitions of enormous sums, whether as war fines, or as the fruits of national or municipal borrowing, upset all this legitimate order and monetary balance, and actually enhance the prices of the manufactures of the nation which is paying the fine or from which the borrowing is made. It is industry alone which can properly distribute its money, and properly preserve the metallic balance. By the credit system which now prevails, and by means of what are technically known as "bills of exchange," large national or other loans and enormous war fines are liquidated mainly through the exportation of the manufactures of the country advancing the loan or paying the fine. These things therefore impart a great impetus, for the time being, to the industry and trade of that nation; "a great credit" is on the books; apparently unlimited resources are suddenly placed at command; much substance is wasted in riotous living; everything seems rose-coloured; but there is disease and death beneath it all. Every one is familiar with the history of the German inflation whilst they revelled amidst the resources of the war fine. Like everything of that kind, it did not last. There was no industry at the bottom of it to give it real life and support. French goods were sold at enormous prices to the people intoxicated with a temporary success. The war fine was to a great extent in reality a bid for a thousand million dollars' worth of French manufactures. Much the same thing was witnessed on this side during the late war, as the fruits of these foreign loans. America, in addition to loading herself with an enormous debt, destroyed her export trade for many consecutive years; and, through the influences of her false and inflated currency, permitted her mercantile marine to be soon swept from the seas, and ruined her ship-building interests. Staggering along under such influences, how could she compete with the low-priced labour of Europe? Her debt to Europe was just a bid for many million dollars' worth of European goods. Europe compelled settlement of the loans in that way—in fact, there is no other way of settlement under a general paper system. With advice of every ten millions drawn from Europe, the American Treasury may be supposed to have written in this way: "We beg to advise you that we have drawn on you to-day for 10 millions of dollars on account of the loan opened in your books to the credit of the United States. As the banks have no goods to send us, and as you will not permit us to draw away the gold, this large draft must necessarily induce the exportation to America of at least a similar amount of your manufactures. It will thus act as a most powerful bonus in favour of European as against American manufactures. You will, therefore, whilst this trade lasts, be always able to undersell our people and to set them at defiance. And, as we hope from time to time to be upon the market as very large sellers of exchange, we are quite sure we will be able to keep the import market for your goods in a most buoyant condition. Our manufacturers grind their teeth with rage, and our farmers are complaining that they are selling their corn at a loss or burning it in the fields. But that does not concern us, for we are now circulating money fast and free, and we are sure that we have entered on an era of great prosperity, as we see our common day labourers everywhere sporting heavy gold chains, and their wives and daughters parading our streets in silks and laces. So all that we need is confidence. And we remain, &c."

My impression is that in no case can the demands of the Treasury, either as sellers of bills to draw the loan, or as buyers of bills to remit the yearly or half-yearly interest, benefit the indebted nation, the United States. An unhealthy influence must be exerted either way. In the case of "drawing" on London, or Europe, for the loans, the pernicious influence is seen at a glance. In the case of the United States being constantly on the market as sellers of exchange, it is an unhealthy impetus to the exportation of our products. Unhealthy, I say, because these breadstuffs sent to feed the starving millions of Europe ought to be consumed more upon our own soil, by many more millions than are there now; these millions cultivating onr endless acres and dotting the country with those useful manufactures which now have such a struggle to live in presence of the pernicious influences engendered by this never-ending national borrowing and interest paying. Canada, also, is afflicted in the same manner, though to a less degree. The entire system is evil from beginning to end, and without one single good feature to redeem it.

But the day of reaction always comes. Economic laws have always at hand a process of revenge to be executed against those who violate these laws. My belief is, that the moment the law is violated, that instant the reactionary process is set in motion. I have surely stated enough in the two preceding paragraphs to excite the most anxious attention on the part of every person interested in the welfare of his country. It is not without due consideration that I advance such statements.

It passes comprehension how any man of intelligence can reason himself into the belief that bits of paper can ever exercise the functions of money, or that these bits of paper, though even stamped by government "this is money," can ever issue in anything else than a system in which nobody shall pay anybody, and everybody unconsciously be compelled as it were to cheat his fellow. Such a system is certainly not so thoroughly bad as its brother in evil—the so-called "specie basis" or "convertible" system. It is at least honest in its folly—the other is a system which pretends to pay but never pays, and lives by never paying. Everybody knows that when confronted by the people with a real demand for payment, monetary death immediately follows. There may be a momentary desperate struggle, but that death is inevitable, unless the people's suspicions are again lulled to sleep. The function of money is to pay—the characteristic of paper is that it is the very opposite of payment. Money always pays—paper never pays. Money is full of industrial value—a promise to pay can never own industrial value. The wealth is in the money—there is no more wealth in one's promise to pay his debt than there is in the title deed to one's house or land; indeed, not so much; for the one is an evidence of property in possession; the other is an evidence of debt, of no property in possession. Money never creates debt—paper is always the evidence that debt has been created. Money kills debt—paper keeps it alive. Money is exchanged for goods—there can be no commercial exchange in goods for bits of paper; for, if such a thing could be, then the *evidence* of the debt would be the *discharge* of the debt, which is absurd. Money extinguishes debt—paper can never extinguish debt. Money buys goods—paper never really buys goods; for, if it does, why ever seek to have it "redeemed," to pay a second time, to give away double value? Money, in passing from the hand, is true barter—

