

•COIN'S FINANCIAL SCHOOL

.....BY.....

W: H^W HARVEY.
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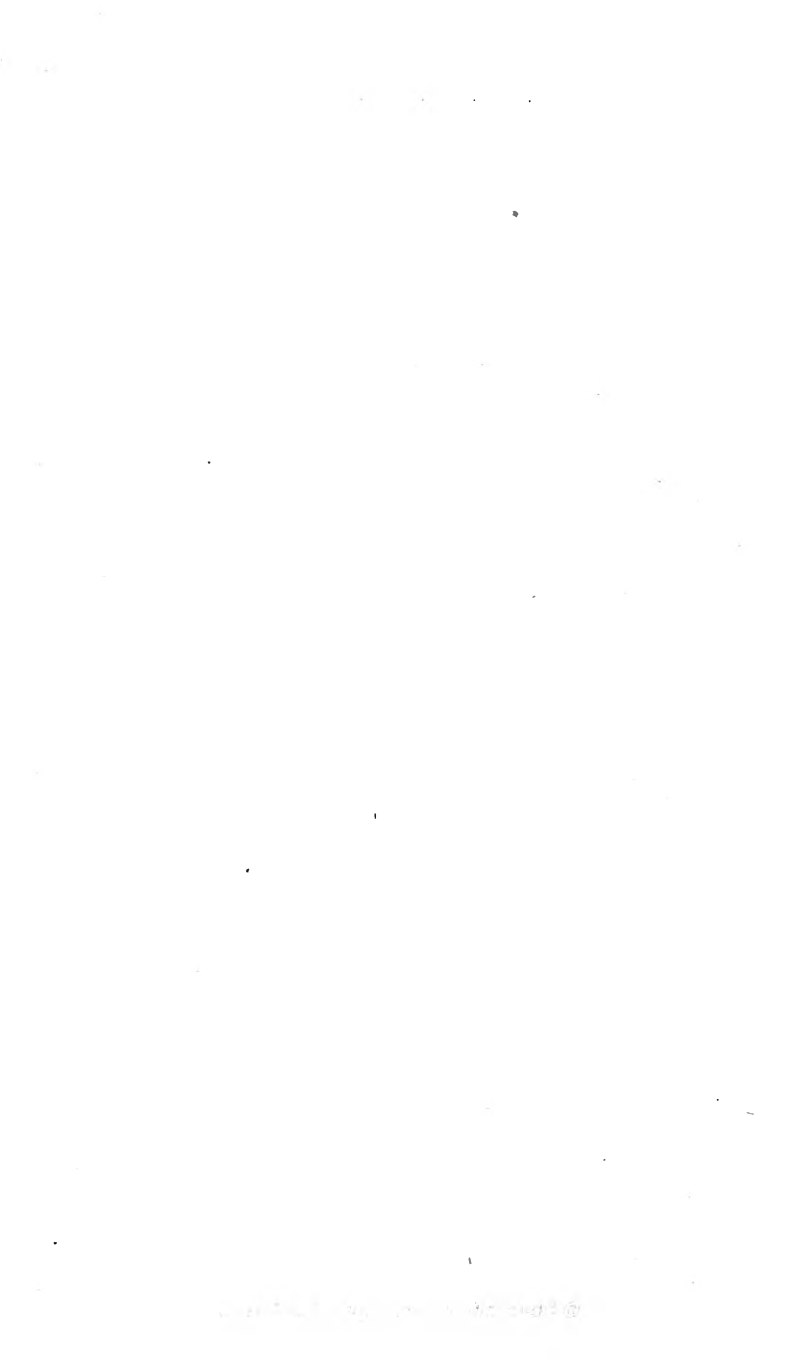
W. R. GOODALL,

HENRY MAYER,

AND . . .

BERT CASSIDY.





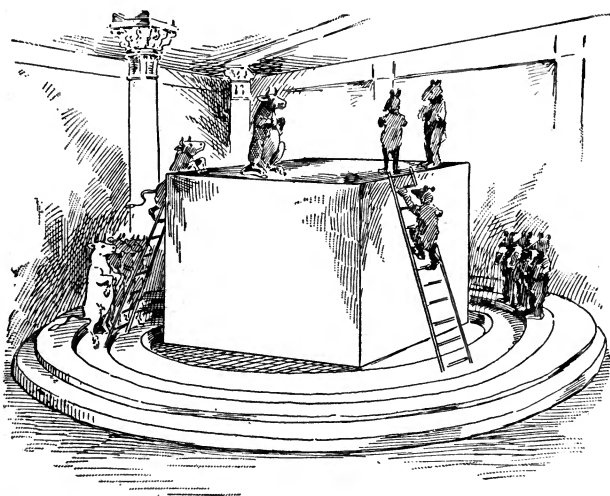


HOARDING GOLD.



All Money

IS A MEDIUM OF EXCHANGE,
BUT **Primary Money only**
IS THE MEASURE OF VALUES.



ALL THE GOLD IN THE WORLD IN THE CHICAGO WHEAT PIT.

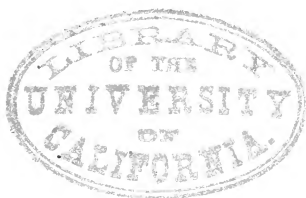


To Those = = = =

Trying to locate the seat of
the disease that threatens the
life of the nation, this book is

= = = DEDICATED.

PREFACE.



PREFACE.



COLUMBUS DISCOVERING AMERICA. 1492.

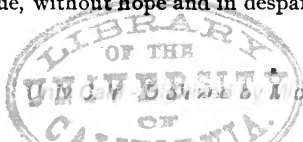
At the Christian era the metallic money of the Roman empire amounted to \$1,800,000,000. By the end of the fifteenth century it had shrunk to \$200,000,000. (Dr. Adam Smith informs us that in 1455 the price of wheat in England was two pence per bushel.) Population dwindled, and commerce, arts, wealth and freedom all disappeared. The people were reduced by poverty and misery to the most degraded conditions of serfdom and slavery. The disintegration of society was almost complete. History records no such disastrous transition as that from the Roman empire to the dark ages. The discovery of the New World by Columbus, restored the volume of precious metals, brought with it rising prices, enabled society to reunite its shattered links, shake off the shackles of feudalism, and to relight and uplift the almost extinguished torch of civilization.—*Report U. S. Monetary Commission of 1878.*

PREFACE.



STATUE OF COLUMBUS AT CHICAGO. 1893.

The New World in 1893 celebrated the discovery of America by Columbus, during a period of depression brought about by the destruction by law of one-half the precious metals as primary money. So blighting and destructive is the effect, the people are being reduced to poverty and misery; the conditions of life are so hard that individual selfishness is the only thing consistent with the instinct of self-preservation; all public spirit, all generous emotions, all the noble aspirations of man, are shriveling up and disappearing as the volume of primary money shrinks and as prices fall. Honest labor seeks employment it cannot find, and hungry and shelterless, our unemployed are seen daily around the Columbus statue, without hope and in despair.





COIN'S FINANCIAL SCHOOL.

CHAPTER I.

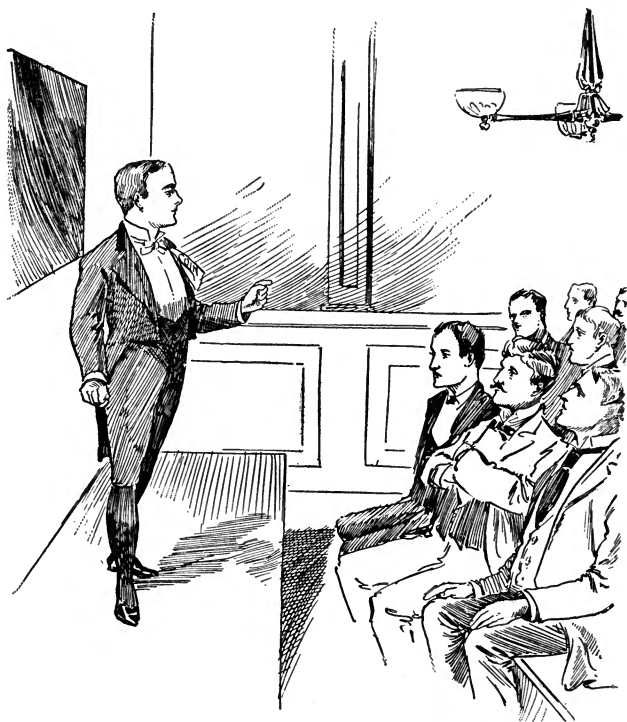
So much uncertainty prevailing about the many facts connected with the monetary question, very few are able to intelligently understand the subject.

