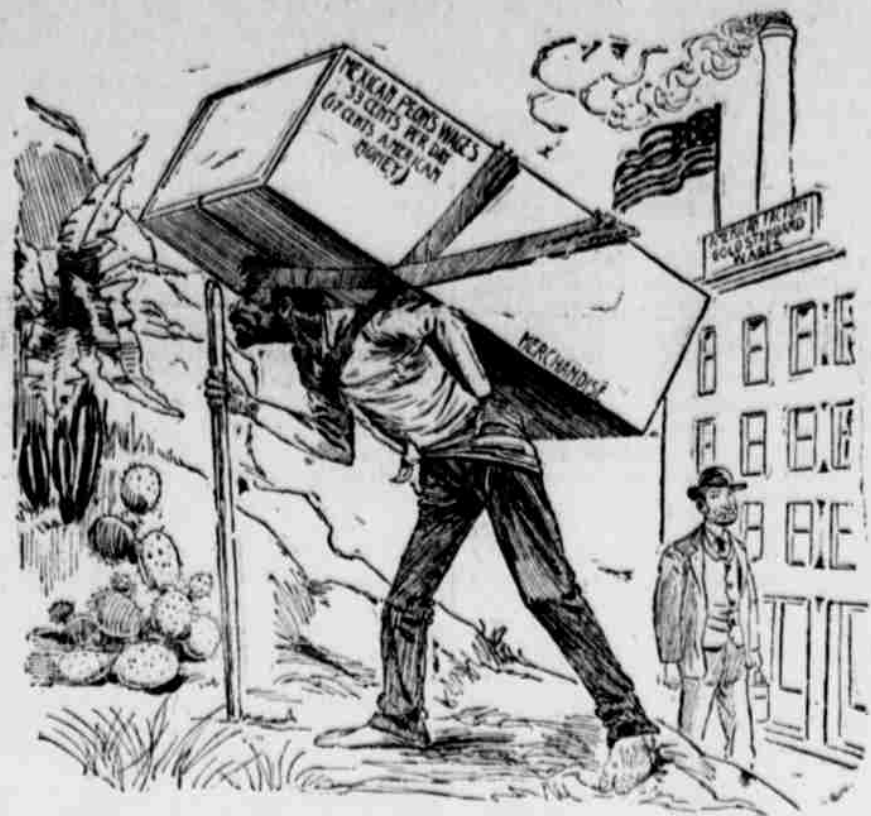


MEXICO'S OBJECT LESSON.



SMALL CHANGE.

If the Government's stamp can make all silver bullion worth \$1.29 per ounce, why can it not make it worth \$1.50 or \$2 per ounce? Why does not the Mexican Government's stamp make all the silver in that country worth its coin value?

"We only want to restore the conditions which existed in 1873," say the silverites. That is, they want less than a million silver dollars in circulation, instead of the six hundred millions of silver money now in use. They want an inflated paper currency, without specie for its redemption. They want to get rid of our six hundred millions of gold, practically none of which we had in 1873. Is this what they mean when they clamor for "the conditions of 1873?"

The average farmer or workingman would not for a moment think of giving an opinion on a question of astronomy or chemistry in opposition to the teachings of special students of those sciences. Yet on the far more intricate and difficult question of finance, every voter thinks himself fully competent to contradict the conclusions of men who have spent many years studying the problems involved in the currency and banking questions. It would be a little more becoming in our cross-roads financiers if they would admit that hearing or reading a few free coinage speeches does not fit a man to give an intelligent opinion on such a complex problem. There is a great deal more to the money question than the issue between our present financial system and the silver standard of Mexico.

Arguing about the monetary unit established in 1792 is a pure waste of time. It matters not what may have been the intention of our forefathers. Wise and great and good as they were, they could not tell the changes which would be made by the enormous increase in the amount of silver mined. The gradual progress of the country has made necessary wide departures from the plans of our first Federal Government. The fact that gold is the standard of value of nearly every civilized Nation, should lead us to adopt the same standard even though we were still on a silver basis. Appealing to the history of one hundred years ago has no weight on present issues. What we want now is the best possible money, and there is no sense in shouting about "the dollars of our daddies."

"COIN'S FINANCIAL FOOL."

HIS SOLILOQUY.