paper, in passing from the hand, is not barter. Money invariably pays—paper invariably suspends payment; for, apart from the slips of paper, all that we can take cognisance of is the debt written upon their face, and it is impossible to imagine that *debt* can ever *pay*. Money trades on no one's capital—paper ever trades, without recompense to industry, on the capital of industry. Money gives you the ownership of goods by payment—paper hands over to its issuers the goods of industry without payment, and is thus a constant enslaver of labour. Money is a product of labour, of toil—paper is not a product of labour or of toil. Money has cost the toil it has taken to produce it—paper costs nothing. Money is related to industry, for it is a product of labour—paper has no such relation, for it is not a product of labour. Money cannot pass goods into your hands without the exchange of a corresponding amount of toil —paper passes all the good things of this life into the hands of its issuers without industrial toil at all. The precious metals, inasmuch as they are embodied human labour, are real money —paper is as far from being money as my pass-book with my grocer or baker is from being money. Paper, when it is paid, is simply a debt paid like any other debt—my pass book, when it is paid, is simply a debt paid like any other debt, and, in this respect, is nothing different from a bank note "redeemed." Money needs no "conversion" or "redemption"—believers in paper have to fabricate such a myth with regard to it, *so as to cloak or conceal the fact of a continual suspension of payment by means of paper promises;* for, when a little specie is occasionally drawn for notes, it is false to speak of it as "conversion;" it is simply people paying their debts like everybody else. Money secures the connecting link between price and value—paper destroys that connecting link, inasmuch as it drives out of circulation a currency of full value, and substitutes a currency of no value. Money preserve the *true commercial balance* over all the world, for it is an instantaneous transfer of value for value—a universal paper system destroys that balance, for the moment it is issued as a currency, value ceases to be transferred so far as it is used, the equity of commerce is destroyed, and a system of debt takes the place of a system of cash. Money closes a transaction instantly—paper never closes a transaction; for so long as it floats it is only a promise to pay, and no more closes the ten thousandth transaction than it did the first for which it was issued. Money is the genuine friend of industry—paper is no friend of industry. Money is emphatically embodied equity, righteousness and truth, and *is* what it represents itself to be—paper is emphatically embodied injustice and oppression, taints every exchange, and corrupts all values, and *is not* what it is represented to be. Money compels all men to stand on their own feet, and themselves to own the property they have in their possession—a paper system introduces and sustains a universal system of the most dangerous communism, socialism of the very worst character; for by its means no man stands on his own feet, people never know whether they really own the things they hold in possession; all real payment is in constant suspense, and when one unfortunate, taller than the rest, falls headlong, he drags thousands with him to destruction. Money cannot be produced without toil—paper is produced without toil, and is, therefore, the most dangerous power ever entrusted to any man, and doubly so when entrusted to any government People have not yet been seen to quarrel over the gold and silver in their pockets—the contentions about paper currency, and over dishonoured paper currency, have filled senates with uproar, communities with discord, libraries with nonsense, and society with convulsions.

Has any one ever reflected how utterly useless money is for any household, domestic, or personal purpose? It is useful only to buy with; and yet how eminently fitted, by its own inherent qualities, to be what is generally understood by the term, a medium of exchange. There is not the slightest temptation to arrest it in its work. It is wealth to any man who has it, and yet useful to him only when he parts with it. It is emphatically for industry and for that alone. One title, that of labour, alone certifies and approves its possession. It cannot be said to be now in the possession of industry. If labour be its true and only title, then, under a true industrial system, its possession would be as general as its distribution would be general. Those who have it not are made to feel the want of it; and those who have it are constantly impelled to let it go. Thus, like the blood, it was made to circulate—industry is the heart which gives it motion. What a cumbersome and useless article it would become were it provided in such quantities that every family would be the owner of an immense hoard—an evil perhaps only second in magnitude to the precious metals being swept out of the hands of industry into the hands of the few. What a *poor* world it would really be were the wealth of the nations not only estimated in, but made to consist of, a vast amount of money in the hands of every human being. How noble a treatise has yet to be written on "money as a beneficent agent in human affairs." Who among my learned readers will devote himself to the task?

