PUBLIC LEDGER

SOUND MONEY LEAFLET.

THE MONEY QUESTION.

J. STERLING MORTON'S TALK ABOUT IT TO HIS FRIENDS AND NEIGHBORS.

A Plain Exposition of the Issue Made by a Western Pioneer in Close Touch with the Farmers and One Who Understands Their Needs.

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Introduction.

At the request of his fellow-citizens of all political parties Hon. J. Sterling Morton, Secretary of Agriculture, while on a visit to his home at Nebraska City, Nebraska, addressed them on the evening of August 1st, on the Money Question. Few men are better qualified than Mr. Morton to discuss the question of the relation of a sound currency to the national prosperity. He has been intimately associated with agricultural conditions for more than forty years in the State of Nebraska, of which he was one of the earliest pioneers. During that long period of time, he has been known as one of the most active citizens of the West in every political campaign, in which questions of great national concern and interest were under discussion. With no political ambitions of his own to subserve, and belonging always to minority party in his State and section, his voice has been effectively heard and his pen has been effectively employed, whenever and as often as the occasion required, in advocating what he believed to be for the best interests of the people and the Government. A practical and successful farmer himself, he has always been specially solicitous for the material advancement of agriculture and the moral betterment of the farmer. He has never descended to the tricks of the demagogue, and has consistently and persistently adhered to his convictions, based upon extensive reading and close study, on economic questions. The Money Question has been given by Mr. Morton the most patient investigation and the most careful and conscientious study, and his utterances therefore on this question, which is now occupying the popular mind almost to the exclusion of all other public questions, is worthy of greater than the ordinary attention given its discussion. In his Nebraska City speech Mr. Morton, starting with the origin of money as a medium of exchange and a measure of value, follows the use of the two metals to our own day, and clearly shows that values cannot be fixed by legislation nor two monetary standards of values maintained by law.

Mr. Morton's speech was published in the PUBLIC LEDGER of August 21st, from which it is reproduced in pamphlet form. After explaining his early identification with Nebraska, and briefly discussing local topics, he launched into the subject of his address and spoke as follows:

The Money Question.

In a barbaric state man neither issued coin nor credit money. Barter prevailed. But emerging from savagery in all climes and in all countries humanity has begun a civilized career by the means of trade. Generally the money of any people at the dawn of its civilization has been made out of some staple product common to their latitude. Thus salt, tea, tobacco, peltry of various kinds and shells have been used as a medium of exchange and measures of value. The earliest record of money, however, is found in the Homeric age, and dates about 800 years before the Christian era. The Iliad and the Odyssy both show that the cow and the ox were the unit of value in those times ; thus the shield of Achilles is said to have cost so many oxen and that of another hero to have cost so many more. But in no instance is there any record of an attempt to create money, even by semi-civilized people, out of something which had no value as a commodity. Nor is there any attempt recorded where the early moneys have been forced upon the people at a mint value greater than the commodity value which it had before it became money. But the Homeric or Grecian cow was by some sort of conspiracy demonetized more than 2500 years ago.

THE GOLD BUG OF ANTIQUITY.

The gold bugs of that early epoch devised a coin which was minted at Athens which was called the Grecian talent and bore upon it the image of a cow. How long the parity of the cow and the gold talent was maintained it is now impossible to state. But for many years that gold piece was taken as the equivalent of the ox or the cow, and it is barely possible that the subsidiary currency of these times consisted of calves and yearlings. From this first money we deduce the word "capital." The owner of the greatest number of bovines counted the greatest number of heads of cattle, and from the word "caput," meaning a head, is derived the modern word "capital." Thus it is obvious that even in the very dawn of commerce it was essential that money should represent or possess actual value, and that the commodity made into money was not enhanced by transmutation at the mint from merchandise to money.

EARLY CURRENCIES.

Originally the gold pieces of Greece bore the assay stamp of the goldsmith, and later on, for convenience, it was determined that only Government itself should certify to the weight and fineness of each piece. Thus, the certification of weight and fineness of metals used in making exchanges in money by governments was brought into existence. The functions of money are merely to measure value and to mediate exchanges. The Pagan philosopher, Aristotle, who wrote 400 years before Christ, said: "Money is an intermediary commodity designed to facilitate the exchange of two other commodities. Thus the necessity of commodity value in money was recognized from the very beginning. This word "value" is the foundation of the question under discussion. Among the Greeks and Romans, and among modern political economists, like Adam Smith, Whately, Say, Bonamy Price, Perry and McLeod, value is held to consist in exchangeability. And McLeod remarks: "What does exchangeability depend upon? If I offer something for sale what is necessary in order that it should be sold? Simply that some one else should desire and demand it. * * * The sole origin, source and cause of value is human desire ; when there is a demand for things they have value. When the supply remains stationary and the demand increases, the value increases. When the demand decreases, the value decreases, and when the demand ceases altogether the value is altogether gone."

PROTESTING AGAINST BEING FULLY PAID.