Hard times are with us ; the country is distracted ; very few things are marketable at a price above the cost of production ; tens of thousands are out of employment ; the jails, penitentiaries, workhouses and insane asylums are full ; the gold reserve at Washington is sinking ; the government is running at a loss with a deficit in every department ; a huge debt hangs like an appalling cloud over the country ; taxes have assumed the importance of a mortgage, and 50 per cent of the public revenues are likely to go delinquent ; hungered and half-starved men are banding into armies and marching toward Washington ; the cry of distress is heard on every hand ; business is paralyzed ; commerce is at a standstill ; riots and strikes prevail throughout the land ; schemes to remedy our ills when put into execution are smashed like box-cars in a railroad wreck, and Wall street looks in vain for an excuse to account for the failure of prosperity to return since the repeal of the silver purchase act.

It is a time for wisdom and sound sense to take the helm, and COIN, a young financier living in Chicago, acting upon such a suggestion, established a school of

finance to instruct the youths of the nation, with a view to their having a clear understanding of what has been considered an abstruse subject ; to lead them out of the labyrinth of falsehoods, heresies and isms that distract the country.

THE FIRST DAY.



COIN ADDRESSES THE SCHOOL

The school opened on the 7th day of May, 1894.

There was a good attendance, and the large hall selected in the Art Institute was comfortably full. Sons

of merchants and bankers, in fact all classes of business, were well represented. Journalists, however, predominated. COIN stepped on to the platform, looking the smooth little financier that he is, and said :

"I am pleased to see such a large attendance. It indicates a desire to learn and master a subject that has baffled your fathers. The reins of the government will soon be placed in your hands, and its future will be molded by your honesty and intelligence.

"I ask you to accept nothing from me that does not stand the analysis of reason ; that you will freely ask questions and pass criticisms, and if there is any one present who believes that all who differ from *him* are lunatics and fools, he is requested to vacate his seat and leave the room."

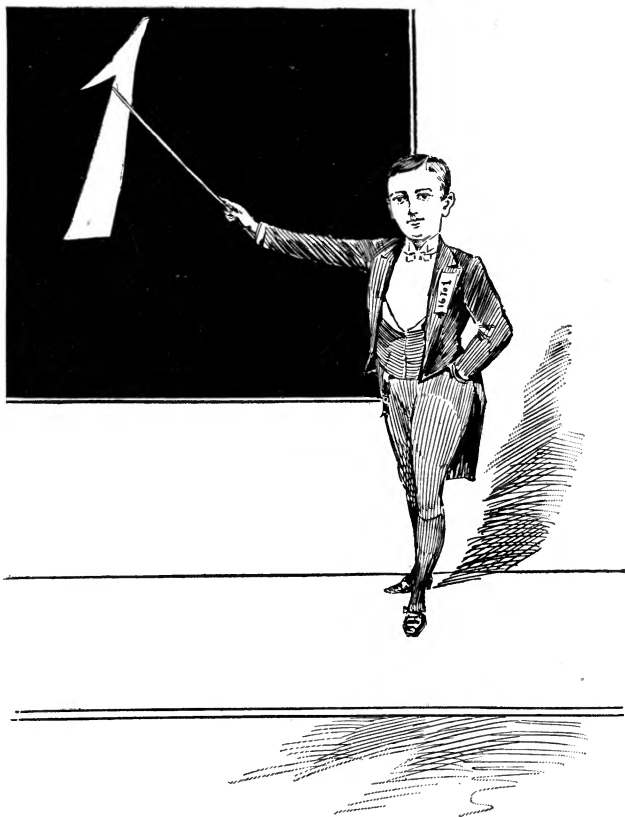
The son of Editor Scott, of the *Chicago Herald*, here arose and walked out. COIN paused a moment, and then continued : "My object will be to teach you the A, B, C of the questions about money that are now a matter of every-day conversation.

THE MONEY UNIT.

"In money there must be a unit. In arithmetic, as you are aware, you are taught what a unit is. Thus, I make here on the blackboard the figure 1. That, in arithmetic, is a unit. All countings are sums or multiples of that unit. A unit, therefore, in mathematics, was a necessity as a basis to start from. In making money it was equally as necessary to establish a unit. The constitution gave the power to Congress to 'coin money and regulate the value thereof.' Congress adopted silver and gold as money. It then proceeded to fix the unit.

"That is, it then fixed what should constitute one dollar, the same thing that the mathematician did

when he fixed one figure from which all others should be counted. Congress fixed the monetary unit to consist of $371\frac{1}{4}$ grains of pure silver, and provided for a certain



THE UNIT IN MATHEMATICS.

amount of alloy (baser metals) to be mixed with it to give it greater hardness and durability. This was in 1792, in the days of Washington and Jefferson and our revolutionary forefathers, who had a hatred of England,

and an intimate knowledge of her designs on this country.

"They had fought eight long years for their independence from British domination in this country, and when they had seen the last red-coat leave our shores, they settled down to establish a permanent government, and among the first things they did was to make $371\frac{1}{4}$ grains of silver the unit of values. That much silver was to constitute a dollar. And each dollar was a unit. They then provided for all other money to be counted from this unit of a silver dollar. Hence, dimes, quarters and half-dollars were exact fractional parts of the dollar so fixed.

"Gold was made money, but its value was counted from these silver units or dollars. The ratio between silver and gold was fixed at 15 to 1, and afterward at 16 to 1. So that in making gold coins their relative weight was regulated by this ratio.

"This continued to be the law up to 1873. During that long period, the unit of values was never changed and always contained $371\frac{1}{4}$ grains of pure silver. While that was the law it was impossible for any one to say that the silver in a silver dollar was only worth 47 cents, or any other number of cents less than 100 cents, or a dollar. For it was itself the unit of values. While that was the law it would have been as absurd to say that the silver in a silver dollar was only worth 47 cents, as it would be to say that this figure 1 which I have on the blackboard is only forty-seven one-hundredths of one.

"When the ratio was changed from 15 to 1 to 16 to 1 the silver dollar or unit was left the same size and the gold dollar was made smaller. The latter was changed from 24.7 grains to 23.2 grains pure gold, thus making

it smaller. This occurred in 1834. The silver dollar still remained the unit and continued so until 1873.

"Both were legal tender in the payment of all debts, and the mints were open to the coinage of all that came. So that up to 1873, we were on what was known as a bimetallic basis, but what was in fact a silver basis, with gold as a companion metal enjoying the same privileges as silver, except that silver fixed the unit, and the value of gold was regulated by it. This was bimetallism.

"Our forefathers showed much wisdom in selecting silver, of the two metals, out of which to make the unit. Much depended on this decision. For the one selected to represent the unit would thereafter be unchangeable in value. That is, the metal in it could never be worth less than a dollar, for it would be the unit of value itself. The demand for silver in the arts or for money by other nations might make the quantity of silver in a silver dollar sell for more than a dollar, but it could never be worth less than a dollar. Less than itself.

"In considering which of these two metals they would thus favor by making it the unit, they were led to adopt silver because it was the most reliable. It was the most favored as money by the people. It was scattered among all the people. Men having a design to injure business by making money scarce, could not so easily get hold of all the silver and hide it away, as they could gold. This was the principal reason that led them to the conclusion to select silver, the more stable of the two metals, upon which to fix the unit. It was so much handled by the people and preferred by them, that it was called the people's money.

"Gold was considered the money of the rich. It was owned principally by that class of people, and the poor

people seldom handled it, and the very poor people seldom ever saw any of it."

THE FIRST INTERRUPTION.

Here young Medill, of the *Chicago Tribune*, held up his hand, which indicated that he had something to say or wished to ask a question. COIN paused and asked him what he wanted.

He arose in his seat and said that his father claimed that we had been on a gold basis ever since 1837, that prior to 1873 there never had been but eight million dollars of silver coined. Here young Wilson, of the *Farm, Field and Fireside*, said he wanted to ask, who owns the *Chicago Tribune*?

COIN tapped the little bell on the table to restore order, and ruled the last question out, as there was one already before the house by Mr. Medill.

"Prior to 1873," said COIN, "there were one hundred and five millions of silver coined by the United States and eight million of this was in silver dollars. When your father said that 'only eight million dollars in silver' had been coined, he meant to say that 'only eight million silver dollars had been coined.' He also neglected to say—that is—he forgot to state, that ninety-seven millions had been coined into dimes, quarters and halves.