I must speak, in passing, of an argument which I have not seldom read in Journals claiming to be intelligent and respectable—that the money is best where it is, in the hands of the few, under lock and key; and that were it distributed amongst the people generally, it would not fail to flow back into the coffers of the rich. No doubt about it, under the reign of the present paper system. I will say no more of such an argument. I prefer to keep at a distance from it, and to pass it on the windward side. There are some things which it is best to permit to perish in their own corruption.

Demonetization is an old fraud. It bears the stamp of thorough barbarism. It is as far from being a mark of civilization as any mark can well be. It is not an ordinary error—it descends to a lower plane. It is to be ranked with those delusions which, in the sixteenth and seventeenth centuries, cast thousands of helpless and inoffensive creatures to the flames for no other reason than that they exhibited the infirmities incidental to old age, and were often compelled, through the severity of their tortures, to charge themselves with crimes of which they never had been guilty. The practice is essentially mean and low-born. It is no work for the men of labour themselves, and surely it is not the sort of work with which a true gentleman should defile his hands. Stripped of all technicalities, demonetization is but another phase of the old conflict, as old as the race itself, between industry and its oppressors. To demonetize the money of industry is more than a mere error—it is a monstrous delusion, and a fraud at that. It was familiar to the ancient Romans and to the Persians before them. It contributed to the ruin of these once powerful states. General demonetization by the use of paper, and special demonetization by the clipping of our silver, are full-fledged evidences that we are hastening on the same road to ruin. Christian men who uphold this work know not the perils amidst which they stand, and which, with both hands, they are aiding in gathering around them. We have sown to the wind and must reap the whirlwind. It would not be good for us if we could sow the one without reaping the other. Were we the high-souled generation we ought to be, we would neither be sowing the one nor reaping the other.

I trust these pages will be turned by not a few whose hands have been roughened by honest toil. To be read by intelligent working-men is an honour any one may covet. I think such readers need no special assurance that it is a friend who now addresses them. If I have been able to lay before them any words of instruction, do I pass beyond the bounds of courtesy when I ask these readers to permit me to mingle with that instruction a few words of friendly admonition and counsel? I think not. Let me urge them, then, to set their minds to master, by quiet study and by much thought of their own, those great problems which so deeply affect the peace, prosperity, and happiness of themselves, their households, and their homes. Violent measures, I trust, will never once be thought of by the intelligent men I address. That men have a right to strike work—to sell their labour at what they please—is just as certain as that the merchants have the right to strike work and refuse to sell their goods except at what they please. But further than that no righteous man can go. Truth in the long run is the best weapon, both of offence and defence. It will scorch where all other weapons fail. Every economic principle acquired and mastered by a working man becomes to him a tower of strength. He will not become proficient in a day, but, once astir, the mind will never rest more. One by one, those grand truths wherein his great strength lies will unfold to him, if he be only as patient and continuous with his brain as he is with his hands. Public questions now shaking the world must all yet submit to be settled on the broad platform of political economy. If the working-men have not an interest in these questions, who have? What does the great science teach? is the question which must yet cleave its way through all opposition. I am encouraged to write in this strain because it has been my happiness, at times, to read productions from working-men which would do credit to any pen. My correspondence tells me that beneath the fustian there beats as true hearts as beneath the broadcloth. I consider it to be a circumstance for which we ought to be deeply thankful that a portion at least of the daily press is now confessedly conducted in the interests of working-men. Some of these papers are managed with eminent skill and ability. Often have I been refreshed and instructed by reading column after column of writing as clear and as forcible as the most ardent student of political economy could desire. I trust that our industrial press will be fully supported by working-men, and that they will freely make it the vehicle of thought and communication. Let us not forget that the press generally has the capacity and the desire to be better, if it could be better. Many hands are tied that would fain be untied. The good day is coming. Do the working-men, the producers, really know that political economy is, in a special sense, their own science? It is so. For myself, I am impressed with the thought of how few are the years, how short is the time, into which the busiest of us all has to condense the record and the avocations of life. Let us therefore, like wise men, be always making the best choice in the market. One word more. Let all our investigations into subjects so closely identified with the welfare and progress of humanity, and which necessarily lead us into close contact with the great world of human suffering and sorrow, be conducted in a devout spirit. Levity is entirely out of place here. I have long had the conviction that there is but one source of truth, and to that source we must all apply. It is a conviction which has been broadening with my years and deepening with my experience. All that I read, all that I observe, leaves this impression growing stronger in my mind every day—that, if we do not resort to this one great source of truth and light, our lives will be miserable failures, and our attempts to instruct others, though they may dazzle for a time, will prove abortive and vain. Need I add that thls one source is, the Spirit of God.