This shows clearly that the currency of a people must be readily exchangeable for those things which the people desire and demand. The currency itself must be desirable, and must be demanded by those who have things to sell. The farmer who sells cattle, swine and cereals for money finds that his customer demands the highest possible quality in each of these things. The buyer of the farmer's products is a seller of money. The seller of those same products is a buyer of money. The purchaser demands the highest known qualities in the things he buys of the farmer, and an enlightened self-interest must compel the farmer to demand the highest and most unfluctuating and general purchasing power in the money, which he buys. Never before in the history of civilization have any number of people protested against being paid more than a certain sum for commodities which they have to sell. But to-day there are many farmers and laborers who declare themselves in favor of a system of coinage which shall pay them only 16 ounces of silver in lieu of 1 ounce of gold. Vehemently these people are declaring everywhere that they will be absolutely ruined if they be paid in more than 16 ounces of silver instead of 1 ounce of gold. The commercial ratio of these two metals to-day is about 32 to 1; that is, thirty-two ounces of silver will buy one ounce of gold bullion. The reason for declaring in favor of a mint value for silver which is twice its bullion value is inexplicable upon the part of those who have no silver bullion to coin. The advocates of this system of coining silver at double its commercial value, and gold on an equality with its commercial value, declare themselves to be bimetallists, and assert that they are in favor of two units of value. And while two units of value are to my mind unthinkable, they in their statements show that they themselves have only one unit of value and that that is the gold unit. Whoever says, "I am in favor of the free and unlimited coinage of silver at 16 to 1," declares himself a gold monometallist. The sixteen ounces of silver he proposes to measure by one ounce of gold.

THE ALLEGED CRIME OF 1873.

But we are told that there was a great crime committed in 1873 in the secret demonetization of silver. There was no secret demonetization of silver. The bill which left the silver dollar out of the coinage provided for in the act of 1873 was before the American people for more than two years. The debate upon its passage in the House and in the Senate occupies several columns of the Congressional proceedings. Up to the time of this alleged demonetization of silver the Government had during its entire existence coined less than nine millions of silver dollars. Under the Bland-Allison act of 1873, the Government "authorized the coinage of the standard silver dollar and restored its legal tender character." This act was to resuscitate the declining value of silver. It was to place it side by side with gold as part of the redemption money of the United States. Let it be remembered that silver had been demonetized by the act of 1853, and that the legislation of 1878 was based upon the fallacy that silver dollars of gold value could be substituted for depreciated paper. The silver coined before this enactment, amounting to between eight and nine millions of dollars, had long before disappeared from circulation.

CAUSE OF THE DECLINE IN SILVER.

The decline in the value of silver was consequent upon its increased production, which began to exceed the demand for its use. European nations omitted it from their coinage laws. They dropped it because they already had as much silver money as their people demanded. They dropped it because they knew that no amount of coining of this metal could arrest its further decline if increased production continued. They dropped it because they were certain that depreciation of the metal would debase and overthrow their currency systems if they continued to coin it. This Bland-Allison act compelled the Secretary of the Treasury to purchase monthly not less than two nor more than four million dollars worth of silver bullion, to be immediately coined into silver dollars of 412½ grains of standard silver; that is 371¼ grains of fine metal, and these dollars when so coined were made a legal tender for all debts, public and private. This and subsequent acts enabled the holder of silver dollars to deposit them with the Treasurer of the United States, and to get in return certificates made receivable for customs, taxes and all public dues. But the Bland-Allison act, instead of restoring silver to its old value, as predicted, witnessed a decline of 50 per cent. in the bullion of the silver dollar. Prior to the congestion of monetary channels by this depreciated silver, the United States had received from foreigners during thirteen years previous over $260,000,000 of gold. As early as 1888 fears were expressed in Europe that the United States would go to a silver standard. Holders of securities there became afraid that they would be redeemed in depreciated silver, and began to throw back these securities upon the American market. For this reason between 1888 and 1895 all the foreign gold payments to us of the preceding thirteen years were re-exported from the United States.

OPERATION OF THE GRESHAM LAW.

By 1890 we had more than 378,000,000 of Bland-Allison dollars. Now it becomes apparent that the depreciated purchasing power in a metallic currency is as much to be lamented and as vicious as depreciated paper. Secretaries of the United States Treasury wisely restricted the coinage under the act of 1878 to 2,000,000 per month, and this sum was sufficient to displace the gold circulation, under the operation of the Gresham law, which is simply that two metals of exchange being placed in the field, one superior to the other, the inferior holds the field, and the better money is hoarded by the miser or carried away by the foreigner. Bad money always expels good money from the channels of trade. This law was verified during the American Revolution by the depreciation of the Continental currency. It was verified here in Nebraska when the issues of the Nemaha Valley, Fontanelle, Omaha, Platte Valley, Tekamah and other wild-cat banks drove out all the sound money which had been in circulation in the Territory prior to 1857. The Bland-Allison silver dollars alluded to drove out that many gold dollars from the commerce of the United States. Then the act of July 14, 1890, generally called the Sherman act, was passed by the silver advocates for a double purpose. The first was to give a market for the entire silver product of American mines. The second was to increase to four and a half millions per month the volume of depreciated and depreciating money. This act compelled the monthly purchase of 4,500,000 ounces of silver bullion. For this Treasury notes were issued and forced into circulation. The Treasury notes thus created were made a legal tender for all debts, public and private. Government officials were required to reissue them when paid into the treasury. Under this act 168,000,000 ounces of silver were purchased. For that bullion 156,000,000 of new Treasury notes were issued. Thus the Bland-Allison and the Sherman act prior to the repeal of the later in November, 1893, forced into circulation in the United States $575,000,000 of silver and silver certificates.