"About one hundred millions of foreign silver had found its way into this country prior to 1860. It was principally Spanish, Mexican and Canadian coin. It had all been made legal tender in the United States by act of Congress. We needed more silver than we had, and Congress passed laws making all foreign silver coins legal tender in this country. I will read you one of these laws—they are scattered all through the statutes prior to 1873." Here COIN picked up a copy of the laws of the

United States relating to loans and the currency, coinage and banking, published at Washington. He said : " A copy could be obtained by any one on writing to the Treasury Department."

He then read from page 240, as follows :

" And be it further enacted, That from and after the passage of this act, the following foreign silver coins shall pass current as money within the United States, and be receivable by tale, for the payment of all debts and demands, at the rates following, that is to say : the Spanish pillar dollars, and the dollars of Mexico, Peru and Bolivia, etc. * * * * *

" On account of the scarcity of silver, both Jefferson and Jackson recommended that dimes, quarters and halves would serve the people better than dollars, until more silver bullion could be obtained. This was the reason why only about eight million of the one hundred and five million of silver were coined into dollars.

" During this struggle to get more silver," continued COIN, " France made a bid for it by establishing a ratio of $15\frac{1}{2}$ to 1, and as our ratio was 16 to 1, this made silver in France worth \$1.03 $\frac{1}{8}$ when exchanged for gold, and as gold would answer the same purpose as silver for money, it was found that our silver was leaving us. So Congress in 1853, had our fractional silver coins made of light weight to prevent their being exported.

" So that we had prior to 1873 one hundred and five millions of silver coined by us, and about one hundred million of foreign silver coin, or about two hundred and five million dollars in silver in the United States, and were doing all we could to get more and to hold on to what we had. Thus silver and gold were the measure of values. It should be remembered that no silver or gold was in circulation between 1860 and 1873. Two hundred and five millions were in circulation before 1861."

Then looking at young Medill, COIN asked him if he had answered his question. The young journalist turned red in the face and hung his head, while young Wilson muttered something about Englishmen owning the *Tribune*.

YOUNG SCOTT RETURNS.

Young Scott was seen entering the room ; he was carrying in his hand a book. He stopped and addressed COIN, saying that he wished to apologize for his conduct, and was now here to stay if permitted to do so.

COIN told him that so long as he accorded to others the right to entertain views different from his, his name would be kept on the roll as a student at the "Financial School."

Thereupon Mr. Scott said : "I am informed that you have stated that silver was the unit of value prior to 1873 ; that this unit was composed of $371\frac{1}{4}$ grains of pure silver or 412 grains of standard silver. Now I want to know if it is not a fact that both gold and silver at that time were each the unit in its own measurement ? And that we had a double measurement of values, which was liable to separate and part company at any time ? And when the metals did separate, was not the effect like having two yard-sticks of different lengths ? I wish to call your attention to the statute on page 213 of the book you read from where it says an eagle or ten-dollar gold piece is ten *units*. Does not this indicate positively that a gold unit was also provided for ?"

And with this he sat down looking as proud as a cannoneer who has just fired a shot that has had deadly effect in the enemy's ranks.

COIN had nodded when the proposition of the *unit*

was stated ; looked amused at the double unit proposition advanced, and now replied : " The law I referred to this morning was passed April 2, 1792, and remained the law till 1873. You will find it in my valuable Handbook. I now read it from the United States Statutes :

" *Dollars or units*, each to be of the value of a Spanish milled dollar as the same is now current, and to contain three hundred and seventy-one grains and four-sixteenth parts of a grain of pure, or four hundred and sixteen grains of standard silver.

" If you omit the words referring to the Spanish milled dollar, it will then read : '*Dollars or units, each to contain 371 grains and 4-16 parts of a grain of pure silver.*'

" This is the statute that fixed the *unit* and is the only statute on the subject till we come to 1873.

" Now, what you referred to is this. It is in section 9, and reads as follows :

" *Eagles*—each to be of the *value of* ten dollars or units."

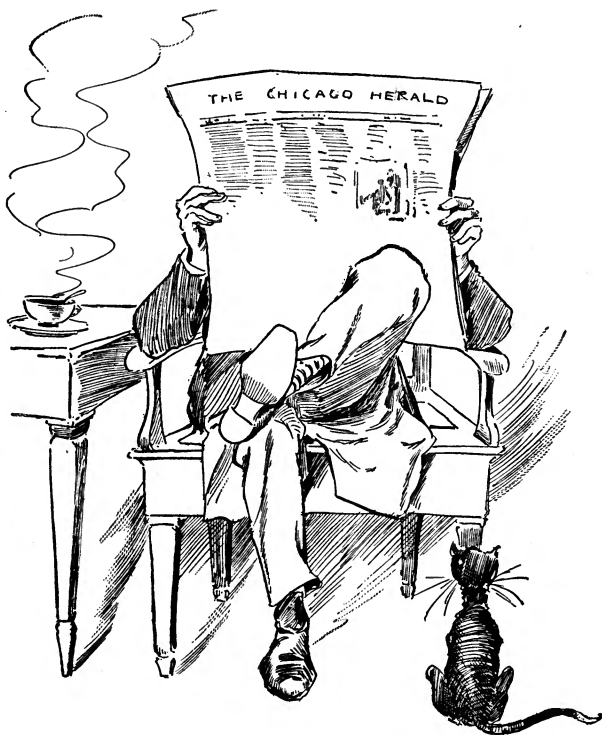
" And on the ratio of 15 to 1, fixed in the same act, this made an eagle contain 247 grains of pure gold, or 270 grains of standard gold. You will observe that the law does not say, as you stated, that an 'Eagle' or ten-dollar gold piece *is* ten units.' It says: '*Of the value of ten dollars or units.*' In other words, a ten-dollar gold piece shall *be of the value of ten silver dollars*.

" Or to state it in another way : As the law fixed $371\frac{1}{4}$ grains of pure silver as a unit, the quantity of gold in a gold dollar would be regulated by the ratio fixed from time to time.

" Now," addressing Mr. Scott, " if I have not read your law right, I want you to say so. This is the place to settle all questions of fact. Your law does not say a gold piece has so many *units* in it, but instead of that, it

does say, the gold pieces are *to be of the value* of so many *units.*"

The young journalist from Washington street had not seen the distinction, and had jumped at conclusions.



HOW EVANS GOT HIS POLITICAL ECONOMY.

When he did see the hole he was in, he leaned over to Evans of the *Economist*, who sat next to him, and asked him to help him out. Evans thought he had mastered the subject of political economy several years ago, and had named his paper "*The Economist.*" He found now,

that he had not gone very deep into the subject. His text-books had been the *Tribune*, *Herald*, *Record* and *Journal*. He did not know that they, too, were getting their information in about the same way.

So now when his friend Scott was in trouble, he greatly sympathized with him. But he could not help him, and was seen to shake his head. Scott sat silently in his seat.

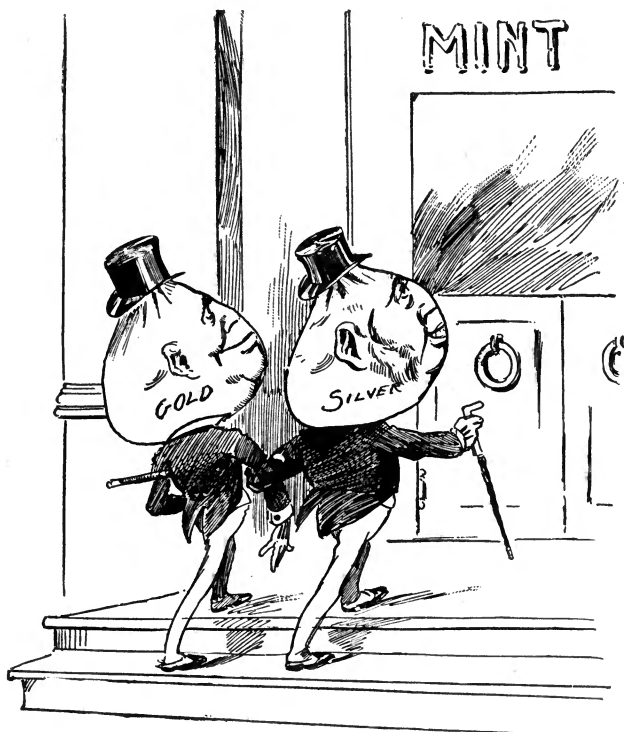
"You will observe," continued COIN, "that the law in fixing a *dollar* or *unit* does not say, as in the case of gold, that it shall be of the value of $371\frac{1}{4}$ grains of silver, but that the *dollar* or *unit* was *silver* and its quantity should be $371\frac{1}{4}$ grains. The amount of alloy added to this quantity of pure silver was afterward changed, but this amount of pure silver, $371\frac{1}{4}$ grains, has always remained the same and was the unit of values until 1873."