It is now a long time since I fell into the habit of tracing all these questions to their one primary source, human labour. I do not intend to depart from the habit. To bring all these social problems face to face with LABOUR, I find to be an infallible touchstone, which makes short and decisive work with all monetary or economic myths. Nothing untrue can stand before it. Its power of revelation is something extraordinary. Its touch at once reveals the spurious coin. It is the root of political economy from which all the goodly branches spring. It is a mortal foe to all hollowness, deception, and fallacy. I have ever found it to be at once the most stringent and the most liberal of guides, the only guide indeed that a true economist dare follow. Truth, absolute truth, is its guiding star. If, without it, you venture amidst our modern monetary chaos, you will lose yourself in that maze. A few years will suffice to thoroughly mould you, and it will be a sort of intellectual miracle if you are ever able to retrace your steps. Anything that can stand its test will stand for ever, and need fear no foe—what cannot endure that test may be safely relegated to the phantom region from which it sprung. It reigns as a monarch in the vast domains of political economy. Severe manual toil itself is no hindrance, but rather a help, to the acquirement of knowledge of questions which are now deservedly claiming a foremost place in human philosophy and investigation. For myself, I can say that these studies have lightened the burden of many a weary and toilsome day. Men of education, of leisure, of refinement, are as much interested as the toilers themselves in the solution of problems of profoundest interest to our race. And if they can impart to us, *and leave with us*, the produce of the brain, it would ill become us to grudge to them in return the produce of the hand. But alas! it is not so. For many a generation there has been, all on one side, a monopoly both of wealth and wisdom. It only needs brain and hand to be divorced for cunning brain to get all, and poor nerveless hand to come to misery and want. If toil has surrendered all its goodly fruits to our educators, then either our education has been entirely misspent upon us, or the education itself been exceedingly defective. Which?

Thoughtful men need not be reminded that there has been no reciprocity, at least none of that equity in reciprocity, which ought to characterize all free and genuine trade. Labour has given from first to last much to wit and brain. It has fed them with the finest dainties. It has clothed them in purple and fine linen. Through it they have fared sumptuously every day. It has grudged no effort, it has exhausted itself with ceaseless toil, that they might enjoy comfort, affluence, and ease. No want has been left unsatisfied. It has toiled on very patiently from one generation to another. Even hope is quenched, and the prospect ever stretching out before the toiling millions is one inconceivably sad indeed. What has brain given to toil in return for it all? What has been its recompense and reward? What?

I ask the reader to reflect that, in any word of condemnation which I have written, I blame not men but the system. Thousands of excellent and philanthropic men are in constant and active intercourse with it, all unconscious that the best energies of life are given to support and perpetuate that which never knew what mercy is, and whose mission is one of world-wide cruelty and devastation. I weigh well my words when I say *that the position is one of extremest peril for Christian men.* They know not what they foster. This thing that they handle every hour throughout the day has a power to scorch like fire. Its wide and sweeping skirts may at present conceal the terrible evidences of its guilt, but the day is approaching when that guilt will be revealed to an astonished world. I feel how completely it is beyond the power of human language to set forth, with anything like vivid conception, what this strange, subtle, and mysterious system really is. There is hardly one who reads these pages but must confess, if he consults his own heart, that it is one which has made him only too familiar with suffering, anxiety, and care. Would that it inspired a salutary *dread* in every one of us ! What it hath accomplished, from first to last, in the ruin and degradation of helpless industry, yea of humanity itself, is known unto God alone. In presence of such a mysterious and awful power, it well becomes Christian men to pause and tremble.

True commerce is a most beneficent thing. Men may be selfish, but the grand design of commerce is to ameliorate the primeval curse of a life of toil. For, in every act of true exchange, of value for value, you give to your fellow something at a cheaper rate than he could make it himself ; and he at the same time gives to you something cheaper than you could make it yourself. This is the root of the matter, the spring and source of all that wide commerce with which the world has been so long familiar. The very design is one of goodness, beneficence and plenty. Every man becomes unconsciously a helper to his brother man. This design runs through all legitimate traffic from beginning to end. To secure this most beneficent reign, but one thing is necessary—the conviction, the consciousness, that every man is *giving* as much of the fruit of his toil as he is *receiving*, in some other form, of the fruit of some other's exertion. This is what I understand by a reign of *righteousness* on the earth—just as I clearly perceive, on the other hand, that a system of general suspension of payment by means of paper must issue in a reign of *unrighteousness* on the earth. There are two conditions of human society in which this reign of righteousness is wanting, and in which this reign of beneficence is destroyed—first, in a system of general hired labour where men's frames are hired in service, and in which they never *own* the products of their own handiwork—and second, in a general paper system where every man who passes a bit of paper to his fellow is unconsciously compelled to become a destroyer of that first and most vital principle of value for value without which legitimate commerce cannot exist, nor a beneficent industrial intercourse of man with man be known. I leave to the conviction of every thoughtful merchant who reads these pages whether our modern system is one which brings out into full play all this generous and beneficent intercourse, or whether it is one which has destroyed the reign of equity on the earth and quenched the hopes and aspirations of the toiling world. Are we not all conscious of some mysterious influence—an influence which we cannot well define—ceaselessly haunting both the indebted and the creditor world,—an influence under which the charm of life is almost gone—apparently the silent but living witness of violated law, the great and constant protest of nature against its broken constitution, the ceaseless accuser of a system in conflict with all that is good and true, and with all that is dear to man.