I want a bogus dollar, just based on mere pretence;
I hate the "gold-bug's" gold one that is worth a hundred cents;
For I'm a "Silver Beetle," as all the world can see,
And except my precious humbug, you will find no bugs on me.
I can give you learned statistics from Bone to Adam Smith,
And quite a miscellaneous lot of fallacies therewith,
To prove that all our troubles in panics now or old
Are but the rank production of a dollar made from gold.
I brook no British meddling with the "white" stuff that I laud,
For what care we for England or the folks who live "abroad?"
They tell us two and two make four, as sure as I'm alive,
And so to be "American" I vow that they make five.
Does anybody think the Yankee Nation cannot say
That anything's a dollar and make its value stay?
Should England ever dare to, by the Revolution's birth,
We will suddenly "annex her" or "wipe her from the earth."
We need a pile of money, and it isn't England's right
To refuse the kind we offer. If she does I want to fight.
For if we Yankees legislate that water runs up hill,
In spite of all creation I will bet you that it will.
I know the silver bullion that the people had to buy,
Piled up, would make a monument broad-base and six miles high,
Besides the minted silver, which nobody takes away,
But we ought to keep on buying it in spite of what they say.
I don't care a centennial for Wall Street or Grover C.,
For all the bloated "gold-bugs" are as mean as they can be;
So I've sent broadcast my pamphlet as a sort of "Summer School,"
To show the folks the wisdom of "Coin's Financial Fool."
—Joel Benton, in Harper's Weekly.

MEXICO AS A SILVER COUNTRY.

Minister Romero, who represents Mexico at the seat of the Government of the United States, has written an article on the money question, which is of considerable interest to Americans.

Mexico is a silver money country. Minister Romero says that the low price of silver abroad makes it unprofitable to export it, and that, therefore, there is an ample supply of silver in the Mexican banks, stimulating industry, maintaining prices and increasing the demand for labor.

It is quite true that, although Mexico has an abundance of silver, and includes within her bosom mines known from the middle ages and not yet worked, silver is so cheap that it is unprofitable to export. It is very easy for the Mexican banks to be full of such money, but as to stimulation of industry and increasing the demand for labor, the sister Republic furnishes the best possible illustration: the people of the United States ought to require in demonstration of the effect of a silver standard.

Labor in the Republic of Mexico deems itself fortunate at a wage of from six cents to thirty-three cents a day, Mexican silver money.

So abundant and so cheap is it that men make of themselves trucks, and on their backs conduct a portage of things from a sack of flour to a load of furniture, when so rare a thing as a load of furniture is to be seen in a street of Mexico. So abundant is labor and so cheap, yet so desperately poor are the cities of Mexico, notwithstanding that their banks are bursting with silver, that the water system consists of earthen vessels carried on the backs of labor, which sells a modicum of water to such private patrons as may be had for the pittance asked. American travelers in Mexico realize, by getting nearly twice a dollar's worth of everything for an American dollar, the difference between sound money and cheap money.

The free silver advocates would have taken pains, had they known it in time, to prevent the publication of Minister Romero's views on the silver question. As a contribution to current discussion, it must be, in their judgment, as unfortunate as it is timely.

A high estimate of the intelligence of Mexico is that ten per cent. of its people can read and write. A country without sewerage or schools ought to be content with cheap money.—Chicago Times-Herald.

DEMAND FOR CURRENCY LITERATURE.

The demand for literature on the currency question is something phenomenal. Probably 3,000,000 pamphlets and books on this subject have gone into the hands of the American people during the past three months. Fully half of the 20,000 newspapers and periodicals in this country are devoting considerable space to the silver question. This means that our thinking people have taken hold of the currency question and are studying it as they seldom study a question. That they will reach a sound, safe and practical solution of the problem is the opinion of all who believe with Lincoln that "you can't fool all of the people all of the time."

The two great sources of supply for books and pamphlets on the currency question are the Coin Publishing Company and the Reform Club. The Coin Publishing Company has probably sold over 1,000,000 books and pamphlets since last January. It has sold nearly 500,000 copies of "Coin's Financial School," which has become the text book and bible of the 16 to 1 free-coinage people. The Sound Currency Committee of the Reform Club, of New York, has sold and distributed fully 1,000,000 pamphlets and books on this great question. It has distributed 200,000 copies of "Coin's Financial Fool," one of the best of the thirty or more replies to "Coin's Financial School," and 150,000 copies of "A Financial Catechism." Both of these pamphlets are published as numbers of "Sound Currency," single copies of which are sold at five cents each.