A bright looking kid was now seen standing on a chair in the back part of the room holding up his hand and cracking his finger and thumb. He was asked what he wanted and said :

"I want to know what is meant by *standard* silver?" COIN then explained that this meant with the government a standard rule for mixing alloy with silver and gold. And when so mixed is called standard silver or standard gold. Before it is mixed with the alloy it is called pure silver or pure gold. The standard of both gold and silver is such that by 1,000 parts by weight, 900 shall be of pure metal, and 100 of alloy. The alloy of silver coins is copper. In gold coins it is copper and silver, but the silver shall in no case exceed one-tenth of the whole alloy. Standard silver and standard gold is the metal when mixed with its alloy.

"I now think we understand," said COIN, "what

the unit of value was prior to 1873. We had the silver dollar as the unit. And we had both gold and silver as money walking arm in arm into the United States mints.



THEY WALKED ARM IN ARM INTO THE UNITED STATES MINT.

THE CRIME OF 1873.

"We now come to the act of 1873," continued COIN. "On February 12, 1873, Congress passed an act purporting to be a revision of the coinage laws. This law

covers 15 pages of our statutes. It repealed the *unit* clause in the law of 1792, and in its place substituted a law in the following language :

“That the gold coins of the United States shall be a one-dollar piece which at the standard weight of twenty-five and eight-tenths grains *shall be the unit of value*.

“It then deprived silver of its right to unrestricted free coinage, and destroyed it as legal tender money in the payment of debts, except to the amount of five dollars. / u x

“At that time we were all using paper money. No one was handling silver and gold coins. It was when specie payments were about to be resumed that the country appeared to realize what had been done. The newspapers on the morning of February 13, 1873, and at no time in the vicinity of that period, had any account of the change. General Grant, who was President of the United States at that time, said afterwards, that he had no idea of it, and would not have signed the bill if he had known that it demonetized silver.

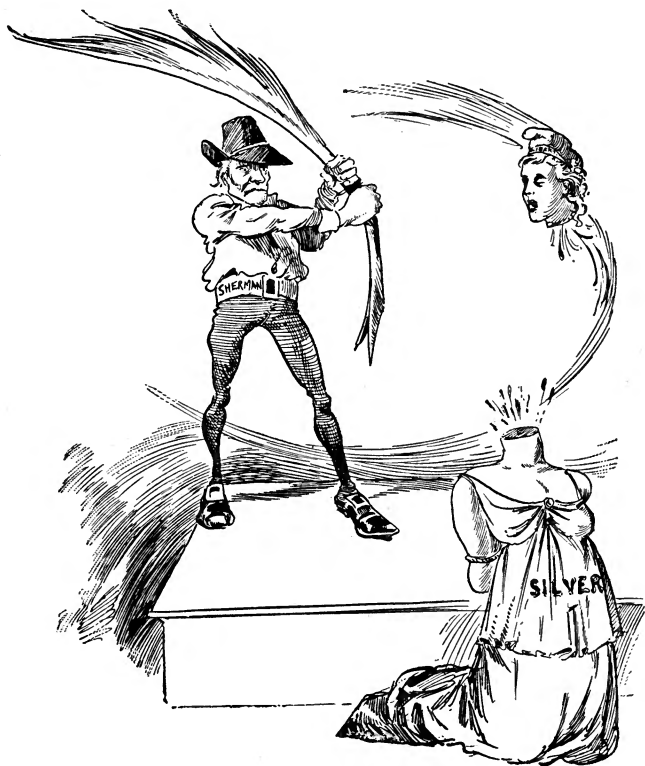
“In the language of Senator Daniel of Virginia, it seems to have gone through Congress ‘like the silent tread of a cat.’

“An army of a half million of men invading our shores, the warships of the world bombarding our coasts, could not have made us surrender the money of the people and substitute in its place the money of the rich. A few words embraced in fifteen pages of statutes put through Congress in the rush of bills did it. The pen was mightier than the sword.

“But we are not here to deal with sentiment. We are here to learn facts. Plain, blunt facts.

“The law of 1873 made gold the *unit* of values. And that is the law to-day. When silver was the unit

of value, gold enjoyed *free coinage*, and was legal tender in the payment of all debts. Now things have changed. Gold is the unit and silver does not enjoy free coinage.



THE PEN MORE POWERFUL THAN THE SWORD.

It is refused at the mints. We might get along with gold as the *unit*, if silver enjoyed the same right gold did prior to 1873. But that right is now denied to silver. When silver was the unit, the unlimited demand

for gold to coin into money, made the demand as great as the supply, and this held up the value of gold bullion."

Here Victor F. Lawson, Jr., of the Chicago *Evening News*, interrupted the little financier with the statement that his paper, the *News*, had stated time and again that silver had become so plentiful it had ceased to be a precious metal. And that this statement believed by him to be a fact had more to do with his prejudice to silver than anything else. And he would like to know if that was not a fact?

"There is no truth in the statement," replied COIN. "On page 21 of my Handbook you will find a table on this subject, compiled by Mulhall, the London statistician. It gives the quantity of gold and silver in the world both coined and uncoined at six periods—at the years 1600, 1700, 1800, 1848, 1880, and 1890. It shows that in 1600 there were 27 tons of silver to one ton of gold. In 1700, 34 tons of silver to one ton of gold. In 1800, 32 tons of silver to one ton of gold. In 1848, 31 tons of silver to one ton of gold. In 1880, 18 tons of silver to one ton of gold. In 1890, 18 tons of silver to one ton of gold.

"The United States is producing more silver than it ever did, or was until recently. But the balance of the world is producing much less. They are fixing the price on our silver and taking it away from us, at their price. The report of the Director of the Mint, published the other day, shows the world's production of precious metals last year was gold, \$167,917,337; silver, \$143,096,239. So you see the facts are just the opposite of what you had supposed. Instead of becoming more plentiful, it is less plentiful.

"Any one can get the official statistics by writing to the treasurer at Washington, and asking for his official

book of statistics. Also write to the Director of the Mint and ask him for his report. If you get no answer write to your Congressman. These books are furnished free and you will get them.



HOW SILVER WAS ASSASSINATED.

"At the time the United States demonetized silver in February, 1873, silver as measured in gold was worth \$1.02. The argument of depreciated silver could not then be made. Not one of the arguments that are now made against silver was then possible. They are all the bastard children of the crime of 1873.

“It was demonetized secretly, and since then a powerful money trust has used deception and misrepresentations that have led tens of thousands of honest minds astray.”

William Henry Smith, Jr., of the Associated Press, wanted to know if the size of the gold dollar was ever changed more than the one time mentioned by COIN, viz., in 1834.

“Yes,” said COIN. “In 1837 it was changed from 23.2 to 23.22. This change of $\frac{2}{100}$ ths was for convenience in calculation, but the change was made in the gold coin—never in the silver dollar (the *unit*) till 1873.

Adjourned.



BIMETALISM, 1872

SILVER

TAKE YOUR CHOICE



MONOMETALISM, 1894



CHAPTER II.

THE SECOND DAY.

When the news went out in Chicago at the end of the first day, that COIN, the little financier, had answered satisfactorily all questions that had been asked him, the old gold men hooted at it, and said that no one but boys were there to confront him.

The morning papers except *The Times* and *Record* published a garbled account of what had actually taken place. *The Tribune* and *Herald* were editorially loaded with abuse.

The editor-in-chief of *The Tribune* was a Mr. Van Benthuyzen. He had been told by the owners of that paper to write an argument in favor of the gold standard. In an editorial of thirty lines he called bimetallists "fraudulent free silverites," "blatant orators," "blatherskites," "thieves," "swindlers," "repudiators," "dishonest, trickery, brazen charlatans," "malignant lunatics," repeating some of these choice epithets several times.

The next day one of the proprietors called his attention to this editorial and asked him why he didn't write an argument. His reply was: "Argument! that's the only argument there is!"

On the morning of the second day when COIN arrived at the Art Institute, he found the hall full of people, most of them middle-aged and old men.

He was asked to throw the "school" open to persons of all ages. This was a move to put a quietus on the success of the lectures. Knotty questions would be hurled at him—perplexing queries and abstruse proposi-



THE TRIBUNE MAKES AN ARGUMENT.

tions. They would harass him, worry him, and tangle him, laugh at his dilemma and then say : " We told you so." This was the programme.