It is in no spirit of mere fault finding that I have written this reply to Professor Bowen. Far otherwise. I have penned it with a heavy heart—sad and heavy when I think that the literature of a great College of learning had nothing better to give in justification of the destruction of the people's money. The Author of the Minority Report will, I hope, submit his opinions to a careful and searching review. I think he will if he is the man I take him to be. Although I have taken the Minority Report as the subject of my observations and criticisms, we must not forget that its writer holds no exceptional opinions. He treats his subject on the whole as thousands have treated it before him, and as thousands will doubtless continue to treat it after him. Nevertheless, the conviction is beginning to grow in the minds of men that the old economy is doomed and that a new economy is at hand—that an economy for a class must give place to an economy for the race. I call on all true students of political economy to submit *all* the doctrines to a thorough re-examination. There is not one of them but will be the better for a severe re-study. What merit can there be in constantly chasing shadows through a financial cloudland? There is no honour in raising and scant merit in laying such ghosts. If there is anything more than another, at the present day, in which the human mind needs thorough discipline, it is the great principles of political economy. If there is any field of enquiry which promises a richer reward than another, it is this great science. Often have I paused devoutly to contemplate the wisdom which could plan a system calculated to guide with unerring accuracy and equity the myriad interests of so complicated a thing as human society. Never did philosophy task itself with a nobler effort than to exhibit the relation between the true principles of political economy and the true growth of humanity and of all that is dear to humanity. There is no safety now either in ignorance or indifference. We are abreast of the "valley of decision." Let us not be driven into it with that wild and thoughtless multitude to whom the terrible logic of coming events will bring only irretrievable ruin. There is no denying that perilous times have come. He who thought his seat most secure, whether millionaire or monarch, now trembles at what he daily sees and hears around him. Anxiety and uncertainty reign in every heart, and there is complaining on every tongue. The joy of the land is gone. A terrible and ever present sense of *insecurity* weighs down the spirits of all. The moan of an unhappy and restless world is ever sounding in my ears, and often, in the solitude of my own thoughts, do I feel constrained to cry, with one of old, O that my head were waters and mine eyes a fountain of tears, that I might weep day and night over the sorrows and sufferings of these poor sons of toil. Who that has an ear to hear may not catch, mingled with that moan, the mutterings of the distant thunder. A mighty deliverance for the labour of an enslaved race was the stupendous event of ancient times, sung in rejoicing praise throughout after ages, chronicled in Scripture, and considered worthy of incorporation with the ceremonies of religious worship. Interpreted in the light of the modern contest between capital and industry—a contest which, though it be unhappily at present one of simple brute force, is more and more dwarfing all other forms of controversy—the deliverance of the Israelites from the bondage of Egypt becomes, to the present generation, a historical fact of the deepest interest. That a second and far mightier deliverance for human toil, a second destruction of "the tongue of the Egyptian sea," is the stupendous and surpassing event in the near future, there are not only abounding prophecies in the word of God, but signs and warnings enough on every hand. The days of ordinary commercial panic are gone—the nations are in the grip of poverty—men's hearts are failing them for fear—suffering is everywhere abroad—and there is that universal anxiety as to approaching events which portends the coming storm. I fear the trials and sorrows through which we have been passing for eight or ten years past are but the beginnings of sorrows. Temporary causes may again cause a spasmodic "revival of trade;" and the peril lies in the fact that that revival will only serve to drive the wild world of modern commerce more speedily to its doom, and hush into silence or forgetfulness many whose faculties were beginning to be aroused by the solemn warnings of recent years. Every labour strike, every labour commotion, every successive bankruptcy, the sad spectacle of commercial ruin in which all are compelled more or less to bear their share as sufferers—all these speak to us with warning voice and with trumpet tongue. He is blind indeed who cannot see the gathering forces, and he is worse than a fool who does not prepare himself for the coming struggle. A day is approaching that shall burn as an oven. That which cannot be cured must perish—that which has not a single redeeming feature can have no claim to live. We have admonitions from every quarter of the approaching fall of this stupendous modern system of commercial communism, a system more destructive, more desolating, and wider in its reach than anything which the world has ever seen or is ever likely to see. In its spirit, its aims, its life, its very organization, it stands a sworn enemy of all that is good, and is doomed to fall. It never showed mercy—it has crushed all alike under its ponderous wheels—and we are warranted in the belief that the sifting process will be so thorough that not a vestige of it will be found. Should it remain and continue to prevail, the earth will be turned into a desert, and mankind will be destroyed. This terrible system and humanity are in eternal conflict, and one or other must disappear. I have the deepest conviction that the human race is about to pass through a time of trouble such as never was since there was a nation even to this same time. Our hearts might break were we not cheered with the certain hope of the new earth—the new system—wherein dwelleth *righteousness*. When we look abroad and take a survey of the appalling condition of human labour throughout the world, and contrast that condition with the goodly time coming—a time the *stability* of which, according to the Prophet, will be laid in wisdom and knowledge—one is not surprised that Scripture, in a short but mighty and suggestive sentence, should speak of the wonderful change as "the first resurrection." I beseech faithful and earnest men to make timely preparation. What that preparation is to be, each man in his relation to this system, and in view of his personal responsibility, must decide for himself. Forewarned is forearmed. Let the cause of broken hearted industry now engage the thoughts of every chivalrous Christian man. Events which are now arousing and directing the attention of all men are in reality calling upon us to examine what are the grand teachings of economic truth. Let the "false prophets" with their treacherous pens now pass to their deserved oblivion—they have deceived poor humanity long enough. Let us be done for ever with this world of fiction in which the pen of falsehood is ever soliciting us to dwell. Wise master-builders will ere long be upon the scene "to repair the waste cities, the desolations of many generations." These strong years, the messengers of our hopes, will bring them in. Let our deepest anxiety be to lift our nation above the gain of oppression and the holding of bribes. Let the scourge of truth be applied with unsparing hand to these monetary errors, the curse of industry and the curse of our times. Then indeed shall we dwell on high—our place of defence shall be the munitions of rocks—bread shall be given us—our waters shall be sure.

