

States, national, state and private, over nine thousand in all, to report the total amount of money of all kinds which they hold on a certain day. These reports show that we have not in circulation in this country the amount of money that is usually claimed. For example, the last report given out by the comptroller, Dec. 2, 1895, shows that on July 11, 1895, all of the banks in the United States, national, state and private, held only \$631,111,290, while at the same time there were in the treasury of the United States, as claimed by the reports, \$429,517,718, but of this sum, there were \$108,210,555 in gold which was held as a reserve and was not available for circulation. This left the total amount of money in the banks and in the treasury at that time \$602,418,443. This was all the money in sight at that time available for circulation. Of the sum held by the banks \$187,621,099 consisted of gold, and this was all of the available gold then in the United States. The foregoing sums comprise all the money we then had in this country except what there was in the pockets of the people. And inasmuch as we have banks in every village and we have had years of idleness during which little savings were exhausted, and inasmuch as building associations have in late years absorbed nearly all the money that used to be held by private individuals, it is claimed by competent judges that when you include the colored people of the south and the poor everywhere that an average of \$5 per family would be a high average of what there was at that time in the pockets of the people. As there were then less than fourteen million families that would make less than \$70,000,000, but if we double this sum and assume that there was on an average \$10 in the hands of every family in the United States at the time, we would make less than \$140,000,000. According to that to which there was then in the banks and in the treasury and it gives us the total money in this country, which is less than \$100,000,000.

But the treasury officials persist in giving out figures published by the director of the mint, in which he claims that there are in this country altogether \$1,651,810,000, that we have \$23.59 per capita, and that there are \$618,100,000 of gold alone in this country. But in his report for 1892 the director explains that these figures are in part estimated and in part based on assumption. In the first place he assumed that every dollar of paper issued by the national government during the last thirty years or more and by the national banks of this country is still in circulation, except where a record has been made of its cancellation in Washington, and that none has been lost or destroyed in all that time. Second, he assumes that all of the gold which the records of the custom houses and at the mints show came into this country is still in circulation, except where there is a record of its exportation or of its use in the arts. In other words, he makes no allowance for what has been lost and destroyed during a quarter of a century; he makes no allowance for what was lost by abrasion during that time; he makes no allowance for what was carried across our southern boundary for a quarter of a century, unrecorded, nor for what was carried across our northern boundary during that time, and of which no record was made, nor for what was carried in the C. & G. during the time of which no record was made. He makes no allowance for what was used in the arts and of which no record was made, and he makes no allowance for what was carried to Europe in the pockets of our people during a quarter of a century. In his report for 1891, the director says that the amount of money which the American people spent in Europe during the year of the Paris exposition was estimated at over \$90,000,000. Of course, most of this was registered in the form of letters of credit, etc., but so much of it as was carried in the pockets of the people was not registered, so that the tables given out by the director of the mint, when carefully examined in the light of information which he himself has given out in prior reports, are found to be absolutely worthless.

The other figures given by the comptroller, that I have referred to, are accurate. They practically constitute an inventory of everything in sight, and they show that instead of having \$23.59 per capita in circulation in this country, we have not got \$15.00 per capita in circulation in this country, while England has \$20.78, France \$35.77, Germany \$17.59, Belgium \$27.82 and the Netherlands \$24.25. We are drifting toward the basis of the pauperized countries of Europe. Italy has \$10.79 per capita, Austria-Hungary \$10.67, Russia \$8.46; even impoverished Spain has \$16.55.

It is the most remarkable fact that the position held by a people in the scale of civilization seems always to depend on the amount of money they have in actual circulation. According to the tables issued by the United States treasurer, Turkey has \$4.09 per capita, Mexico \$4.95, Central American States \$3.66, India \$3.33, China \$2.08 and Servia \$3.78.

Bankers have been heard to say even during a panic that there was plenty of money. This was done to keep the public from becoming alarmed, for every business man knows that it is not true, and the facts that so many banks pay high rates of interest on deposits shows that it is not true. During the last panic the New York banks actually suspended payments and forced the public to take clearing house certificates. It has, however, been found that after a panic produced by a great contraction, the money that is left flows toward the cities and lies idle because business conditions are not favorable.