CAUSE OF DISTRUST AND COMMERCIAL INEBRIETY.

Thus "the plain people," "the common people," have seen driven out at the command of silver mine owners and bullion speculators an equal amount of gold dollars, better dollars than those which these two acts have created. Thus we find a direct cause of the distrust, lack of confidence and commercial inebriety that brought upon the country the panic of 1893. And yet the second section of the Sherman act of 1890 requires the Secretary of the Treasury to redeem the notes issued for silver bullion in gold or silver, expressly declaring it to be "the established policy of the United States to maintain the two metals on a parity with each other upon the present ratio, or upon such ratio as may be provided by law." And before the issue of these 156,000,000 of treasury notes we had already 346,000,000 of greenbacks which the Government was pledged to redeem in coin, on presentation, and to make this redemption certain the Secretary was authorized to issue and sell Government bonds; and by other legislation, in 1882, he is required to keep in the Treasury a reserve fund of $100,000,000 in gold with which to redeem them. This of itself is an admission that it was the purpose and intent of the Government of the United States to maintain a gold standard, and to pay all of its obligations in that metal or its equivalent. With the greenbacks and $575,000,000 of silver currency we had, in 1893, circulating in the United States more than 921,000,000 of promises to pay dollars—of paper money—of credit money. And the Government, by its laws and its honor was pledged to keep all this vast volume on a parity with gold. And yet the gold reserve required was only $100,000,000, and that insufficient amount has been constantly maintained, although purchases have been made again and again for the purpose.

COMMERCIAL ILLS FLOW FROM FALLACIES IN LEGISLATION.

All of our ills in finance, it seems to me, come from the fallacies of the foregoing legislation. There was gold in the Treasury, 1889, of $194,000,000; in January, 1890, $177,000,000; in 1891, $141,000,000; in 1892, $119,000,000; in 1893, $108,000,000; in January, 1894, only $65,000,000; in July, 1894, $55,000,000, although $52,000,000 had been borrowed and added to the fund. The extent of distrust of the nation's credit is illustrated by these facts, and yet the excess of our exports over imports in 1890 was 168 millions, in 1891 it was nearly 40 millions, in 1892, 203 millions, in 1894, 227 millions, and the only adverse balance we had any year was one of 18 millions in 1893. It is seen that while we exported an excess of 520 millions of products, for which, under normal condition of trade, that amount should have been returned to us, we also exported over 200 millions of gold.

WHO WERE THE CONSPIRATORS IN 1873?

But it is impossible to cover the whole ground in a single desultory speech. Let us then go back to the alleged crime of 1873. Was there a conspiracy? If so, who were the conspirators. They were the genius of trade, the enterprise of the American people, and the intelligence of an advanced civilization. The flatboat in which I crossed the Missouri river in the autumn of 1854 was by a conspiracy between capital and human ingenuity de-ferryized and the steamboat took its place. [Applause.] This change occurred because immigration and the development of the territory became too big for flatboats. Later on a conspiracy again transpired wherein capital and civilization combined to deferryize the steamboat, and the result is the magnificent steel bridge upon which your trains cross every day. A second time the prosperity and development of the country had outgrown primitive means of transportation. If it was a crime to drop silver, a cumbersome and rapidly depreciating metal from redemption money because the commerce of this continent had outgrown it, is there not a crime being committed against the farmer by this conspiracy which depreciates the horse because of the devaluation of that animal? Is there not a conspiracy between the trolley car builder, the tramway railway magnate and the bicycle manufacturer to depreciate the horse? [Laughter.]

A FEW PRACTICAL AND PERTINENT QUESTIONS.

Is it not time to declare in some political pronunciamento that a horse shall be valued in Nebraska at $150 without regard to any other State or nation on earth? [Great applause.] And if this Commonwealth puts horse values at $150 would not all the owners of horses in other States come here to exchange them for whatever salable product Nebraska may have on hand? And if that would follow this one State in attempting as against all other States to maintain a price upon horses or upon corn, will not a similar result come to the United States if it attempts to fix the price of sixteen ounces of silver at one ounce of gold? Will not all other nations who hold silver to be worth less than that dump their silver into the United States? Will not the free coinage of silver at 16 to 1 bring us directly to silver monometallism? [Voice—That's what.] The better money is always driven out by the poorer. Therefore the $650,000,000 of gold coin will be hoarded or carried away by the foreigner, and all the Mints of the United States running night and day cannot coin $650,000,-000 in less than fourteen years. Thus instead of increasing the circulating medium, which by the way does not need any increase, this vast sum of 650 millions has been taken from the circulation.

ERROR OF FREE COINAGE ADVOCATES.

But we are told that the West and the South demand more money. That the West and the South need more money in their business. An error of those who advocate the free coinage of silver at 16 to 1 seems to be in the misuse of terms. All men desire more money, and the advocates of this system of coinage, which will compel a gold miner to delve until he gets 100 cents' worth, bullion value, of this yellow metal before he may demand the coinage of a dollar, and at the same time permits the miner of silver in Colorado to stop work and demand the coinage of a dollar of equal purchasing power when he has only taken out 52 cents' worth of bullion—confound desire with demand. To illustrate: You and I may go into some vast and beautiful gallery of painting and see some of the masterpieces of the best artists in the world, and we may desire one or more of them to embellish our own homes, but the condition of our exchequer is such that we make no demand for any picture. So there cannot be any legitimate demand for money except you offer something valuable in exchange for it.