> "The witnesses are heard; the cause is o'er;
> Let conscience file the sentence in her court,
> Dearer than deeds that half a realm convey."

high—
—bread



## NOTE.

Since this paper was finished, I have received sundry documents, some of them of a public character, bearing upon the monetary question. I have now before me a copy of the Report of the United States Commissioners at the recent International Monetary Conference (Paris, 1878), a volume of 900 pages, and a most important contribution to the literature of monetary science. I have not had time to give it careful perusal. I am glad, however, to have the opportunity, just as my pages go to press, to add these few remarks. America was represented at the Conference by the following well-known gentlemen: R. E. Fenton, W. S. Groesbeck, Francis A. Walker, S. Dana Horton. The great interests at stake could not have been intrusted to better hands. I am impressed with the tact and ability with which they have discharged their duties. They quote, in their Report, the following opinion of Mr. Feer-Herzog, the Swiss delegate: "Silver is a metal of an inferior order, ill adapted to the needs of civilization, inconvenient for private persons, fit only for backward nations; a metal the value of which has been constantly depreciating for four centuries." The metal has remained steady at about the 15½ ratio for a century past, and for the previous century at very near the same ratio. But is it not a curious notion to reject a useful product of industry from the paths of commerce on the ground that it is being produced cheaper than formerly, even if such *were* the case with silver? It is to be hoped that Mr. Feer-Herzog does not, in these opinions, represent any considerable section of the people of Switzerland. The interests of the Latin Monetary Union will be imperilled if such ideas should prevail.

"I have spoken against the theory of those economists who argue that the gold standard should be everywhere introduced; I have stated that I saw in it great inconvenience, great danger and even great disaster. I believe it would be a misfortune for the world if a propaganda for a sole gold standard should succeed." Remarks of Right Hon. George J. Goschen, 7th Session. There is a strong impression on my mind, judging from these and other remarks which have caught my eye, that Mr. Goschen is too wise and practical a man to remain a mono-metallist.

Mr. Henry H. Gibbs, ex-Governor of the Bank of England and one of its Directors, was one of the delegates from England. It is understood that he went to Paris a mono-metallist. He has, as a wise and independent man should do, given the question more careful consideration since the Conference closed, and is now a defender of silver money; a position as honourable to himself as it is encouraging to the advocates of sound money. A pamphlet advocating full legal tender silver has just been written by Mr. Gibbs. As yet I have only seen extracts from its pages in the press.