So great has become the demand for literature on both sides of this question that the Reform Club has established a supply bureau at 52 William street, New York City. It has on hand nearly every valuable book or pamphlet in print and has reprinted many essays and speeches, the demand for which has suddenly revived.

VALID OBJECTIONS

TO FREE COINAGE OF SILVER, AS URGED BY THE SILVERITES.

Free Coinage Would Raise Interest, Lower Wages, Paralyze Industry, Impoverish the Poor and Enrich the Rich.

"I am opposed," says ex-Congressman John DeWitt Warner, "to free coinage of silver, as now urged by its advocates: First, because it is only a cloak, and a very thin one at that, for what they really want—forced currency of depreciated silver.

"I am one of those who believe that the main function of Government is to protect each man in his freedom to do what he pleases, so far as consistent with protecting every other man in the same right; and am therefore opposed to all arbitrary interference by Government with the business concerns of its citizens, and especially any intervention by it in their contracts which shall assist any man to break, directly or indirectly, the contracts he has made.

"When a man buys a coat for ten dollars, the one who sells it to him buys ten dollars for a coat. I am opposed to Government interference in order to induce a man to accept a different kind of dollar from that which he would naturally choose, or to obstruct his getting whatever sort of dollar he prefers; and when it comes to proposing to compel him to accept any kind of dollars for which he has not contracted, it is no more defensible than it would be to compel a man to accept a coat different from that which he had bought.

"Again, I am opposed to so-called 'free coinage'—that is, forced currency—of silver for the very reason for which it is pressed by its advocates, namely, that it would raise, and probably would double, the nominal price of all kinds of property, especially the commodities in general use, prices of which are adjusted from day to day. This means that goods or services, the prices of which are conservative, will be for a considerable time at a disadvantage in comparison with those which are promptly changed. Generally speaking, wholesale prices of food and foods fluctuate daily; retail prices weekly or monthly; while rates of wages—the price of the one thing the wage-earner has to sell—change only at comparatively long intervals, once or twice a year or once in one or two years.

"The result, therefore, of depreciation of our currency, which would put up prices of goods in general use, would be almost immediately to reduce by one-half the purchasing power of the wages received by labor, and leave to labor a long period of years of agitation and organization before the rate of wages would be correspondingly increased. It is hard to imagine a worse disaster than one which, to start with, practically reduces the wages of labor by one-half and then ensures a demoralization for years to come in the relation between capital and labor, pending the readjustment thus necessitated.

"Another reason why I am opposed, not merely to the so-called free coinage of silver, but to the agitation of it, is its effect upon the development of our country. Under normal conditions the capital of all civilized countries is at the disposal of any one who wants to develop either of them, at a rate of interest commensurate with the risk the lender assumes that there is of his sure and adequate repayment. If we have abundant capital at low interest enterprising men can afford to improve real estate, build factories, lay out new railroads and enter upon every kind of undertaking which builds up the country and keeps labor well employed at high wages.

"If the rate of interest is high and money hard to get fewer can afford to undertake plans which involve the borrowing of money, and the result is a stagnation of enterprise, a paralysis in the development of the country, and unemployed labor, with its pitiful and dangerous consequences. In proportion as any one who has money to lend fears that he may get back poorer money than that which he pays out, he will be conservative in lending it, and will either charge very high interest or else will keep it idle in banks and trust companies so that he can transfer it instantly in advance of any considerable depreciation.

"It is the fear of depreciation that keeps so much money idle in the country, and it is one of the main causes for the very high rate of interest charged by those who lend money at all in that part of the country where people believe that there is a real probability of our coming to a silver basis. One year of the prosperity that would come to us all were the capitalists of this country and of the world at large absolutely certain that our currency would never be depreciated would be worth ten-fold more to our people than all the benefits which even in their dreams the free silver advocates imagine.

"Again, I am one of those who do not believe in new ways to pay old debts, especially when they involve swindling the man one owes, and more especially when they swindle the poor in order to make more wealthy the rich. If we went to a silver basis, and a nominal dollar were worth half what it is now, the one kind of property which would not suffer would be gold coin and gold bullion; and this is held mainly by the great banks and trust companies of New York and other cities. At the same time, however, these very banks and trust companies would be able to pay off their depositors, including savings bank depositors, in silver dollars of half the nominal value of the

in hand. The banks, trust companies and individual capitalists would therefore be the great gainers—at the expense of their depositors.