COIN consented.

All the seats were filled and many persons were standing. Perfect order prevailed as COIN began his lecture.

THE RATIO.

"The ratio between silver and gold," said COIN, "prior to 1873, in the United States was fixed at 16 to 1, and for the purposes of coining token silver dollars is still the ratio. That is, the silver in a silver dollar is just sixteen times as heavy as the gold in a gold dollar. Or to reverse it, the gold in a gold dollar is just $\frac{1}{16}$ th the weight of the silver in a silver dollar.

"Up to 1834, when the ratio was 15 to 1, the gold in a gold dollar was $\frac{1}{15}$ th the weight of the silver in a silver dollar. When the ratio was changed to 16 to 1, the quantity of gold in the gold dollar was lessened and made $\frac{1}{16}$ th the weight of the silver in a silver dollar.

"The quantity of silver in the silver dollar was not disturbed. It being the unit, was respected, and remained the same. The gold dollar was cut down from 24.7 grains pure gold to 23.2 grains of pure gold. So that now it is one-sixteenth the weight of the pure silver ($371\frac{1}{4}$ grains) in the silver dollar. This is what *ratio* means."

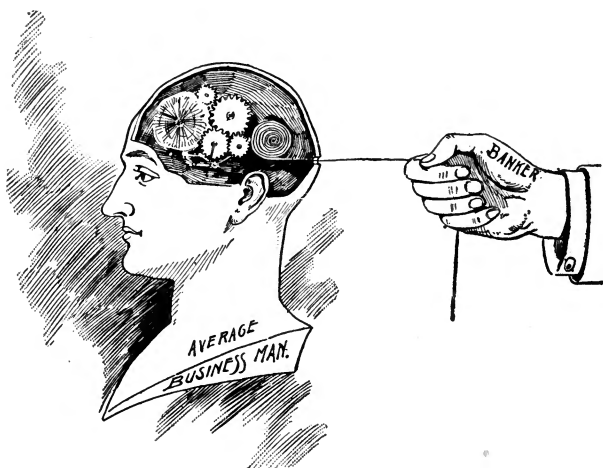
Mr. Lyman Gage, president of the First National Bank of Chicago, interrupted the little speaker.

He had been watching for an opening, and he now thought he had it, where he could deliver a telling, and follow it up with a knock-out, blow.

He rose to his feet. All eyes were on him. In Chicago Lyman Gage is at the "top of the heap." His word is law on the subject of finance. "How does he happen to be at the head of the largest bank west of the Alleghanies, if he does not know all about it?"

This is the way the Chicago people reason when their thinkers are allowed to think.

As a rule they are a very busy set of men. On all such questions as a National finance policy their "thinkers" run automatically. Such men as Mr. Gage do their thinking for them. Cities do not breed statesmen. They breed the specialist. A specialist favors what will



tend to promote his business though it may injure the business of others. A statesman must be broad. He must have a comprehensive appreciation of the interests of all the people—especially the poorer classes. If he has been a railsplitter at one time, so much the better.

The men who produce the property of the world are the men whose happiness should be consulted. The men who handle this property after it is produced have little regard for the interests of the producers. Their selfishness and greed blind them. Their minds are running in a groove and they cannot see the rights of others.

Hence, Mr. Gage is a good banker—a specialist—but a poor statesman. Lincoln was a good statesman, but would have made a poor banker.

The audience was mostly in sympathy with Mr. Gage, except those who had been won over to COIN the day before.

“I would like to ask a question,” said Mr. Gage.

“Proceed,” said COIN.

“How can you have, at any fixed ratio, the same commercial value on two separate metals, that are from time to time varying in the quantity of each produced?”

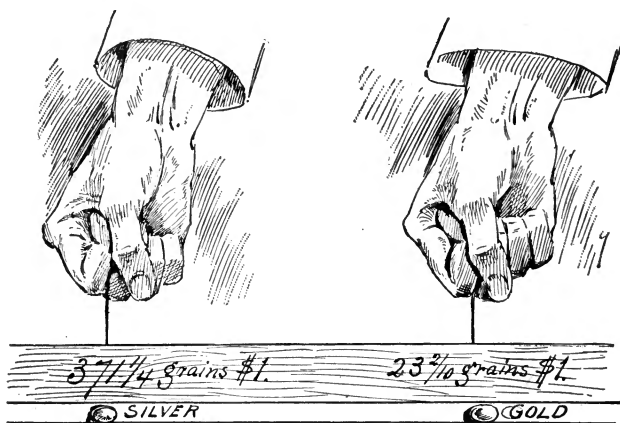
“This is the ‘stock fallacy’ of the gold monometalists,” said COIN. “All commercial values are regulated by supply and demand. The commercial value of any commodity depends on supply and demand. If the demand for a particular commodity is continuously rising and the supply does not increase, the *commercial* value will continuously rise.

“When the mints of the world are thrown open and the governments say, ‘We will take all the silver and gold that comes,’ an *unlimited demand* is established. The supply is limited. Now with an unlimited demand and a limited supply, there is nothing to stop the *commercial* value of the two metals going up in the market, except the governments saying—‘Hold on—these metals are for money—we fix the value at which they circulate. This unlimited demand is for silver at \$1 for 371 $\frac{1}{4}$ grains, and \$1 for 23 2-10 grains of gold—we stamp these into dollars respectively in those quantities.’

“While an unlimited demand has been established, the point at which the supply can take advantage of that demand is fixed. And the demand pulls them both plumb up to that point. At 16 to 1 and 371 $\frac{1}{4}$ grains of

silver as the *unit*, the commercial value of $371\frac{1}{4}$ grains of pure silver is a dollar, and an ounce of silver is worth \$1.29 29-100, and $23\frac{2}{10}$ grains of gold is worth a dollar, and an ounce of gold would be worth \$20.68 64-100.

"I will illustrate it," and as COIN said this he quickly drew on the blackboard behind him the picture of two hands each drawing a cord through a hole in a beam of wood with blocks on the ends of the cords.



"Now," said COIN, as he leaned over and borrowed from Mr. Owen F. Aldis his cane, and pointing at the drawing on the blackboard, continued: "The hand drawing on the cord represents the power of unlimited demand—the beam represents the price at which the demand stops—and the two little blocks on the ends of the cords, as close up against the beam as they can get, represent silver and gold.

The demand is represented by the two hands; if the one on the silver cord should relax its pull, the little wood block representing silver would drop down. The

unlimited demand for one metal (silver) was taken away—the unlimited demand for the other metal (gold) was continued. The whole disturbance since then has come from the demand being taken away from silver.”

Mr. Gage had remained standing for a time, then resumed his seat, and became interested.

COIN continuing, said :

“England demonetized silver in 1816, but as Germany, France and the Latin Union, and the United States had their mints open to the free coinage of silver and gold, the demand thus created was sufficient to maintain the parity (equal value) of the two metals, and the action of England had no effect on the price of silver.

“No one in England would part with his silver for less than an equal value in gold, when he could cross the channel into France and get an even exchange—so the price of silver as measured in gold was during all the years prior to 1873 substantially at par in England and the world over.

“The United States closed its mints to silver and made gold the sole measurement of values in February, 1873.

“Germany followed and passed the same law in July, 1873. The action of these two large nations caused a drop in the commercial value of silver as measured in gold of 2 per cent by the end of that year.

“France and the Latin Union closed their mints to the free coinage of silver in January, 1874, and by the end of that year silver as measured in gold had declined 4 per cent.

“Then came the gradual breaking down of the commercial price of silver as measured in the new standard—gold—and acts were passed tending to this end. Among them were the acts of 1876 stopping the coinage of the

trade dollars by which we were supplying China and the Orient with coin, and the law in 1878 authorizing and sanctioning notes, bonds and mortgages, to be taken payable in *gold only*. This latter is a clause in the Bland-Allison act, a copy of which can be found in COIN'S HAND BOOK, or can be obtained from any of your congressmen. It discriminates against all our other forms of money and allows the creditor to dictate that his credits shall be payable in *gold*.

"These acts have been followed up by the declared policy of the government to redeem all other money, including silver, in gold.

"The same class of legislation was simultaneously in progress in Europe, so that by the summer of 1893 silver had declined 35 per cent. Then came the closing of the mints of India to silver and the decline increased to 50 per cent.

THEIR COMMERCIAL VALUES COMPARED.

"Comparing the prices," continued COIN, "of the relative commercial values of the two metals for the whole world, Mr. Sauerbeck, an English statistician, has prepared a table showing the value of silver as measured in gold for 19 years before and 19 years subsequent to 1873. The table expresses it in index numbers. It is London quotations.

