

policy of protection has vastly benefited the laboring man in the United States. Sir, nobody upon a fit occasion can speak upon that great policy with more enthusiastic encomium or more intense conviction than myself. But it cannot do everything. Handicapped by the single gold standard, it can work out only a portion of its proper results. When I plead for bimetallism, I plead for the other half of protection. Free trade and the gold standard both aim at low prices, are both embodiments of British aggression upon the industrial independence of my country. I will resist them both to the utmost.

I do not question the fact that protection has had a beneficial effect upon wages; but, sir, organized labor is also largely to be credited for the maintenance of wages. Diminishing the number of hours of labor, lessening the number of apprentices, organizing against proposed reductions, they have fought their way by one method and another and have succeeded to a large degree in warding off the natural effects of an appreciating money. Let me add that if you will consider the number of men who have been out of employment and the diminished labor of those who have had employment the statistics of the rise in wages will appear far less imposing than they do now. The laboring man's interests are precisely the same as the manufacturer's, the tradesman's and the farmer's in this respect. And the policy that is sure to wreck all employers in productive industry, if continued, cannot fail to ruin also the men who work for them. Profits cannot disappear and leave wages untouched. When men who hire labor become bankrupt, the man who works is very apt to be out of a job. The voluminous evidence gathered by the English parliamentary commission on the depression of trade and industry shows conclusively that wages in England have been long falling and continue to fall. In the United States various conditions have prevented the full operation of the same cause as yet, but many of its effects are already visible and the ultimate result is clearly foreseen by intelligent laboring men all over the country. Their attitude is not uncertain. They are and will be for a money system that is favorable to industry and that deals justly between man and man.

Experience of France.

Frequent reference is made in this discussion to the experience of France in the early part of this century. Now, that government, from 1803 to 1865, and the Latin union—France, Italy, Greece, Belgium and Switzerland—from 1865 to 1873, did maintain the bimetallic system with mints open to both gold and silver, and keep them practically at par at their mint ratio

of 15 1/2 to 1. This great fact is of such conclusive significance that the advocates of the gold standard have not hesitated to fly in the face of history and flatly to deny one of the most notorious accomplishments on record. Such denials have been made on the monetary conference of 1881:

The following table, on the authority of the distinguished economist, J. Barr Robertson, shows, in five year periods, the French coinage during the time in question of both gold and silver. It is given in English money because taken from an English document:

	Silver Gold (average per annum.)	Silver per annum.)
1803-1810	21,201,186	6,184,757
1811-1818	8,001,303	6,184,025
1819-1826	1,061,924	680,111
1827-1835	405,148	5,022,004
1836-1840	233,978	5,022,004
1841-1845	826,149	5,076,131
1846-1850	589,857	5,083,188
1851-1855	150,929	8,089,281
1856-1860	1,294,987	4,311,276
1861-1865	12,669,269	1,431,752
1866-1870	21,605,405	680,651
1871-1875	7,007,557	175,008
	9,546,561	8,002,004
	2,475,218	2,742,774
Total coined	322,063,410	217,640,284

Silver was tendered and coined every year and gold every year but 1838 and 1872. When England in 1821 resumed specie payments after a long paper regime, the coinage of gold in France, as will be noticed in the table, fell off very much, and when in 1850 and following years the greatly increased production of gold came into the world's supply it was tendered and coined in immense quantities. But at this time the mints were coining both metals, and the open mint of France, like a pipe between two reservoirs, maintained the level of the two masses of metal and was the equalizer of their variations.

Two Metals Really One.

Nothing could more beautifully or triumphantly illustrate the fundamental principle of bimetallism. The two metals became in effect one metal, one primary

metal, it kept the market price of silver approximately steady at the ratio fixed by law between them—namely, 15 1/2 to 1.

Sec. 12. Nor does it appear to us a priori unreasonable to suppose that the existence in the Latin union of a bimetallic system with a ratio of 15 1/2 to 1 fixed between the two metals should have been capable of keeping the market price of silver steady at approximately that ratio.

The view that it could only affect the market price to the extent to which there was a demand for it for currency purposes in the Latin union, or to which it was actually taken to the mints of those countries, is, we think, fallacious.

The fact that the owner of silver could in the last resort take it to those mints and have it converted into coin which would purchase commodities at the ratio of 15 1/2 to 1 of gold would, in our opinion, be likely to affect the price of silver in the market generally, whoever the purchaser and for whatever country it was destined. It would enable the seller to stand out for a price approximating to the legal ratio and would tend to keep the market steady at about that point.

The situation in France and the nature and theory of the bimetallic adjustment are admirably set forth in the following eloquent words of Cernuschi in the monetary conference of 1881:

"Until 1873 a clear and sonorous voice was always heard resounding from the banks of the Seine. It said: 'I am France, rich in gold and rich in silver. I can arrange that in the entire world the two metals form but one money. Peoples and nations, bring to Paris all the gold and silver you like. I take it all. For a hundredweight of gold, or for 15 1/2 hundredweights of silver, I will always give you the same quantity of francs. Let the production of one metal or the other be more or less abundant, more or less costly, it will be immaterial to me. Peoples and nations, do you want gold? Bring silver. Do you want silver? Bring gold. As bimetalists the French have no preference for one metal or the other. They will always make exchange for you, if you know how to ask it, of one metal for the other on the basis of 15 1/2, and in the two hemispheres the relative value of the two metals will always and everywhere be the same."