Physicians tell us that if a large part of the blood is taken out of the human body the remainder flows to the heart and the extremities get cold; and the same law applies to money, which is the blood of commerce. Reduce its quantity and the body gets cold while the heart may be congested. At present money is in demand, not for new business enterprises but for debtors who are carrying a heavy load of old debts and are forced to make new arrangements. If prices were again to go up, new life would come into the business world and money would then be in demand and new enterprises would be begun.

Gold in the World Insufficient.

In June, 1892, Edward O. Leech, director of the mint, published an article in the *Forum* on the money question, in which, among other things, he said: "I find that one of the most serious dangers which confronts us is the insufficiency of the supply of gold as a basis of the present and prospective business of the commercial world, and the consequent disturbances attending its accumulation and movement." It is seriously proposed to throw the burdens of an increasing population and business upon the gold stock. The annual product of gold of the

world is only about \$125,000,000, of which nearly one-half is used in the industrial arts, so that the annual supply for monetary purposes is hardly in excess of \$65,000,000. If this plan is carried out, then the existing stock of gold must for many years form the basis of business and credit and serve as the medium of all exchanges. That such a narrowing of the basis of credit and trade is attended by incalculable difficulties and hardships must be apparent. Already monetary panics have been inaugurated. * * * Europe has no gold to spare. She has drawn within the last year large quantities of gold from this country, at times when the rate of exchange did not justify such shipments; that is, a premium has been paid for American gold. The struggle for the possession of gold, with its consequent strain or financial disturbances, is well under way. * * * If gold is to be the sole money of the world, not only will the extension of business and of foreign investments be seriously crippled, but the immune fabric of society is liable to totter. Where is the gold to come from when the states of Europe not having a paper standard resolute payments? * * * The truth is, the total supply of the precious metals is not more than sufficient to keep pace with the rapid increase of foreign trade. What is to be gained by discontinuing the use of one of the metalloids and throwing all the work upon the other? Not stability of value, for, as already shown, for nearly a century when the bimetallic system existed in France, the relative value of gold and silver did not vary appreciably. * * * If the experience of the last nineteen years has proven anything, it is that the value of gold and silver depends upon the monetary use which is made of them. The experience of the first seventy years of this century has demonstrated that both metals can be used as money with greater stability of value than one alone."

It is a remarkable fact that nearly all of the great European financiers, including those who favor a single standard declare that there is not enough gold in the world to do its business and that it was a fatal step to take for the nations to all confine themselves to the use of either metal. I know we have new born financiers in this country who argue that all that is needed is simply a standard of value and that the quantity is immaterial.

Carried to its legitimate conclusion their argument would be that if you take a single gold dollar and tie it to a string and hang it up in the treasury department that will constitute a standard of value and is all that is needed. But the experience of the world is that while a vast amount of business can be done by the use of what are called credits there must always be a certain amount of money at the bottom of this and there is a limit to the amount of credit which a dollar can carry; consequently the amount of money at the bottom will practically determine the amount of business that can be done in the world. The spectacle which we see now is that of the great nations of the earth running after the little bit of gold that there is in the world just like boys run after a foot ball; it is shifted hither and thither dragged yonder to-morrow, and every time it shifts there is a disturbance in prices, even a disturbance in the low prices which now prevail. The amount of available gold in sight in the world is so small that a few large financial houses can manipulate it. As the Chicago Tribune says, they can "corner" it, and in recent years we have seen repeated instances of their doing so certainly it seems like the very height of madness to even suggest the idea of having the great business interests of this country and of the world rest upon a standard and a measure of values which can be manipulated.

Assumed Superiority of Gold.

An American gold standard man recently declared that gold went with the highest civilization and that silver belonged to a lower civilization. Let us look at this a moment. Until 1873 silver was the money that was chiefly used by nearly all of the great nations of the world. Germany was on a silver basis up to that time. The foundations of the great German empire were laid and the entire fabric of German civilization and German achievement and German greatness was reared on the basis of silver. Since she adopted a gold standard she has not advanced. Her industries are crippled and there is stagnation and distress throughout her entire borders. France, generally considered the most highly civilized country in the world was a great silver using country and her unit of value is a silver coin. The greatness of the United States of America was achieved prior to 1873. Our institutions are still in the United States know that it is not true, and thorough investigation by congress shows that just the opposite is the case. In 1891 a committee of the United States Senate made a thorough investigation of the entire subject of wages. John G. Carlisle was a member of this committee. It made an exhaustive report, and showed that from 1840 to 1873 wages had nearly doubled, but in 1873 there was a marked falling off.