"I have these tables printed," said COIN, "and will cause them to be distributed among you."

Little boys then went through the school and gave every one a copy of the table.

COIN waited till the tables were distributed and then, looking straight at Mr. Gage, he said :

"You will see from this table that during the 19 years prior to 1873, while *free coinage* was the law in

the nations I have named, the commercial value of silver in the London market—in gold standard Eng-

MR. SAUERBECK'S TABLE.

Years from 1873 back to 1854.	Yearly Index-numbers of Silver	Yearly Index-numbers of silver	Years from 1873 on to 1892.
1873	97.4	97.4	1873
1872	99.2	95.8	1874
1871	99.7	93.3	1875
1870	99.6	86.7	1876
1869	99.6	90.2	1877
1868	99.6	86.4	1878
1867	99.7	84.2	1879
1866	100.5	85.9	1880
1865	100.3	85.0	1881
1864	100.9	84.9	1882
1863	101.1	83.1	1883
1862	100.9	83.3	1884
1861	99.9	79.9	1885
1860	101.4	74.6	1886
1859	102.0	73.3	1887
1858	101.0	70.4	1888
1857	101.5	70.2	1889
1856	101.0	78.4	1890
1855	100.7	74.1	1891
1854	101.1	65.4	1892

land—did not vary either way more than 2 per cent. — $\frac{1}{10}$ of 1 per cent under was the least, and 2 per cent over was the greatest. The average for the 19 years shows a premium on silver over gold, which is explained by the disturbance created by the difference in ratios in France and the United States.

“If the same ratio had existed in all these countries, then the only difference would have been the exchange difference, the cost of freight in the movement of bullion when unevenly distributed as between silver and gold when needed at different points.

“Nor did the varying quantities of silver and gold in the world, during this period from 1854 to 1872, have

the least effect on the relative commercial value of the two metals.

“ Mr. Mulhall, the London Statistician, has compiled statistics showing the relative quantity of silver and gold in the world at different periods, and his figures are substantiated by the official reports of the governments of the world from which they were taken.

“ He gives the relative quantity in 1848, 1880 and 1890, but does not give it at any other date between these periods. But taking the dates he does give, we find that in 1848 there were 31 tons of silver to 1 ton of gold in the world. In 1880, 18 tons of silver to 1 ton of gold. In 1890, 18 tons of silver to 1 ton of gold.

“ Now as the relative supply of silver to gold was decreasing from 1848 to 1880, then this decrease was in progress between 1854 and 1872, and yet during this period it had no effect on the relative value of the two metals.

“ If Mr. Sauerbeck's table was extended back to 1848 or to 1792, the variation in it would be no greater than existed between 1854 to 1872.

“ And yet we find that there were 31 tons of silver in 1848 to 1 ton of gold — a large over-production of silver as compared with gold. Using the official figures given by Mr. Mulhall, and estimating from them, the proportion in 1872 was 19 tons of silver to 1 of gold. The production of silver had become materially less as compared with gold, and yet through all these years from 1848. to 1872, there was no difference in the commercial value of the two metals that would not be accounted for by the French ratio disturbance and the cost of exchanging the two metals.

“ During the period between 1849 and 1854 the gold mines of California added largely to the world's stock of

gold. So much so that men of Mr. Gage's views as to supply of the two metals varying, started a propaganda for the demonetization of gold.

"And yet with all that gold output, we find that it had no effect on the relative commercial values of the two metals. The reason why it could have had no effect was because the demand for either was unlimited. Both enjoyed the same advantage in that respect.

The attempt that was then made to demonetize gold had not gone far, when to the surprise of those that were engaged in it, gold maintained its commercial value. They realized then by the practical workings of *free coinage* of the two metals, their error and abandoned the effort.

"Had specie payments been in operation in 1873, no doubt silver never would have been demonetized. Nearly every one would have been alive to the interest of our metallic money and it would have been daily asserting its own importance as in 1850-54.

"It was during a period of suspension of specie payments in England following the French war that parliament demonetized silver in 1816, in much the same manner that it was accomplished in this country.

A COMPARISON FOR 200 YEARS.

"To show you how perfectly the law of free coinage worked from time immemorial till 1873, in sustaining the *commercial* value of silver and gold at a parity, I am now going to distribute among you a copy of page 50 of the 'Statistical Abstract' for 1892, issued by the Treasury Department of the United States."

COIN waited until they were distributed, and every one in the room had one in his hand, including Mr. Gage.



(Page 50 from U. S. Statistical Abstract 1892.)

RATIO OF SILVER TO GOLD.

COMMERCIAL RATIO OF SILVER TO GOLD FOR EACH YEAR SINCE 1687.

[NOTE.—From 1687 to 1832 the ratios are taken from the tables of Dr. A. Soetbeer; from 1833 to 1878 from Pixley and Abell's tables; and from 1878 to 1892 from daily cablegrams from London to the Bureau of the Mint.]

Year.	Ratio	Year.	Ratio	Year.	Ratio	Year.	Ratio	Year.	Ratio	Year	Ratio.
1687	14.94	1722	15.17	1757	14.87	1791	15.05	1825	15.70	1859	15.19
1688	14.94	1723	15.20	1758	14.85	1792	15.17	1826	15.76	1860	15.29
1689	15.02	1724	15.11	1759	14.15	1793	15.00	1827	15.74	1861	15.50
1690	15.02	1725	15.11	1760	14.14	1794	15.37	1828	15.78	1862	15.35
1691	14.98	1726	15.15	1761	14.54	1795	15.55	1829	15.78	1863	15.37
1692	14.92	1727	15.24	1762	15.27	1796	15.65	1830	15.82	1864	15.37
1693	14.83	1728	15.11	1763	14.99	1797	15.41	1831	15.72	1865	15.44
1694	14.87	1729	14.92	1764	14.70	1798	15.59	1832	15.73	1866	15.43
1695	15.02	1730	14.81	1765	14.83	1799	15.74	1833	15.93	1867	15.57
1696	15.00	1731	14.94	1766	14.80	1800	15.68	1834	15.73	1868	15.59
1697	15.20	1732	15.09	1767	14.85	1801	15.46	1835	15.80	1869	15.60
1698	15.07	1733	15.18	1768	14.80	1802	15.26	1836	15.72	1870	15.57
1699	14.94	1734	15.39	1769	14.72	1803	15.41	1837	15.83	1871	15.57
1700	14.81	1735	15.41	1770	14.62	1804	15.41	1838	15.85	1872	15.63
1701	15.07	1736	15.18	1771	14.66	1805	15.79	1839	15.62	1873	15.92
1702	15.52	1737	15.02	1772	14.52	1806	15.52	1840	15.62	1874	16.17
1703	15.17	1738	14.91	1773	14.62	1807	15.43	1841	15.70	1875	16.59
1704	15.22	1739	14.91	1774	14.62	1808	16.08	1842	15.87	1876	17.88
1705	15.11	1740	14.94	1775	14.72	1809	15.96	1843	15.93	1877	17.22
1706	15.27	1741	14.92	1776	14.55	1810	15.77	1844	15.85	1878	17.94
1707	15.44	1742	14.85	1777	14.54	1811	15.53	1845	15.92	1879	18.40
1708	15.41	1743	14.85	1778	14.68	1812	16.11	1846	15.90	1880	18.05
1709	15.31	1744	14.87	1779	14.80	1813	16.25	1847	15.80	1881	18.16
1710	15.22	1745	14.98	1780	14.72	1814	15.04	1848	15.85	1882	18.19
1711	15.29	1746	15.13	1781	14.78	1815	15.26	1849	15.78	1883	18.64
1712	15.31	1747	15.26	1782	14.42	1816	15.28	1850	15.70	1884	18.57
1713	15.24	1748	15.11	1783	14.48	1817	15.11	1851	15.46	1885	19.41
1714	15.13	1749	14.80	1784	14.70	1818	15.35	1852	15.59	1886	20.78
1715	15.11	1750	14.55	1785	14.92	1819	15.33	1853	15.33	1887	21.13
1716	15.09	1751	14.39	1786	14.96	1820	15.62	1854	15.33	1888	21.99
1717	15.13	1752	14.54	1787	14.92	1821	15.95	1855	15.38	1889	22.09
1718	15.11	1753	14.54	1788	14.65	1822	15.80	1856	15.38	1890	19.75
1719	15.09	1754	14.48	1789	14.75	1823	15.84	1857	15.27	1891	20.92
1720	15.04	1755	14.68	1790	15.04	1824	15.82	1858	15.38	1892	23.72
1721	15.05	1756	14.94								

DEMONSTRATION

"You will see from this table," continued COIN, "that from 1687 to 1873 the *commercial* ratio of the two metals was never lower than 1 to 14.14, and never higher than 1 to 16.25, a variation of only about two points.