A Question of Judgment.

The reason why France was able to do this was that her commerce was great enough and varied enough to give employment and exchange to all the metals of either kind that were offered for coinage. As I have before said, the test of ability to maintain a parity between the metals is the power, founded on extent and variety of uses for money, to absorb them in commerce. Whether the United States could independently achieve this result is not, perhaps, absolutely demonstrable. It is a question of judgment. My own opinion is that the task is not beyond us, and that, though some international concert is preferable, independent action is much to be preferred to the indefinite continuance of the present system. In this connection I wish merely to call attention, in passing, to the fact that it was the powerful influence of the French mint that caused, first the gold (when our mint ratio was 15 to 1 and France's 15 1/2 to 1) and then the silver (when we had changed to 16 to 1) to leave the United States and go to France. It was exactly as if a commodity were to seek the highest market. But if she took our gold, she sent us her silver, and vice versa. The process was natural and not harmful. Both metals were somewhere performing full money functions for all the world.

When asked whether England could successfully alone undertake the maintenance of the parity of gold and silver with open mints, Sir Henry Hucks Gibbs said, "Any great commercial nation can do it."

We do not sufficiently realize what a powerful nation we are and what we can do if we set about it. We need a little of the spirit of 1776. Why, we are more afraid of England now, after we have grown big enough to whip all creation, than our fathers were when they could count no more population than the state of Ohio has now. So long as we want her to do it England will manage our money system for us, and we may depend on her having an eye on England's interests while she is at it.

I make the assertion that in nearly every respect the conditions enabling a nation to support a system of bimetallism are today more favorable to the United States than they were to France from 1808 to 1873.

To begin with (see chart D), from 1803 to 1870 the average number of ounces of silver in the world in coin and available for coining was 30 times as great as the number of ounces of gold. Yet she made it possible during all that time to go into the market and buy as much with 15 1/2 ounces of silver as could be bought with one ounce of gold. Today there are only 16 times as many ounces of silver in the world's stock as of gold. Our ratio of coinage, 16 to 1, would, to commence with, almost exactly correspond to the natural ratio by weight. Ought it not to be very much easier to float two metals at 16 to 1 when the relative amounts of them are practically just than to do it when there were twice as many ounces of silver to one of gold as the ratio called for?

Again, if the demand for the use of a metal is the test of ability to maintain it at parity, the case is still stronger. In extent and variety of power to give employment to the United States today is immeasurably greater in respect to the general capacity of the world than was France 25 and more years ago. Says Mulhall, the world's greatest statistician, in *North American Review*, June, 1895:

"If we take a survey of mankind in ancient or modern times as regards the physical, mechanical and intellectual force of nations, we find nothing to compare with the United States in this present year of 1895. The physical and mechanical power which has enabled a community of woodcutters and farmers to become in less than 100 years the greatest nation in the world is the aggregate of the strong arms of men and women, aided by horsepower, machinery and steam power applied to the useful arts and sciences of everyday life."

The relative extent to which a nation uses steam power illustrates perhaps as well as any one thing can the degree to which that nation is a factor in the world's business and can give money work to do. In 1870 the world's steam power, according to Mulhall's dictionary of statistics, was 18,460,000 horsepower. That of France was 1,850,000 horsepower, or little more than 10 per cent of the whole. In 1888 the total for the world was 50,150,000 horsepower, and of this the share of the United States was 14,400,000, or nearly 29 per cent. Our share today is 16,940,000, almost as great as that of all the world in 1870 and fully three times as great in proportion to the whole as was that of France in 1870. Here we see, says Mulhall, that "the United States possesses almost as much energy as Great Britain, Germany and France collectively."

In comparing the two countries in respect to commerce, a most important point is this: In proportion as the foreign commerce of a nation is small relatively to the entire bulk of trade, it is easy to main-

tain the relation of silver to gold which distinguishes the latter from the earlier?

Now, undoubtedly the date which forms

the dividing line between an epoch of approxi-

mate fixity in the relative value of gold and silver and one of marked instability is the year

when the bimetallic system which had pre-

viously been in force in the Latin union ceased

to be in full operation, and we are irresistibly

led to the conclusion that the operation of that system established as it was in countries the population and energy of which were con-

siderable, exerted a material influence upon

the relative values of the two metals.

So long as that system was in force we

think that, notwithstanding the changes in

the production and the use of the precious

metals, it kept the market price of silver approximately steady at the ratio fixed by law between them—namely, 15 1/2 to 1.

Sec. 13. Nor does it appear to us a priori unreasonable to suppose that the existence in the Latin union of a bimetallic system with a ratio of 15 1/2 to 1 fixed between the two metals should have been capable of keeping the market price of silver steady at approximately that ratio.

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The fact that the owner of silver could in

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