

Try the Pilot for
THREE MONTHS.
Ten Cents to June 15.

THE PEOPLE'S PILOT

Send The PILOT to
YOUR NEIGHBOR.
TEN CENTS TO JUNE 15.

FOR THE FREE AND UNLIMITED COINAGE OF SILVER AND GOLD AT THE PARITY RATIO OF SIXTEEN TO ONE WITHOUT REFERENCE TO ANY OTHER NATION ON EARTH.

VOL. V.

RENSSELAER, IND., THURSDAY, MARCH 12, 1896

NUMBER 36.

Why The South Wants Free Coinage.

BY UNITED STATES SENATOR MARION BUTLER.

The South wants free coinage of silver because it is a great producing section and therefore suffers greatly when there is an insufficient supply of full legal-tender money that measures values. The West wants it for the same reason, and every section of our country wants it except where the money lender and speculator control.

Every man with common sense knows, and every man whose conscience is not smothered by greed or distorted by prejudice will admit, that the money of a country must increase as its business and population increase. This is the only way to keep a parity between products and money, between debtor and creditor, between the man and the dollar. When this safe and just rule is not followed, that is, when the volume of money increases faster or more slowly than the increase of population and business, then a great wrong is done by the government to a large portion, if not all of its citizens.

Let me illustrate: On the one hand, if the volume of money in any country is increased faster than the increase of population and business, then there is an over-production of dollars. This always stimulates and increases business, and hence business strives fast enough to catch up, as it were, with the volume of money. But this is an unnatural stimulation and is often followed by a reaction, therefore it is not the safest course for a country to pursue. But there is another objection to this policy. When the volume of money increases faster than population and business, the dollar gets cheaper and prices rise. This enables a man to buy a dollar with less labor and products than before, therefore a man who owes a debt can pay the debt with less labor and products than he promised to pay. This helps every man who owes a debt, but helps him at the expense of the man to whom the debt is due. This policy always helps more people than it hurts, but nevertheless it is wrong.

On the other hand, when the volume of money does not increase as fast as the increase of population and business, exactly the opposite happens. That is, there is an underproduction of dollars. This always greatly stagnates and paralyzes business. Business gets dull, shrinks in volume, and draws in and contracts, as it were, to fit the decreased volume of money. This always causes a panic, a crash in the whole productive business of a country. Prosperous businesses fail, factories close down, labor is thrown out of employment, prices fall, and every bank that is at the mercy of the money centres is forced to close its doors and rob its depositors. The decay of civilization follows such a policy with the same certainty that night follows day. But there is another objection to this policy also. Let us see how it affects the debtor and creditor. When the volume of money does not increase as fast as population and business increase the dollar gets scarcer and the prices of products fall. This forces the man who must get a dollar to buy it with more of his labor and products than he had to pay before; a man who owes a debt must therefore pay the debt with more of his products and labor than he promised to pay. This robs every man who owes a debt, and robs him for the benefit of the man to whom the debt is due. This hurts more people than it helps. This policy makes a million people poor to make one man rich. This policy accumulates the wealth of the country into a few hands and makes it impossible for the man who creates wealth or who is in debt ever to prosper. Such a policy means death to a producing section like the South.

If any class of the people of the country must be hurt for the benefit of others, then under the principle of the greatest good to the greatest number, is it not better to follow the policy that helps more people than it hurts? Hence, is it not better to have twice too much money than twice too little? But it is not necessary for any government to pursue a policy that will rob one class of its citizens for the benefit of another. Both of the above policies are wrong; they represent the two extremes—they are the Scylla and Charybdis of the financial problem; the ship of state should steer safely between the two.

The safe and just policy for any government to follow is for the money of the country to be increased year by year exactly in proportion to the increase of population and business. Under such a policy every citizen of the country would have equal opportunities. It is true that some would grow rich and some would remain poor, but in each case it would be the man's own fault and not the fault of the government. The condition of each citizen would be measured by his own industry or idleness coupled with good or bad judgment.

If You Are Not a Subscriber This is A
SAMPLE COPY,
For Which no Bill will be Sent.

Kindly read this copy and if you wish to give it a trial trip send ten cents for three months to June 15, 1896. Now is the period of the big national conventions, and the greatest surprises seem to be in store for the people. Revolt from the Gold Standard old parties is everywhere manifest. The only hope of the nation centers in the great double convention to be held in St. Louis July 22. The Populist and Silver parties will unite and to them will come the loyal patriots who have made their last appeal for justice in the conventions of the Democratic and Republican parties. The new consolidation of the reform forces will be victorious in November. The Pilot is the champion of Silver and companion monetary reform, and will keep you posted on the great movement to free America from the Money Kings of the East. The great city dailies and old party papers suppress the very news you seek. Send in at once.