"This difference is accounted for by the difference in ratios fixed by different governments, and the cost of exchange; ours being 15 to 1 prior to 1834.

"Run your eyes down these columns from 1687 to 1873 and see how smooth the *commercial* ratio appears.

"Now *all stop*, with your fingers on 1873! Up to this point through two centuries we see how the commercial value of silver and gold was kept at a parity notwithstanding the varying supplies of the two metals.

"Now run your fingers down from 1873 to 1892, and in that short period what a change, O! my countrymen.

"Instead of 15 to 16 pounds of silver being worth one pound of gold, we see it jumping rapidly, till in 1892 it took nearly 24 pounds of silver to equal in commercial value one pound of gold. And now it takes *32 pounds* of silver to equal in the market *one pound* of gold.

"While in 200 years there was under *free coinage* a variation of only about 2 points, in 21 years, under demonetization there is a variation of 16 points, and during the latter period the proportion of silver to gold produced has been growing less.

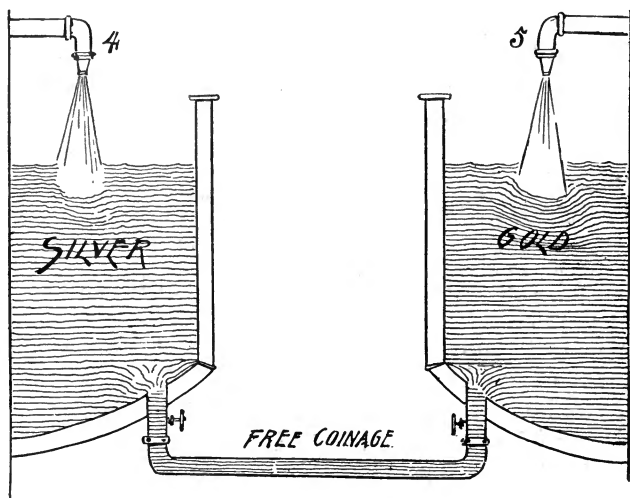
We here have a demonstration of how free coinage controls the *commercial* value of the two metals.

"So true and accurate was this effect of free coinage or *unlimited demand* for both metals in fixing their parity at the ratio established, they were virtually one metal, and a difference in production of either could not have, and did not have, the least influence.

"I will illustrate it another way." In less than a minute COIN had drawn on the blackboard two reservoirs

filled with water and connected with each other by a pipe.

"Now," said COIN, pointing with the cane at the reservoirs and their connecting pipe, "the water in one of these reservoirs represents silver and the other gold. The connecting pipe makes them virtually one metal and either answers the requirement of the government



for money. So long as that connecting pipe remains, the water in the two reservoirs will remain even—the same height. Do away with the connecting pipe and the feed pipes at 4 and 5 will soon destroy the equilibrium, as their quantities vary from time to time.

"The law of free coinage (the connecting pipe) maintains the parity of the two metals. When that was taken away from silver and left on gold a disturbance was natural.

"Prior to 1873, when the *connecting pipe* was work-

ing freely, the ratio in France was $15\frac{1}{2}$ to 1, while in this country it was 16 to 1, and this difference in ratio was the only disturbing element, causing only slight fluctuations in the comparative value of the two metals, when measured in each other—this depending on the direction in which the bullion was moving:

“But the moment the ‘connecting pipe’ was cut, the derangement in the values of the metals and of *all property* began.

“And now,” said COIN, “if I have not answered Mr. Gage’s question, I want him to say why I have not.”

COIN had been listened to with rapt attention. A pin could almost have been heard to drop at any moment. No sound was heard except the voice of the young speaker, whose pleasant style of address had a charm about it that did not wear away.

There were many scholars and thoughtful business men in the audience—men of intelligence. Many of them owned large business blocks. Capitalists who had made Chicago what it is—such men as Leander McCormick, H. H. Kohlsaat, L. Z. Leiter, Phil. D. Armour, Potter Palmer and Samuel Allerton; merchant princes like Marshall Field, John V. Farwell and Franklin MacVeagh; lawyers of local and national reputation, such as Luther Laflin Mills, Judge Henry G. Miller, Judge Collins, Jno. S. Cooper, Edwin Walker and A. S. Trude.

There was a fascination in COIN’S manner of delivery that had caused every word he uttered to be heard and understood. They had listened critically, expecting to detect errors in his facts or reasoning. There were none. They were amazed. He was logical.

Real estate owners who had seen their rents going down, their houses becoming vacant, while their taxes

were growing bigger ; merchants who had been doing business on a falling market for twenty years, now felt as if they had each an interest in this money question.

MR. GAGE MAKES AN ADMISSION.

Mr. Gage arose and said :

“ What you have said about the commercial value of silver and gold being maintained at a parity under a fixed ratio, has been due to the enlarged use of these two metals, as money, under a free coinage law adopted by the principal nations of the world. International bimetallism would do what you say. But the United States alone could not maintain the parity of the two metals. Silver would be the cheaper, and gold would leave us. We would have no credit abroad, and a total derangement of our commerce would follow. And in this respect you have not satisfactorily answered my question.”

“ Then, Mr. Gage,” said COIN, “ we agree, do we, that the commercial value of silver and gold can be maintained at par on a fixed ratio at $15\frac{1}{2}$ to 1 or 16 to 1, if their free coinage is provided for by the same nations that had such a law in 1873 ? ”

“ Yes,” said Mr. Gage, “ we agree thus far.”

“ Thanks,” said COIN. “ If all are as well satisfied thus far as Mr. Gage, we have gained a great deal. To understand these fundamental principles as far as we have gone, and as adapted and applied in the past, and as tested and proven a success, is essential to our further study of this subject.

“ In arranging the programme for this school, I thought it best to leave the subject of independent free coinage by the United States to the last. I will not now change the order. When I answer that question it will

be as simple and as satisfactory as any we have yet encountered.

"From the tone of the press in this city, it will be readily understood that we do not agree on the cause of the present depression in business, and how much of it is properly chargeable to the demonetization of silver. Let us first find out the cause of this calamitous condition of things and then we will speak of the remedy.

"We have seen that the closing of the mints, first of the United States, secondly Germany in 1873, followed by France and the Latin Union in 1874, depressed the price of silver as measured in gold 35 per cent. And the closing of the mints to silver in India, in 1893, further depressed its price to 50 per cent.

QUANTITY OF GOLD AND SILVER.

"Before demonetization both metals constituted the redemption money of the world ; and as both metals existed in about the same quantities, it gave us twice as much money of redemption as gold alone will now furnish us. There is in the world now, according to the report of the director of our mint, \$3,727,018,869 in gold, and \$3,820,571,346 in silver.

"The dislocation of the parity of the two metals by the demonetization of silver, and the attempt to maintain our credit in gold, has reduced the redemption money of the world from \$7,547,590,215 to \$3,727,018,869, or a little less than one-half the original amount."

A REAL ESTATE MAN ASKS A QUESTION.

"I want to know," said Mr. George H. Rozet, a real estate dealer, here interrupting COIN, "why you say silver is demonetized, when it is in circulation every day and handled by us as money?"

"We have seen," replied COIN, "how the commercial value of the two metals were parted. By the same laws that produced this result, silver was made redeemable in gold, and ceased to be redemption money. Silver now circulates like paper money, both redeemable in gold. It is now subsidiary coin or token money.

"Strictly speaking, nothing is money but redemption money—all other forms of so called money are money only in the sense that certified checks are money.

"In the sense in which *you* say silver is money, nickel and copper are money, but they form no part of our stock of redemption money. Gold now takes the place formerly occupied by both gold and silver, and is our only redemption money. Silver, as now treated, cuts no figure in our currency that could not be substituted by paper or other metals. What is meant by demonetization is, that silver has been destroyed as primary money.

"We are now on a single gold standard, and have come to it through a period of limping bimetallism."

right!! SINGLE STANDARD
OR
LIMPING
BIMETALLISM



• CHANGING RATIO.

Mr. Fred Miller, cashier of the Bank of Commerce, announced a desire to ask a question and proceeded to state it.

"It appears," said Mr. Miller, "that whenever the ratio has been changed, the number of grains of pure silver in the silver dollar has not been disturbed, while the quantity of gold in the gold coin has been changed ;

I want to know if there is any particular significance in this? Why change the gold and not the silver?"