INEXORABLE LAW OF DEMAND AND SUPPLY.

I now read a letter addressed to the citizens of Colorado, May 1, 1895:

From your letter of April 22, 1895, it appears that you and I perfectly agree in the fundamental point, namely, that demand and supply inexorably regulate all valuables whatsoever at all times and in all places. At what points do we begin to separate from each other and then go on to conclusions so utterly diverse? These points are only two—the first historical and the second logical.

First. You assume certain propositions to be true of silver, which are not historically true at all, but quite the reverse of true. You say, for instance, "Until 1873 the chief use of silver was for coinage. It had other uses, but the demand for coinage purposes was steady and constant." On this point you have been monstrously misinformed. The first Federal coins of silver were minted in 1794, and of gold in 1795. Their ratio, as recommended by Secretary Alexander Hamilton, and fixed by act of Congress, was 15 to 1. It was hoped thus to keep the two metals in equilibrio in the coinage. But they would not even come into equilibrio at that ratio, still less would they stay there. That was not the true ratio of their relative value at the time in the markets of the world under your "inexorable law of supply and demand," and consequently the law of Alexander Hamilton and the National Congress making both metals full and equal legal tender in that ratio to all amounts of debts had practically no effect whatever as towards the end in view.

TWO UNITS OF VALUE IMPOSSIBLE.

This law legally undervalued gold relatively to silver. In other words, an ounce of gold was worth more in the markets than fifteen ounces of silver, and accordingly was worth more out of the coinage than in it, and consequently was exported in preference to silver in payment of foreign balances, especially after France changed in her mint the relative legal value to 15½ to 1. Of course gold coins refused to circulate here under those circumstances, illustrating another "inexorable law" of coinage, namely, that the cheaper money would push the dearer out of circulation. Well, then the silver dollars ought to have been plenty enough in the United States in the opening years of this century. But they were not. Why not? Because clipped and worn Spanish-Mexican silver pieces had slipped into the circulation in large amounts and driven out the good and new and full-weighted American silver dollars from the hands of the people and the tills of the trader.

Only 321 silver dollar pieces were coined at the American Mint in the entire year of 1805, because the silver was worth more out of the coinage than in it, and worth more for export than for domestic money. What was the matter with those silver dollars! Nothing, only they were too valuable! May 1, 1806, there came an order from President Jefferson to the Director of the Mint at Philadelphia. "That all the silver to be coined at the Mint shall be of small denominations, so that the value of the largest pieces shall not exceed half a dollar." The reason given by the President for this order was "that considerable purchases have been made of dollars coined at the Mint for the purpose of exporting them, and that it is probable that further purchases and exportations will be made." The coinage of silver dollars, thus authoritatively suspended at the American Mint, was not resumed there for thirty years. In these few facts, which are official and unquestionable, behold the beauties and advantages of the double standard! Of the unlimited coinage of both metals, in an enacted and constant ratio with each other! Of two yard-sticks of different length to measure cloth by in the same market!

WHY THE DOUBLE STANDARD WAS ABANDONED.

Not until 1834 was the attention of Congress drawn strongly enough to the wrong ratio of Hamilton and its ridiculous effects to secure a law ostensibly to remedy them. By this law the ratio was substantially put at 16 to 1. But this was going to far in the opposite direction. Gold was not worth 16 in silver in the markets of Europe. Consequently the international current of the metals was now for a time reversed, silver passing in preference abroad to liquidate the balances of trade, and gold coming in small quantities to the United States, where it was more than 3 per cent. dearer in silver than in Europe. By 1853 the immense disadvantages of a "double standard" had become plain to all thinking people that Congress wisely determined to abandon the utterly futile attempt to secure the "parity" of the two metals, and to make gold the legal tender for debts except for $5 and under. In the second place, as an instance of an historical assumption contrary to facts and natural inference, allow me respectfully to call your attention to the use, in common with many of the bimetallists, so called, of the date 1873, as the time of the "demonetization of silver." Unless I am mistaken the silver dollar is not mentioned at all one way or the other in the act of 1873.

DEAD WEIGHT ON THE RESOURCES OF THE PEOPLE.

All the demonetization of silver, as I understand it, that ever came about in this country happened in the law of 1853, after open and full discussion and practically with unanimity, when Congress introduced the subsidiary silver coinage, of which a nominal dollar's worth weighed 6.91 per cent. less than the silver dollar, and also took away the legal tender quality of all silver in the payment of debts of over $5 in amount. What harm these two features of the law of 1853 ever did I have never been able to see. For the reasons already given silver dollars circulated but little in the United States even before 1853, and between that date and 1878 not at all, when, on February 28, a law was passed requiring them to be coined in immense numbers at the old rate and ratio to gold and with full legal tender functions; but even then their circulation was sluggish up to 1883. You know as well as I do what an enormous pile of these dollars, born out of due time, are now lying idle in the United States Treasury, nobody willing to take them—a dead weight on the resources of the people.

TWO COMMON LOGICAL FALLACIES.