The above fundamental principles about the relations of money to man and business have always been fairly understood by the great masses of the people. Then the question arises, How is it that a people like ours, who are armed with a ballot, have allowed themselves to be robbed and bled through the instrumentality of the financial system enacted and perpetuated by our government? Why have not the people voted to change it? The answer is: Because our people have failed to appreciate what was money, and what was not money; that is, the difference between real money and token money, and the functions of each. So great have been the ignorance and misconception of the great bulk of our people on this vital point, that the South was almost ready a little while ago to accept state bank currency to be redeemed in gold in lieu of full legal-tender silver money coined on equal terms with gold. The misconception of our people on this very important matter has been almost as great among the lawyers, merchants and other professional and business men as among farmers and laborers. But the masses of the people of the South are just beginning to learn that the price of products is measured by the amount of real money in circulation and not by the amount of token money or bank currency and credits. It is standard money, full legal tender dollars, and not bank paper that measures values and fixes the price of products. Any people who fail to understand the true significance of this great vital difference between real money and token money can easily be fooled, robbed and enslaved by the modern money changers.

The first scheme of the gold trust was to prevent the supply of money from increasing as fast as the increase of population and business. The second step was to substitute token money in the place of real money. The third step was to strike down half of the real money of the country at one blow. They cut the financial yardstick in two and prices fell one-half.

The fourth step in their scheme is now about to be perpetrated and may be summed up as follows:

1. To prevent any further coinage of silver into legal-tender dollars at the ratio of 16 to 1, and to bring this country to an absolute gold basis.
2. To have the silver dollars already coined robbed of their legal power, so as to be only token silver money to be redeemed in gold, like token paper currency.
3. To destroy all silver certificates, treasury notes and greenbacks, and to issue and fasten upon this country gold interest-bearing bonds to the amount of the money and currency thus destroyed. The coin bonds of the government already issued will then be made payable in gold only.
4. To increase the power of the national banks by turning over to their management and control the entire issue of paper currency to be redeemed in gold.

The people of the South realize that if this scheme succeeds then gold (which is already scarce and getting scarcer) will be the only money—all values will be measured in gold. Silver will then be token money, that is, a silver dollar will have to be redeemed in gold just like a paper dollar that is not made a legal tender. If this scheme succeeds then prices will fall still

"Coin's" Latest and best Book,
PATRIOTS OF AMERICA,
And The Pilot 3 Months for 25 c.

William H. Harvey, author of Coin's Financial School, has brought out another of his financial series, admitted by all to be his most powerful production. This book is absolutely nonpartisan and deals with the Silver Question along altogether new lines. It is the champion of that new organization of the same name, "Patriots of America," now being rapidly organized in every state to further the cause of true Bimetallism. By a special arrangement with the Coin Publishing Company we are enabled to give a copy of this splendid book free to each subscriber who pays a year's subscription in advance to the Pilot, or to new trial subscribers who pay 25c. for three months.

further, debts will rise still higher, and all of the business of the country will have to be stagnated and contracted until they are measured by the small amount of gold that this country may be able to produce or get. Of course when this is done banks will issue a large quantity of paper currency, but every piece of it will have to be redeemed in gold, therefore no matter how much bank paper is issued, prices will not rise and debts will not be easier to pay; in fact, prices will continue to fall and debts get harder to pay, for with this increased demand for gold it will continue in purchasing power. This will produce a condition of affairs horrible to contemplate.

The South is opposed to banks of issue. It wants all money to be coined or issued by the government and wants every dollar to be real money—every dollar to stand on its own bottom—every dollar to be a dollar without being redeemed in another dollar. A dollar that must be redeemed in another dollar is not a dollar. There is no excuse for the government to coin or issue two dollars and then require that one of these dollars shall be redeemed in another. Whenever this is done it is for the benefit of the money-lender and the gambler and at the expense of those who make the products that clothe and feed mankind.

It makes no difference how much silver may be coined and put into circulation, unless it is coined on equal terms with gold and given full legal-tender functions it is not money, and every piece of it so coined would have to be redeemed in gold just like so much bank paper. Therefore with silver demonetized and the legal-tender greenbacks retired, the real money of the money of the country is reduced to gold, and all business and prices must contract accordingly, no matter how much token silver or token paper may be issued.

This means that it will take twice as much labor and products to pay taxes and twice as much to pay the salaries of the officers of the country, state and nation, and twice as much to pay the debt and interest which individuals, corporations and the government owe in Europe, as it would with a sufficient supply of real money. This means more panics, more business wrecks, more millions of people in poverty.