"This case (that of British Honduras) is also under the consideration of the Treasury; and it has been suggested that a single silver standard would be best suited to the requirements of a country in which practically no gold circulates." Exhibit A, 2nd Sess. Statement of the currency systems of the British Empire, by Mr. Goschen, presented in manuscript to the Conference. Are we to understand that the above suggestion is from the Lords of the Treasury? If so, I am glad of the support of such authority in favour, so far as it goes, of views expressed in the present volume. I quite agree with the suggestion that, failing gold, a single silver standard is best suited for countries which have practically no gold in circulation. This applies then to the Dominion of Canada, for here "practically no gold circulates." I trust our legislators will make a note of the matter. Mr. Goschen, referring to the European monetary complications, says with great force, "At present there is a vicious circle; States are afraid of employing silver on account of the depreciation, and the depreciation continues because States refuse to employ it." Mr. G. is authority for the statement I have made in this work as to the present condition of the West Indian currency, and which I have succeeded in having embodied in the text.

"In the opinion of my government, the depreciation of silver is a fact eminently to be regretted—a calamity which it would wish, on its own account, it were possible to remove; because it is attached in principle to the system of the double standard." Remarks of Mr. Von Hengenmüller, delegate of the Austro-Hungarian Government, 3rd Session.

Count Rusconi, delegate from Italy, said: "On the other side, does bi-metallism offer so many disadvantages that it can be said that mankind have made a mistake in the concurrent use of the two metals during the entire course of the ages? Must the world be divided into two camps absolutely separated from each other, and mankind be plunged into the unknown by the general adoption of a system of exclusion? I am opposed to such a plan." 2nd Session.

Mr. Mees, delegate of the Netherlands, stated to the Conference that so long as England on her one hand and Germany on her other, retained the single gold standard, Holland had no alternative but to follow in the same path. With the Netherlands, then, it would seem to be pretty much a question of geographical position. Mr. Mees stated that in his own view, personally, it would be most beneficial to mankind were many States to adopt the double standard system, and that a general demonetization of silver everywhere would have most fatal consequences.

"It is in vain that people propose to proscribe silver under the pretext that it is heavier than gold. On that ground it would also become necessary to proscribe gold because it is heavier than paper." Remarks of Commander Cesar Baralis, delegate of Italy.

"In presence of the explanations which have been given, from which it may be inferred that the declaration read by the President (M. Say) may imply an admission of the impossibility of an international arrangement for the double standard, I feel myself obliged to declare for my part that if I adhere to the formula proposed it is precisely because, in my view, it does not exclude the idea that such an arrangement is possible." Remarks at the closing Session by Count Von Küfstein, delegate of Austria-Hungary.

"We believe that silver is a monetary metal which ought to serve concurrently with gold in the general movement of the exchanges; we see even that it is almost the sole instrument of exchanges in half of the globe, and we shall never believe in the suppression of a money with which a commerce such as that of the Indian Empire and of all the farther East regulates itself......The attitude of the French Government is at present an expectant one (referring to the temporary closing of the mints of France against silver), and it must remain so, so long as the cause of the fall of silver has not been accurately recognised and measured." Remarks of M. Léon Say, the French Minister of Finance, President of the Conference.

Mr. Groesbeck, one of the United States delegates, made a powerful appeal (5th Session, pages 109–115) in favour of the immediate remonetization of silver by the European nations. The reasons advanced by him in recommendation of the step proposed are, to my mind, unanswerable. A clearer statement of the position and bearings of the question could not be desired.

"The experience of mankind has confirmed the employment of the two precious metals as the money of the world, and in the long records of time both have played honourable parts in the grand economy of material development. They have been faithful servants......Whatever the ebb and flow of the varying metal currents, and however widely policies may now and then have differed, there will be no dissent from the statement that the two money metals must remain associated, as far as we can see, in greater or less proportions, in the financial systems of civilisation."—Remarks of Mr. Fenton, Chairman of the American Commission, 1st Sess.

What shall I say of the labours of Mr. Horton, the Secretary of the American Commission, in collecting and presenting to us such a mass of valuable material for the study of monetary science as is contained in this public volume, and himself one of the ablest writers on the subject? His history of the 15½ ratio in France is a most interesting document. Every reader must be struck with the great ability and genius of De Calonne, the Finance Minister of Louis XVI, and the real author, by the recoinage of 1785, of the 15½ ratio in its legal aspects. M. Say, at one of the Sessions, presented a public document which established the interesting fact that this ratio was older by about twenty years than generally supposed by students of money. The Monetary Commission of 1790 in its voluminous reports does not seem to have weakened in the least the judgment of De Calonne. I agree with Mr. Horton that the documents of justification presented to the King by that Minister form "a brilliant defense" of the monetary measures of 1785. Mr. Horton, in presenting these important details, appears to have done justice to the memory of a faithful and wise servant of his country.