(2) You employ over and over again in your letter the two most common logical fallacies that enter into the speech of argumentative men everywhere, namely, putting cause into the place of effect, and assuming that, because one thing happened after another in point of time, therefore it was the result of that other. Let us look candidly together at the two or three instances of this, taken almost at random. You ask, "What creates demand?" and answer "Use." I ask, in my turn, "What creates use?" and answer, "Demand." Why is it that there is so little "use" of silver dollars in this country to-day, while there are millions upon millions of them lying idle? I answer, confidently, because there is no adequate "demand" for them. Have you not innocently, but badly, mixed up "cause" and "effect" in this case? Demand in the commercial sense is nothing but desire for something on the part of one man coupled with his willingness to pay something for it satisfactory to another who owns it. Use of that thing, no matter what it is, only follows demand for it. You have helplessly put the cart before the horse. What is it that hinders the unlimited circulation among the people of silver dollars here and now? There are such dollars enough already minted to put four or five of them into the pocket of every man, woman and child in the United States. What is the matter with them that they do not get there? What is the sense of clamoring still for "unlimited coinage," when the Treasury cannot get rid by hook or by crook of a tithe of those already coined and lying in useless heaps? They are well minted, of just weight, nine-tenths fine, are legal tender for all debts, and bear the legend "In God We Trust." What ails them? I answer, and so must you, on reflection, there is no "demand" for them, and therefore no "use" for them. What more can the law do for them?

CAUSE FOR CLOSING THE INDIA MINTS.

For the sake of the "help" you ask for, and for truth's sake, bear with me while I take another instance of the same confusion in your letter. You say: "In 1893 India closed her mints to the free coinage of silver. In an instant silver dropped from 84 cents (or thereabouts) to 71 cents per ounce." Yes, certainly. But what made silver drop to 84 cents? It could not have been the closing of the mints (a logical matter) that caused the discount of 16 per cent. before the mints closed or thought of closing. How do you know but that the same causes (intensified, no doubt, by a public and legal recognition of them) which brought about the 16 per cent. discount brought about afterwards the 29 per cent. discount? The closing of the mints was caused by the discount on silver, and not the discount on silver by the closing of the mints. If keeping the mints open to "unlimited coinage" could have brought back silver to par, or had any tendency in that direction, would the mints have closed at all? India had the good sense to see that the more minting the more discount. I believe that our own good people, you included, will show the same good sense in the same way. Effects are not causes, nor must the two be confounded in reasoning.

OPERATION AND EFFECT OF THE SHERMAN LAW.

With one more instance, Mr. Cherry, and with a moment's reference to an important fact not mentioned in your letter, and our friendly conference is over for the present. You say: "When the Sherman law was repealed, it (silver) fell to 60 cents an ounce." Yes, again: but was it the repeal of the Sherman law, or the operation of the Sherman law, that caused the startling decline in silver as compared with gold, and uprooted always and everywhere futile attempts to maintain a "parity" between the two metals, induced President Cleveland to call a special session of Congress in order to repeal the law and so to prevent the certain further decline under the law, and also induced Senator Sherman himself (an uncommonly intelligent financier) to insist on its repeal?

Causes always precede effects, and effects always follow causes in point of time; but I beg you beware of supposing hereinafter that because some specified thing comes after another specified thing that therefore the one is caused by the other.

FUNCTION OF BILLS OF CREDIT

It may be my dear sir, that in your study of finance you have overlooked, in whole or in part, the momentous fact that all but a mere fraction of the world's commerce is mediated by instruments of credit and not by metallic money at all, whether gold or silver, and that by far the most essential service of money in this age of the world is to furnish a steady measure (as steady as possible) of other valuables, and so help to exchange them, to the profit of both parties, without any actual use of a mediating money. By the sale of international bills of exchange at all great ports of entry, payments in foreign trade are practically accomplished without the use of any money at all. In the wholesale business of this country, by means of checks drawn on well-known banks and settled through the clearing houses, not far from 97 per cent. of all payments are effected without any actual use of coin. Mr. Eckels, the present comptroller of the Currency, has made it probable, by careful inquiries instituted through his department, that about 50 per cent. of the retail business also of this country is achieved by means of checks drawn on local banks, and cleared by the banks with very little use of coin. The relative employment of these instruments of credit is constantly increasing through the multiplication of banks and otherwise; and of course also the quantity of coin money required to do the business of the world, or of any advanced country in the world, is steadily decreasing relatively to the business done."

AN ANSWER TO THE "CLASS" ARGUMENT.

We are told that the plutocrats, or money lords, of the country are endeavoring to crush "the plain people," and that we are debtors ground under the heel of the Eastern creditor. But the truth is that the mortgage indebtedness of Nebraska is not one-half as great per capita as the mortgage indebtedness of the State of New York. Is it probable that owners of money are endeavoring to bring about a state of affairs which shall ruin those who already owe them money and prevent their ever recovering their loans? We are told that the money is hoarded viciously in the great money centers of the country. And yet money is the one thing which man struggles for, which never confers any benefit upon him until it leaves him. If all the owners of money in New York should gather it up and lock it up it would be of no more advantage to them than so much dust and ashes. If this audience were given all the gold and silver money of the whole globe, upon condition that they never should part with any portion of it but hoard it forever, they would be as poor as the inmates of the county house. [Applause.] Is it probable that those who have had tact, industry and frugality enough to accumulate money should now endeavor to bring the country to a condition which will make that money absolutely valueless?