The South wants the free, unlimited and independent coinage of silver on equal terms with gold as it was before 1873, because this would make twice as much real money as if gold alone were coined in full legal-tender dollars. If the full and free coinage of both metals should not make enough money to keep pace with our increasing population and business, then the South wants more legal-tender dollars made of something else furnished by the government (not by banks,) and such additional money to be real dollars, every one to stand on its own bottom and not to be redeemed in other dollars. Any financial system that puts into circulation token money when there are not enough real dollars in circulation is a dangerous and dishonest system. The South wants as many dollars as the business of the country needs, and wants every one of them real dollars, each one of them standing on its own bottom. Anything short of this is dishonest and means robbery to the great majority of our people for the benefit of the few,

and robbery of our own country for the benefit of foreign countries.

The South wants free coinage of silver so that our country can pay its bonds and debts to foreign countries in one-hundred-cent dollars according to the terms of the contract and not in two-hundred-cent dollars as we shall have to do under the gold standard. Every bond this government owes says on its face that it is payable in coin (gold or silver) at the option of the government. Now if we say by law that silver is not coin—is not money—then we change the contract so as to double our own debts. Will any sane man agree to do this? The indebtedness of this country to Europe is over five thousand millions of dollars. The annual interest on this debt is two hundred and fifty millions of dollars. We did not promise to pay this debt in gold, but these foreigners want us to pay it in gold. They promise to pat us on the back and call us "honest" if we will pass laws that will make gold twice as dear and then pay them in gold. They threaten to call us "dishonest" if we persist in paying them just what the contract calls for. Before we are fools enough to agree to purchase their smiles (which would surely come coupled with their contempt,) let us see what the result will cost us.

The output of gold in this country is nearly thirty-five millions of dollars a year. This is barely enough to pay one-seventh of the interest that we must pay to foreigners each year. The output of gold for the whole world was nearly a hundred and fifty millions of dollars last year. So if we had all of the gold of the whole world each year it would not pay half of the interest that we are bound to pay and must pay each year to foreign bondholders and creditors, leaving half of the interest unpaid and not leaving a single dollar of gold for circulation at home. Therefore it is plain, and painfully plain, that we can never pay this debt, not even the interest on it, with gold. On the other hand, each year instead of paying our debts we shall be getting deeper and deeper in debt; more bonds will have to be issued each year with no prospect of paying them. Is this the way to build up our credit abroad? Is this the way to promote prosperity at home? What astonishing and alarming folly. If we cannot pay as we go now, when shall we ever be able to do so and pay in addition a large debt and increasing interest?

But we can pay this debt and pay it honestly according to the contract. How? We can, and we must pay it with our products. We are the great producing nation of the world, and the other countries must have what we raise. We must, first, make our own people prosperous; we must have a financial system that will enable our people to create more products at less cost—a financial system that will put our idle labor to work, at good wages, and set the wheels of every piece of machinery turning at full speed.

India, Russia, the Argentine Republic and other countries that raise wheat and cotton and compete with us in the markets of the world, now have the immense advantage over us, inasmuch as they, while selling their cotton and wheat in the London market for gold as we do ours, yet take their gold home and convert it into the money of their own countries, which has twice the debt-paying power of gold, while we take ours home and get no such increase, therefore giving them nearly one hundred per cent the advantage of us in raising these products for market. Let me illustrate:

The price of a bushel of wheat in the Liverpool market for more than a generation has been an ounce of silver. The value of the two have remained in touch for more than a quarter of a century. As the price of silver went up or down, wheat followed. If we single out any one year, say 1892, we can estimate what the demonetization of silver has cost the wheat growers since 1873. The average London price for silver in 1892 was 87.1 cents per ounce. In that year an Indian farmer could ship a bushel of wheat to Liverpool, receive an ounce of silver for it, and have the silver coined into rupees at a ratio of 15 to 1, worth \$1.37 in legal-tender money in India. An American farmer could also take a bushel of wheat to Liverpool, receive an ounce of silver for it, bring this silver home to the United States and sell it for whatever he could get, which was about 86 cents per ounce. Thus the Indian farmer realized \$1.37 for his wheat delivered in Liverpool, while the American farmer received but 86 cents for his—a difference to the disadvantage of the American farmer of 51 cents per bushel.

But suppose we had the free coinage of silver in this country at the ratio of 15 to 1, then we should get \$1.37 per bushel, and if at 16 to 1 then we should get \$1.29 per bushel. The same is true of cotton and other products which we export and which come in competition with those of other free-coinage nations.

Senator Jones in his great speech delivered in the United States Senate on May 12 and 13, 1890,