The majority of the European delegates offered, in conclusion of the labours of the Conference, a paper containing three propositions, the most important being the first: "that it is necessary to maintain in the world the monetary functions of silver as well as those of gold, but that the selection for use of one or the other of the two metals, or of both, simultaneously, should be governed by the special position of each State or group of States." This at least is a step and a goodly one in advance of the Monetary Commission which sat at Paris in 1867, and which issued in a preference for a universal single standard of gold.

Among the public documents presented by Mr. Horton is an extract from a speech delivered in the House of Commons, Aug. 6th, 1869, by the Right Honorable R. Lowe, then Chancellor of the Exchequer, with reference to certain communications made by the French Government on the subject of international coinage. Mr. Lowe said: "The Chancellor of the Exchequer can speak with no other breath than that of the House of

Commons, and until I know the feelings of the House of Commons I could not venture to give any opinion; but in my answer I ventured to go this far. There are two things perfectly plain—the one that, under any circumstances, we could not have any hope of establishing an international coinage—on the chance of which I do not wish to dilate now—with a country that has two standards. France has a gold and a silver standard. A gold and silver standard is not a double, but an alternate standard. The two metals are always fluctuating in their relations to each other. It is in the nature of things for the cheaper metal for the time being to drive out the dearer. *Therefore when the silver standard drives the gold out of circulation, it leaves us nothing to compare our international coin with except the silver standard, to which it would have no exact relation.* And so I ventured to say, in answer to the question, that it would be impossible to hold out hopes of assimilation until France made up her mind to give up the silver standard and have only a gold standard." The italics are mine. Mr. Lowe is in error when he states that the standard of France is an alternate standard. France has full standard gold coin and silver coin in her circulation, but she has not an alternate standard. There is not such a thing in monetary science as an "alternate" standard. The double standard, so-called, is the full and the complete standard, and cannot, therefore, be an alternate standard. Demonetization of one of the metals by other nations may give the opportunity to France of parting with a portion of her gold at a profit, or a portion of her silver at a profit—that is all. Mr. Lowe also errs when he says that the two metals are always fluctuating in their mutual relations. If demonetizers will only withhold their projects there is nothing on earth produced by human hands so stable in their relations as silver and gold. And he further errs in speaking of a "cheaper" metal and a "dearer" metal. Monetary science knows of no such thing. But in the words italicised, Mr. Lowe states a monetary truth I have already enlarged upon in the preceding pages. Mr. Lowe did not see that he really overwhelms his single gold standard with monetary shame and confusion. For if a single silver standard drives out the gold and leaves nothing to compare it with except silver, it cannot be denied that a single gold standard will drive out the silver and leave nothing to compare it with except gold. He is right in his monetary statement; he is wholly wrong in the application he makes of it to France as an argument to give up her full standard. He would have been fully warranted in saying to France, on the ground of the monetary truth he had so well set forth, that there was every hope of monetary assimilation with that country. I claim Mr. Lowe as a good bi-metallist. He roundly states a sound monetary principle; he simply errs in the application of that principle. He cannot hold to the doctrine and be a mono-metallist.

It seems to me that Mr. Lowe errs in supposing that different rates of mintage—one nation charging more for the cost thereof than another—would issue in coins being put into circulation having different values, and that this would be a barrier against international coinage. I think that a gold sovereign coined in France, with mintage costs directly charged, would just be equal, when abroad in circulation, to a gold sovereign coined in England and no mintage directly charged. Surely the loss would come out of the pocket of the owner of the gold who got it minted at the dearest mint. The public would just take the sovereign of 113 grains of pure gold coined in France on the same terms as the sovereign of 113 grains of pure gold coined in England. There could be no difference.

I regret that I have not opportunity to quote remarks more in detail. I have just taken what came to hand. I have, however, quoted enough to excite interest in a debate which, as Mr. Feer-Herzog justly observed, " interested the whole world."

I am indebted to Mr. Goschen for a copy of the Report of the English Commissioners (a document of a few pages only). The position of England at such a Conference might have been foretold to a certainty. There is painful evidence in the Report itself that her representatives went to Paris with their hands tied. The very terms of the instructions issued to the Commissioners by Her Majesty's Government barred in large measure the discussion of those great monetary principles involved in a final and satisfactory solution of these important questions. Let us hope that writings such as those of Mr. Gibbs will stir the minds of thoughtful men in England before another Conference comes round.

Though the labours of this Conference have not borne the immediate fruit that was expected, better fruit is sure to come. Without doubt, the eminent and learned men who bore a part in that august debate are pioneers in the path of a great reform.

I cannot conclude without expressing my obligations to some of the Departments at Washington. The few public documents I desired to consult were in every instance kindly and promptly furnished to me. I will be well satisfied if my humble labours contribute in any way to the service of monetary reform, or to advance the interests of my fellow-men.

Montreal, Nov., 1879.

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