RESULTS THAT WOULD FOLLOW FREE COINAGE.

In the discussion of finance there are no more reasons or paroxysms or hysterics than there is in the recitation of the multiplication or addition tables in arithmetic. As Americans we should demand for our country the highest and best standard of value known to modern civilization. [Applause.] Mr. Irving in his inimitable history of the colony of New Amsterdam, entitled "Knickerbockers of New York," describes the administration of the irascible little Dutch Governor known as "William the Testy," when currency became very scarce. It was clear that there was not enough per capita circulation; that money was tight and that times were exceedingly hard, but that astute statesman observed that the Indians, by whom he was surrounded, did not suffer by lack of circulation, but that they used periwinkle shells for currency. This suggested the issuance of a proclamation declaring periwinkle shells to be a legal tender in the realm of New Amsterdam for all debts, public and private. [Laughter.] This financial panacea was proclaimed officially. It was read in another colony known as Connecticut, inhabited by a race called Yankees. Immediately these shrewd Yankees went over to New Amsterdam and bought from the simple Dutch burghers everything portable they had for sale from smearcase to kraut and cabbage and pipes, and left them knee deep in currency. [Laughter.] Not long thereafter the Dutchmen desired an antiscorbutic food and despatched one Anthony Von Corlear to Weathersfield to purchase a cargo of onions. Arriving among the Yankees and agreeing upon the price of onions that doughty Dutchman was astonished upon being informed by them that they never used periwinkle currency except when they purchased things and that they always demanded good "gelt" when they sold things. [Laughter and applause.]

Our friends who advocate for this country silver monometallism and every man who declares for the free and unlimited coinage of silver is a silver monometallist—may read in the experience of the Dutch burghers of New Amsterdam that which will come to the United States if it ever gets to a silver basis. Having established silver as our measure of value and medium of exchange, all who buy of us will pay us in silver. All of whom we buy will demand of us gold and we will pay the premium. [Applause.]

THE EXAMPLE OF MEXICO.

To-day Mexico is on a silver basis. A draft on New York is worth a premium of 87 per cent. The reason of this premium is that Mexico must pay the difference between her dollars, not floated at a parity with gold, and our dollars which, up to this time, hold at that parity by the pledge of the Government, by the action of the present Secretary of the Treasury and by the courage of Grover Cleveland, the President of the United States. [Applause and cheers.] Illustrative of this money fallacy is the position of the man who works, who sells services or the results of services. Take the section men on the Atchison and Topeka road who live and work respectively in Arizona on the American side and in Sonora, in the Republic of Mexico, upon the foreign extension of that line of road. The American section hands are paid $1.10 per day in our currency, and after you cross into Mexico on the same road the section hands are paid for the same labor each one Mexican dollar per day. The man on this side of the line can step into Mexico and buy with that $1.10 two Mexican dollars and have two cents change in the bargain. [Laughter.] Briefly, one day's work on the American side of the line buys more than two days' work on the Mexican side. [Applause.] In Mexico the imports are all enhanced in value because the importer pays a sufficient price to cover the probable fluctuations of silver in the London market, and exports are depreciated for the same reason. So a silver country is between the upper and nether millstone. The imports are enhanced and its exports are diminished in value.

AN AXIOM IN POLITICAL ECONOMY.

A maxim which is almost an axiom in political economy is found in McLeod and reads thus: "The relation of supply to demand is the sole regulator of value." This rule is inflexible, inexorable and always vigorously operative. It applies to salt, starch, silver, gold, soap, horses and oats. In fact it applies to every salable thing on the face of the civilized globe, and this accounts for the decline in the commodity value of silver. The ore taken out of the Comstock lode in 1876, when Nevada, in a single twelve months, produced more silver than all the world had produced in the twenty previous years, was treated at a cost of $90 per ton and about 70 per cent. of fine silver was saved; but to-day the same kind of ore is treated for $6 per ton and quite 90 per cent. of fine silver secured. Modern methods of treating ores have increased the supply of silver until it is out of proportion with the natural demand for silver and the Bland-Allison act and the Sherman act show that artificial demand cannot be created under any circumstances so as to uphold the ancient price of that metal. Neither national bimetallism, as it is termed by the United States, nor bimetallism agreed to by all the civilized powers of the earth, can fix and maintain the price of silver in gold at one ounce of the latter to sixteen ounces of the former when it is exchanging everywhere as bullion at 32 to 1. [Applause.]

PRICE OF SILVER CANNOT BE FIXED BY LAW.