"Again, the great life insurance companies of this country have for some time been investing their funds throughout the country upon gold securities. If our free coinage people had their way these gold securities would still have to be paid in gold by the farmers and business men whose mortgages these companies hold; but every widow and orphan, every owner of life or benefit insurance would have the amount coming to her or him practically cut in two, to her or his loss, and to the gain of the company, which could dispose of its gold at a premium.

"I am not in favor myself of robbing anybody. But if one is to go into that business he ought at least to be as decent as Robin Hood—steal from those who have most and give somewhat of the plunder to the others who have too little, and not rob poverty with the result of increasing wealth."

UNCLE SAM'S SOLILOQUY.

Uncle Sam is not sleeping; he has simply shut his eyes to do some sober thinking. He is soliloquizing about as follows:

"These noisy free coinage people make me tired. They pretend to want prosperity, but are doing their best to scare it away. They want to borrow money at low interest; and yet they favor laws that will make it unsafe to loan money at ordinary rates of interest. Then, too, they're such big fools as to think they can get rich by making cheaper money and more of it. They imagine that if their Uncle Sam says fifty cents is 100 cents it will double their wealth. My dear nephews and nieces, I do not care for such expressions of faith and confidence at the expense of your common sense.



There are a sight of things your Uncle Sam couldn't do. He might pass laws every day of the year declaring that water shall run up hill, but every drop of it would continue to run down hill.

"You are silly enough to think that because I have put my stamp on fifty cents worth of silver and had it accepted as one dollar that I can make money out of anything or nothing. Let me tell you something. So long as I do not put my stamp on any more silver and greenbacks than I can redeem in gold, I can apparently make more money. But it weakens my credit and costs me more in the long run than it does to put 100 cents in every dollar and to keep my credit A. 1. This is the conclusion I have come to after much trouble and worry from trying to please you flat money people. Often during the last thirty years have I been on the verge of bankruptcy.

"Let this tree, against which I rest, represent my currency system. It stood firm and sound until the flat money worm—now called 'Free Silver'—got under the bark and began to eat at the heart. It still stands, when it is half eaten away, though I was afraid it would topple over during the last financial storm. Do you think that it would continue to stand if I should allow that flat money worm to eat clear through it? If you do your uncle will disown you. Anyhow, I'm going to kill that worm; I'm through monkeying with the flat money people. I want the soundest currency system in the world, and be gad I'm going to have it."

Defunct Sub-Treasury Scheme.

Only two or three years ago the sub-treasury scheme, a plan for a system of Government pawn shops in which all kinds of farm products would be pledged, was everywhere urged and demanded by the political schemers who "farm the farmers." Adopted by the Ocala convention of the National Farmers' Alliance, and endorsed by all the Populist leaders, it seemed as though it was one of the bed-rock principles of the cheap money movement.

To-day who expounds or defends the "sub-treasury" scheme? Where is the brilliant logic by which it was shown that the country's only safety lay in its immediate adoption? Where the eloquent tongues which pictured the blessings of money based on corn, cotton, pork or tobacco? Gone, all gone. Nobody talks "sub-treasury" plan any more. Not even a Populist can be found to advocate it. Unlimited greenbacks, or dollars with fifty cents' worth of silver and fifty cents' worth of flat, have taken its place. How long before the rest of the cheap money delusions will follow it into oblivion?

With free coinage we would use far less silver money than at present, when it is used as a basis for silver notes, which circulate on a par with gold. Mexico has free coinage, and yet her 12,000,000 people can use but \$45,000,000—less than \$4 per capita. At this rate, this country, with free coinage, would use less than \$300,000,000.

MORE MONEY!

There is More Money Now Than Ever Before.

The following discussion is from Mr. Fred Perry Power's "A Financial Catechism," published by the Reform Club, of New York:

Has there been a reduction of the "money of ultimate redemption" since 1873?