The committee then shows that while there was a slight rise about 1880 in wages, it never reached the point occupied before, and that afterwards there was a continuous decline.

Now, my fellow citizens, look at the price our country with the rest of the world is paying for this gold standard. Bankruptcy, paralysis, ruin, endless suffering and misery for all these years, and we are getting absolutely nothing in return for it. Debts have been practically doubled by law; that is a condition that was created by law which so affects prices that it forces the debtor to sell twice as much property as was formerly needed to pay off his debt. All the great European countries are even worse off than we are.

A year ago Mr. Depew returned from a general tour of Europe, and in an interview stated that the one thing which struck him everywhere was the almost universal paralysis in the industries and in trade, and the misery which goes with it. In making this statement he simply verified what other travelers, as well as the European writers, have already proclaimed to the world. No man has pointed out or can point out wherein the people of the world have derived one dollar's worth of benefit by the adoption of the single gold standard.

This fearful payment of the life blood of the nations of the earth has gone practically for nothing, and there is no hope or prospect of restoring the prosperity and happiness of our people until this great wrong is in some manner righted.

Conditions in Mexico.

We frequently hear men who have more zeal than knowledge refer to Mexico as a terrible example of a silver basis and a 50-cent dollar. These gentlemen do not seem to be aware of the fact that since the demonetization of silver in other countries Mexico has been more prosperous than ever before. Mexico, like some South American countries, was very far behind the United States on account of poor government, oppression, superstition, fanaticism, limited money and general disorder; but she has made greater strides toward becoming a greater nation since 1873 than ever before.

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In June, 1895, the Mexican minister at Washington, M. Romero, published an article in the *North American Review* on the silver question so far as it affected Mexico, in which he shows that while the demonetization of silver, and the consequent burden on gold, had forced the purchasing power of gold up so that a Mexican silver dollar was worth only 50 cents as measured in gold, still the Mexican silver dollar bought as much commodity in Mexico

as it ever did. In other words, there was no decline in the silver dollar as compared with the price of commodities. That the mere fact of the Mexican dollar being worth less than a dollar in gold prevented it from going out of the country as it formerly did, so that finally money became more plentiful in Mexico. Further, that as imports had to be paid for in gold, which was at a premium, the amount of imports were greatly reduced while the purchases in the home market were correspondingly increased, and the result was that not only all their factories were working to their utmost capacity, but that everywhere new factories were being started, and their laborers were all employed and wages greatly increased over what they formerly were. He gave figures to show that the railroads in Mexico, the banks, the manufacturers, the farmers, the laborers, are all prospering, and agricultural products instead of going down as measured by their home dollar, have advanced. And he also says that so far as he has been able to observe, similar conditions exist in other silver producing countries.

Overproduction of Silver.

The claim made that there is an overproduction of silver since 1873 as compared with gold, and that this is the cause of its fall in price, is absolutely without foundation. According to the tables issued by the Treasury Department Aug. 16, 1893, showing the total production of gold and silver in the world at coinage value, it appears that from the year 1792, when our monetary system was founded to the year 1852, being a period of sixty years, the total production of silver in the world, rating it at coinage value, was \$1,769,197,000, and the total production of gold during that time, was \$960,226,000, that is, there was almost twice as much silver produced as gold. The production of each metal of course varied greatly during the different years, and yet the market ratio between the two metals remained practically the same during all that time. The tables show that during those sixty years there was a variance of only 7-10 of one point or just about the cost of exchange. The same tables show that from 1852 to 1873 the total gold production of the world was \$2,515,755,000, while the total silver production was \$989,225,000; that is there was two and one-half times as much gold produced as silver, yet the market ratio remained undisturbed during those twenty-one years, just as it had during the period of sixty years, when there was twice as much silver as gold.

Again, the same treasury tables show that from 1873 to 1892, inclusive, the total gold production of the world was \$2,176,505,000, while the total silver production was \$2,347,087,000; that is, the production of gold was nearly equal to that of silver. During the first two periods silver was a money metal; during the last period it was not. The fact that during the first two periods, covering over eighty years, the market ratio remained the same although the production of each metal varied greatly from time to time, shows that the market price or ratio was practically the same as the legal ratio that from 1873 to 1892, inclusive, the total gold production of the world was \$2,176,505,000, while the total silver production was \$2,347,087,000; that is, the production of gold was nearly equal to that of silver. During the first two periods silver was a money metal; during the last period it was not. 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