The United States can no more fix the gold price of silver by itself than this State can fix the price of corn by itself. If Nebraska should declare corn worth thirty-five cents a bushel, and pass a law making it a penal offence to sell it at a less price, would not all the corn from the other States be flooding our market? Then as to an international agreement. By our traditions and the practices of this Government we are prohibited from any entangling alliance which such an international convocation would create. And if an agreement as to the ratio between gold and silver was reached, who would enforce the performance of the implied contract? What tribunal is there or can there be to make international bimetallism obligatory upon any of the nations who enter into the compact? But over and above all this comes the solemn, solid fact that the relation of supply to demand is the sole regulator of value and that national or international edicts can neither mitigate nor repeal that fact. If by international agreement the price of silver may be fixed in gold, then why cannot the price of all staple commodities also be made permanent by international agreement? Why cannot beef, pork, wheat, all cereals be fixed as to permanent prices by a great international conference just as well as can be fixed the price of any metal? If this power of fixing a permanent value in gold exists in an international congress, the power likewise the price of all commodities must exist in the same body. And the price of commodities, realty and personalty, being made permanent all the world over by international agreement, have we not avoided for all time to come the possibility of panics? Panics are brought about by declines and rises in value and if prices can be made stationary there can be no panics. But the farmer who attempts to plow his ground by preamble, to harrow and plant by resolution and to harvest abundant crops by oratory will be just as successful and prosperous as the nation which attempts to base its commerce on the theory that values can be created by statute. [Applause.]

Congress may talk, and talk, and talk,
And talk the livelong day;
But it cannot make a dollar out of 50 cents,
For a dollar isn't built that way.

[Continued applause and cheering.]

CONDITION OF THE AMERICAN FARMER.

Will the advocate of the free coinage of silver at 16 to 1 tell us how the silver standard can benefit both the producer and consumer, farm products, and simultaneously raise the value of silver for the mine owner and lower the value of the dollar for the debtor? The debtor class is not made up of farmers, mechanics and laborers. Briefly, the condition of the American farmer is shown by the fact that he owns 4,564,641 farms valued at more than thirteen billions of dollars in the aggregate and at an average of $2909 each. The household of the farmer averages six persons. The rural population of the United States last year fed the urban population, furnishing them cereals, meats, vegetables, fruits, eggs, milk, butter, cheese and poultry. This urban population is fifty-eight per cent. of all the people of the United States. Thus it is seen that the forty-two per cent. who live upon farms, after feeding and clothing themselves, fed more than 40,000,000 of the denizens of villages and cities. They did not furnish the food gratuitously, and they will not furnish it at a loss. During the same year the United States exported in products and domestic commodities and merchandise a valuation of $793,000,000. The value of the agricultural products included in that sum was $553,215,317. It is seen by the above that the American farmer fed himself and clothed his family, then fed all the village and city population of the Union, and after that sold in the world's markets more than $500.000,000 worth of surplus products. How, then, can the 42 per cent. of the people of the United States, which feeds the remaining 58 per cent. and then furnishes more than 69 per cent. of the total exports of the country, be making less profits than those whom they fed when the latter supply only 31 per cent. of American exports.

WALKING DELEGATES FARM THE FARMERS.

In 1882 an amendment to the constitution of the State of Nebraska, providing for female suffrage, was submitted to the voters. The campaign opened with Susan B. Anthony, Elizabeth Cady Stanton, Mrs. Gougar and other distinguished orators of the opposite sex. It was my fortune to have a seat in a car with Miss Anthony from Omaha to Tekamah. During the journey she turned to me with great earnestness and said: "There are many excellent and competent women holding and managing property and paying taxes in Nebraska; how do they feel as to the oppression and degradation which they suffer?" My answer was that they were just beginning to weep and sob since they heard from her and other ladies how badly they were abused, but that, until the light of their genius and eloquence was turned on in this State, they had never perceived the suffering which now seems to be so excruciating. [Applause.] So the farmers of the United States, who owe less and own more of real value than any other class, in proportion to their numbers, never realized that farming was so unprofitable; that life in the country was so laborious, unsatisfactory, and almost unendurable, until they heard from that class of walking delegates who farm the farmers, plough dollars out of the pockets of plain people and subsist upon the C. O. D. style of oratory, which is made up of sixteen parts wind to one part of common sense. [Great applause, continued cheering.]

BANKERS THE GREAT DEBTOR CLASS.

The farms of the United States carry a mortgage indebtedness on their total valuation of 16 per cent., and railroads carry a mortgage indebtedness of 46 per cent. upon their valuation. In the year 1895, as shown by the report of the Comptroller of the Currency, the national banks of this country owed depositors $1,719,597,911.33. At the same time State and private banks, loan and trust companies owed their depositors $3,185,245,810. Thus it is seen that the bankers of 1895, as they are in 1896, were the great debtor class, and that they owe an aggregate to the people of $4,904,843,-721.33. Do you desire them to pay this indebtedness in dollars which, being tested by fire, melted into bullion, will be less than 50 cents each? Do you whose lives, like my own, have been insured for more than thirty years, desire death to come to you with the country on a silver basis, and then have the matured policies aggregate a less purchasing power than the premiums which you have paid? [Applause.]

FREE COINAGE A GRATUITY FOR MINE OWNERS.

If the free and unlimited coinage of silver begins then the coinage of 412½ grain dollars is not by the Government, and for the Government, but a gratuity for those who own silver bullion. Why, after that period is reached, should the Government attempt to maintain the parity between silver and gold at the ratio of 16 to 1, or at any other ratio? What direct interest will the Government have in maintaining the purchasing power of silver at an equality with that of gold. In this connection the attention of those opposed to high protective tariff, and who sometimes declaim for the free coinage of silver at 16 to 1 [applause] is called to the fact that they are thus advocating protective duties to which those of the Morrill and McKinley tariff are as naught. By United States, statute Section 25, Chapter 349, second session of the Fifty-third Congress, it will be seen that the Secretary of the Treasury is required to proclaim the value of all foreign coins in American currency at the beginning of each quarter of each fiscal year.