There has not even been a reduction of this part of the currency. In 1873 there was no "money of ultimate redemption" in circulation and serving as money in the country except a trifle on the Pacific coast. In 1880, just after the resumption of specie payments, the gold coin amounted to \$351,841,206, and at the end of 1894 there was \$583,834,599 of gold coin in the country and \$16,305,000 of gold bullion in the Treasury.

What was the total amount of money in the country and the amount per capita in 1873 and at the end of 1894?

In 1873 there was \$774,445,610 in the country, of which \$751,881,839 or \$18.04 per capita was outside the Treasury; in 1894 there was \$2,241,980,552 in all, of which \$1,637,220,451, or \$23.73 per capita, was in circulation. Including money in the Treasury the amount of money in the country, per capita, was \$24.05 in 1880 and \$35.46 in 1894.

What was the per capita amount of "money of ultimate redemption" in July, 1880, and December, 1894?

The gold coin, together with the gold bullion in the Treasury, amounted to \$7.01 per inhabitant in 1880 and \$9.13 in 1894.

Has there been in Europe a large contraction of the "money of ultimate redemption"?

No; the following figures, except for the Bank of France this year, are from a paper submitted by Professor W. Lexis to the German silver commission of 1894: Germany has twice as much gold and silver money as she had twenty years ago, and her present stock of gold, \$595,000,000, is greater than her stock of both gold and silver, \$404,600,000, in 1873. The population has increased one-fourth while the specie has doubled. Since 1873 France has increased her specie \$357,000,000; the gold in the Bank of France has increased since 1874 \$215,000,000, and the population has remained stationary. The net imports of gold into England from 1873 to 1892 were \$180,880,000.

What is the per capita circulation in France?

According to the estimates of our Mint Bureau, gold \$21.54, silver \$12.85, paper \$2.31, in all \$36.70.

What is the per capita circulation of Germany?

Gold \$12.65, silver \$4.35, paper \$1.78, in all \$18.78.

Are prices twice as high in France as in Germany?

Of course not. France, at the head of the Latin Monetary Union, of course uses little or no gold?

On the contrary, she has a larger stock of gold than any other country of Europe or America; she has \$275,000,000 more than England has.

And India—gold not being a legal tender, or used commonly as money—of course the people there care nothing for gold?

Far from that; a commission in 1866 reported that the desire for the coinage of gold was universal in India. The net imports of gold into India since the metal was demonetized in 1835 have been \$756,000,000, and it is estimated that there was in the country \$900,000,000 of gold when it ceased, under British jurisdiction, to be coined.

But if all the Nations want gold will there be enough to go around?

We can have the best, and it would be an extraordinary spectacle of self-abnegation for the United States to take silver in order that there might be gold enough for other Nations.

Is not the gold giving out?

There was produced in the world from the discovery of America to 1850 152,779,059 fine ounces of gold, and from 1851 to the end of 1894 there was produced (the figures for 1894 being partly estimated) 261,669,379 fine ounces. In the first five years of California and Australia production the world's production was 32,051,621 fine ounces, and in the past five years it was 34,894,537 ounces. During the past ten years there has been an increase in the output of every imported gold yielding country.

The Florida Citizen (Dem.) says: "The Democratic press of the State, with the exception of one or two newspapers, is decidedly in favor of sound money."

PER CAPITA FOOLISHNESS.

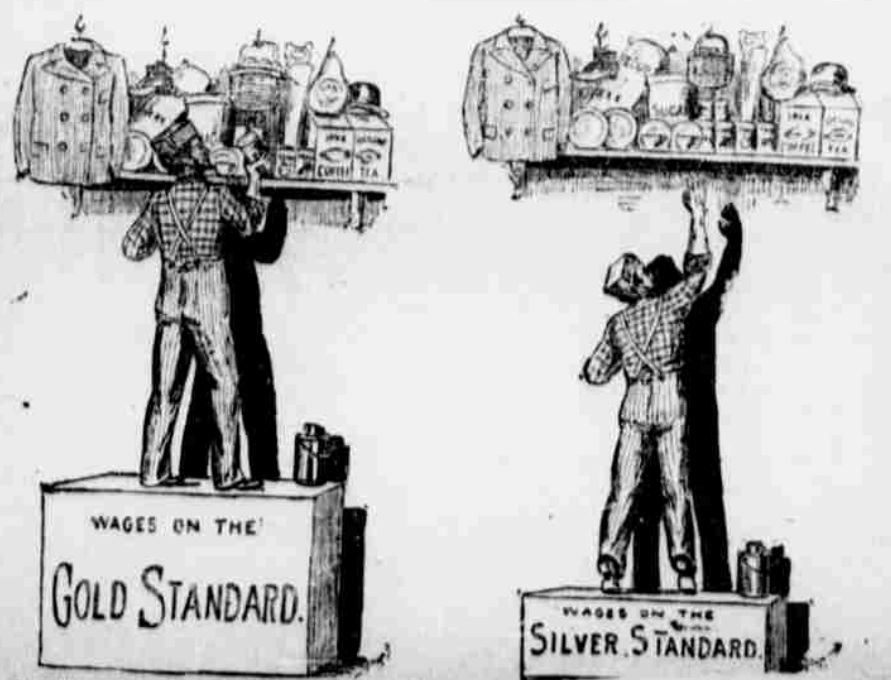
Attempts at Regulating the Currency by the Census Returns.