IMPORT DUTIES WOULD BE DOUBLED.

Furthermore, it will be observed that all dutiable imports to the United States must be estimated, as to their monetary value, in American currency, and the duties are imposed upon this latter valuation. To-day the English pound is valued at $4.86, and we are on a gold basis; that is, if you import £100 worth of goods you will pay duty on a value of $486 worth. The duty being ad valorem at, say 40 per cent. on the particular articles which you bring in, you can easily figure the amount of customs dues which you must pay. By going to silver monometallism, the English pound will be worth in American silver, $9.72. Therefore, importing £100, when you are on a silver basis, you will double the amount of customs dues which you must pay. For instead of $486 worth on a gold basis you have upon a silver basis imported $972 worth of merchandise. If the duty originally was 40 per cent. you have, by going to a silver basis, made it 80 per cent. Is there any advocate of the protective system who, by any device of legislation, can double tariff dues as quickly as the free and unlimited coinage of silver at 16 to 1? [Applause.]

SOCIALISM, FANATICISM AND DISHONESTY.

This Republic is not a Judas Iscariot among civilized nations. It refuses to betray honest dealings. It scorns even 30,000,000 times thirty pieces of silver, and is compelled by its judgment and its conscience to reject the importunities of those who would deliver the safety and perpetuity of this nation into the hands of socialism, zealotry, fanaticism and dishonesty. It ignores and scorns all those who would applaud and jeer at the crucifixion of the credit of our Government, which has been (and God grant that it may continue to be) the saviour of civil and religious liberty, the friend and the asylum of the poor and oppressed of all nations. [Great applause and cheering.]

The LEDGER Publishes all the News.

[From the PUBLIC LEDGER of August 19, 1896.]

In reply "to a complaining friend," who thinks we give too much space to the sayings and doings of Mr. Bryan and the silver party, the *Ledger* is obliged to say that in respect to its publication of the political news, it cannot stop to consider whether it is Republican or Populist-Democratic news; all it can do consistently with its understanding of its duty to the public is to ascertain if the news be authentic, and if it be of such public interest as to warrant its publication. The *Ledger* cannot suppress news merely because it does not agree with its own opinions; these latter will be found distinctly set forth in our editorial columns, not in our news columns. The present political campaign is one of the most important, momentous, and interesting of any since the close of the War of the Rebellion. Appreciating that fact, the *Ledger* has made arrangements to secure all news of value growing out of it; not only Republican, but Populist-Democratic, as well as Sound, Honest Money Democratic news. The *Ledger* proposes to be a faithful, exhaustive daily chronicler of the events of the presidential campaign, and to be absolutely fair in the collection, editing and presentation of the news. The truth will not hurt, but help the cause that is right, which in this instance is the cause of national honor, of sound, stable money. The *Ledger* is not a political organ; it is a newspaper, and it will from now until the day of election make its news columns an epitome of the principal events and conduct of the contest. While doing that fairly and fully, it will frankly and explicitly declare, in the proper place, its convictions in favor of an honest, sound national financial policy.

"A Subscriber" has handed us an advertisement of the Exchange Hotel, in Raleigh, N. C., which was issued during the War of the Rebellion, and which we reproduce on another page. It is curiously and somewhat roughly printed, but the important point is seen at the bottom, where occurs the following:

RATES OF BOARD.

Per day, either in Bacon	10 lbs.
Per day, either in Lard	10 lbs.
Per day, either in Butter	6 lbs.
Per day, either in Flour	30 lbs.
Per day, either in Currency	$40.00
Single Meal or Lodging	$10.00

The last two items, for board per day in currency, and for single meal or lodging, are entered in lead pencil, the currency fluctuating so that it was impossible to have this printed, which shows what a great advantage a flexible currency must be. Some indication of what may be the result of the 50-cent dollar may be found in the illustration on the following page of the effects of cheap money of the Confederacy:

A CHEAP MONEY OBJECT LESSON.

[From the Public Ledger of September 10, 1896.]

EXCHANGE HOTEL

HILLSBORO' STREET.

RALEIGH, N. C.

REGULATIONS.

GUESTS should register their names before being assigned to rooms.

FULL BOARD will be charged until the room is vacated and settlement made.

PERSONS having no baggage must pay in advance.

GUESTS inviting others to eat with them should report them at the office.

FULL BOARD charged for children occupying seats at the first table.

For all Meals sent to Rooms, or out of time, fifty per cent extra will be charged.

REGULAR BOARDERS are required to pay in advance.

The Proprietor will not be responsible for Money, Valuables or Baggage, unless specially deposited for safe keeping.

GUESTS will please report at the office, any neglect or inattention of servants.

RATES OF BOARD.

Per Day, either in Bacon	. . .	10 lbs
" " " Lard,	. . . .	10 "
" " " Butter,	. . .	6 "
" " " Flour,	. . .	30 "
" " " Currency,		$ 40.00
Single Meal or Lodging,	. .	$ 12.00

MEAL HOURS.

Breakfast 8 Dinner 1½ Tea 6½

W. H. CUNINGGIM,
Proprietor.

..................................Clerk.