Secretary Carlisle, in his great speech at Memphis on May 23, knocked the pins from under the per capita quacks by quoting a few statistics on the subject.

"I attach very little importance," he said, "to the per capita argument because the amount of currency required in a country depends mainly upon the volume of business transacted and the customs of the people in conducting their exchange and not at all upon the number of men, women and children residing in it, but, as there are a great many who believe that the circulation should be regulated by the census returns, I may be worth while to state that the production of gold alone in 1890—and it is much larger now—was nearly two and a half times greater than the average annual production of gold and silver both during the decade which closed with the year 1890. In 1800 the population of all the countries in Europe and America was 197,505,895, and the production of both gold and silver amounted to \$24.49 for every hundred inhabitants, while in 1890 the population of the same countries was 466,789,341, and the production of gold alone was \$118,849,000, which amounted to \$25.46 for every hundred inhabitants, or ninety-five cents more for each hundred people than was furnished by both metals during each year in the former decade. In 1894 the population of these countries was 487,160,841, and the production of gold alone was \$157,228,000, being \$32.41 for each hundred inhabitants, or \$7.92 more for each hundred people than the total of both metals during the last decade of the last century. If, therefore, the people of Europe and America had used as money all the gold and all the silver annually produced in the world one hundred years ago, they would not have received as large a per capita addition to their stock of money as they would receive now by adding the gold alone. In view of these facts, I submit that the silver legislation of 1871, 1873 and 1876 has not diminished the world's supply of metallic money as compared with former times and prevented the single gold-standard countries from making as great an annual addition to their stock of metallic currency.

"Official monetary statistics show that in the gold-standard countries of the world the stocks of money are much larger per capita than in the silver-standard countries. Taking the large gold-standard countries and the large silver-standard countries, it appears that in 1894 the stock of money in the United States was over \$25 per capita, in the United Kingdom nearly \$20, and in Germany nearly \$9, while in the silver-standard countries it was \$1.71 in Russia and Finland \$3.32, and in China \$3.25. The gold-standard countries use large amounts of silver as money, but the silver-standard countries use no gold as money, and cannot do so for the reasons I have already endeavored to explain. But, gentlemen, for the reasons already stated, the commercial Nations of the world do not now require the same proportion of metallic money in the transaction of their business that they required a few centuries ago, or even one century ago. Credit has been vastly extended and the use of paper in the form of notes, checks and bills has almost entirely displaced metallic money in the daily business of the people, and as long as these forms of credit are kept equal in value to the metallic standard, the effect upon the prices of commodities is precisely the same as if the whole volume of circulation consisted of standard coin, for, as long as equality in their value can be maintained, the paper representatives of the dollar perform exactly the same office in the exchange of commodities that gold dollars themselves would perform; but if this equality is destroyed, the paper is discredited, its purchasing power is diminished, and the people have no longer a stable measure of value."

The St. Louis Republic (Dem.) believes that true Democracy will favor sound money. It declares: "Not only does the past of the party condemn the silver monometallism of the 16-to-1 politicians, but all educated financial authorities on earth, including the ardent bimetalists, are pronounced in opposition. If the party ever does pledge itself to free coinage of silver at 16 to 1 with bullion selling at sixty-five cents an ounce in gold, it will have to fight against the colleges, the business men, the solid farmers, and all other intelligent, educated, responsible, and moral forces."



As, for example, in "