"As silver was the *unit*," answered COIN, "more respect was paid to it than to the other metal. But there was another reason that would ordinarily have a controlling influence. I mean the cost of re-coining. There are about one hundred pieces of silver coin to one piece of gold coin. In coining ten million dollars in dimes, it requires the striking off of one hundred million coins. To coin one million dollars in quarters requires the striking off of four million coins. One million dollars in halves requires two million coins. One million silver dollars one million coins.

"While in making our gold money, comparatively few coins are required to be struck. One million dollars in ten dollar gold pieces requires only one hundred thousand pieces to be struck, and in twenties, 50,000. It would be much more expensive to recoin the silver than the gold. It would also be of great inconvenience to the government and the people to gather in all the silver coins, while it is of small inconvenience comparatively to collect in and recoin the gold.

"To re-coin the silver money is more expensive, and would take a much longer time than to re-coin the gold. But the greatest significance is in the fact that it was the money of the people. Its integrity and identity was respected by our forefathers.

"As our time to close the school for the day has arrived, we will now adjourn till 10 o'clock to-morrow morning." (Adjourned.)

Mr. Gage, and all those who, like him, had gone to hear COIN for the purpose of refuting his arguments, walked out of the room in a thoughtful manner.

They had previously reached conclusions that the

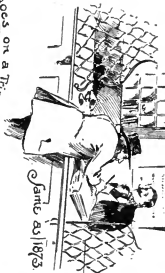
gold standard was the proper thing. They had only studied one side of the question. They had become firm in their opinions, and had worked up memorials to Congress against the free coinage of silver.

They had not based these opinions on the necessity of international bimetallism, but upon the theory that a gold standard is the best financial system for the United States to adopt.

Now, having met for the first time some one who knew the science of money, they were surprised. That it should come from the lips of a boy they were more surprised. Instead of scoffing at him, and confusing him, they had listened and been compelled to give assent to his plain and unanswerable views.

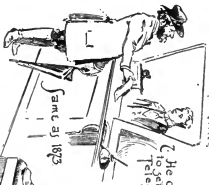
Their hope now laid in preventing him from showing that the demonetization of silver was the cause of low prices—stagnation in business, and the deranged industrial condition of the country. That we have been compelled to adopt a financial system forced upon us by Europe.

6 CHICAGO
He registers at a first-class Hotel.



TELEGRAPH OFFICE

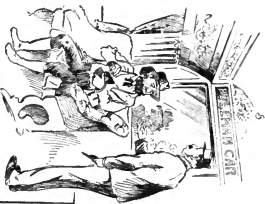
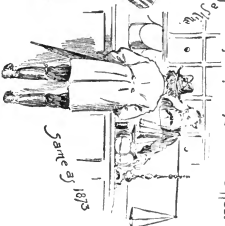
7 He goes to send a Telegram



8 He gets a state of affairs



9 He buys Tea & Coffee.



Same as 1873

4 He goes on a Trip



Same as 1873

2 He pays his Taxes



Same as 1873

3 He meets the County Judge

COUNTY HOUSE



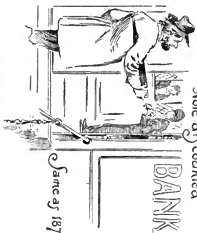
Judge what is your salary
Same as 1873

No 1

A Bushel of Wheat
will buy as much as it
ever did!



10 He returns Home and gets a
Note discounted



Same as 1873

BANK

say it again
a—n you will



He meets the man who made the statement

A POLITICIAN GETS THE WORST OF AN ARGUMENT.



CHAPTER III.

THE THIRD DAY.

An increased interest was plainly seen in the large attendance on the third day. COIN was also received with marked favor, and groups gathered around him as he entered the hall and warmly shook his hand.

He was assured that Chicago had many bimetallists, but that the subject had been a perplexing one to the people. It was regarded as an abstruse question, and the people generally had not tried to unravel it. It required the knowledge of so many statistics and facts with which the masses were not familiar, they were hardly expected to understand it.

Mr. Joel Bigelow, of 2449 Prairie avenue, was one of the most demonstrative in a cordial greeting to the little financier.

"Give it to them, young man," said Mr. Bigelow. "The eyes of the people here have been blinded with this gold craze. I have been distributing Archbishop Walsh's pamphlet among them and have opened some of their eyes."

Mr. Bigelow is an exception to most bimetallists. He had not been forced by personal business disaster to inquire into the cause of so many failures. He is a large real estate owner, owes no debts and has plenty laid by. He is philanthropic. He believes in the happiness of the people. Would that there were more such men!

With a pleasant salutation to all, COIN moved along through the crowd until he reached the stage, and promptly at 10 o'clock began his lecture of the third day.

"The science of money," he began, "is an exact science. As much so as mathematics.

"The primary value of all property is its exchange value. If we had no money, one kind of property would be exchanged for another. Needing the calico on the merchant's shelf, you would exchange for it a bushel of potatoes or such property as you might have to offer. A sort of exchange value would be placed on all property. A bushel of wheat would buy about so many pounds of sugar, and so on.

"This is what is meant by the exchange value of property. Money is a medium of exchange to facilitate this exchanging of property.

"If there were no money, and we had to depend on exchanging property for property, we could find a subsistence, but there would be no such thing as our present civilization or anything like it.

"Each merchant would have to be prepared to store all kinds of property, perishable and otherwise, he received in exchange for his goods. Railroads would have to arrange to receive payment for fares and freight in property and store it until it again could be exchanged.

"If you went to the theater you would have to take with you a crate of cabbage or some other kind of property to pay your way into the play-house.

"There would be no practical method for paying labor. Commerce would virtually cease, and civilization would go backward.

"If to be without money would produce such a result, then the subject assumes vast importance.

“As stagnation and depression to business incalculable would result from having no money, then a part of these evils can be brought about by having money insufficient in either quality or quantity.



EXCHANGING PROPERTY FOR THEATRE TICKETS.

“In the first place, it was deemed best to select something for money which was valuable within itself. Something that had an exchange value. So that he who parted with his property for it, had something which was itself valuable.

“By stamping it as money, and making it legal tender in the payment of all debts, it then became money, and possessed two qualities:

“First; It had value of itself. If the government went to pieces that had stamped it, it was still valuable property and would have an exchange value.

“Secondly; When made money, it became a common medium of exchange and took the place of barter and trade. The stamp of the government upon it, became a certificate of its quality and quantity. Thus by making a commodity into money we had a medium of exchange that was both useful and valuable.

SILVER AND GOLD ADOPTED.

“After using many perishable commodities, experience and wisdom brought the people of the world to the use of silver and gold.

“If experience could suggest a commodity better adapted for money than metallic money made from silver and gold, it should be adopted.

“The merit of these two metals is that neither will rust, corrode nor stain, and both are odorless. As compared with other property, both are very durable. Of the two, silver is the most durable. Abrasion causes more loss to gold than to silver, and the latter may be carried in the pocket and sub-



SINGLE STANDARD.



SINGLE STANDARD.

jected to great use with but little loss. One was the money of the people—the other, of the rich. As two legs are necessary to walk and two eyes to see, so were these two monies necessary to the prosperity of the people.

“It was considered that silver and gold were sufficient in quantity for use as primary money, but if at any time their combined quantity should become too small, then some other metal would have to be adopted and added to these two. The law of unlimited demand by *free coinage*, would tie a third metal to these two, and thus increase the quantity, if at any time it became necessary.

"Thus the founders of a monetary system, on the principle of *free coinage* to the commodity selected, had a practical method for supplying any deficiency that might arise by reason of the exhaustion of the silver and gold mines."

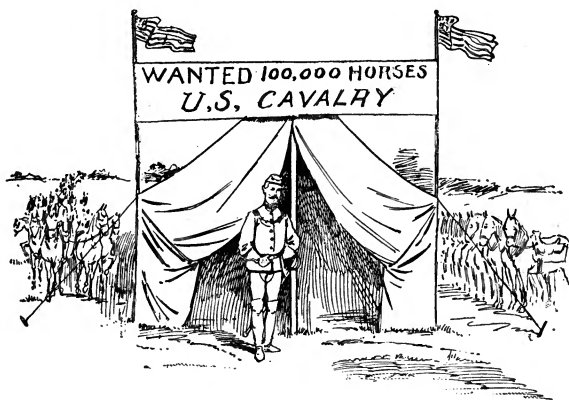
AN INTERRUPTION

Thus far everyone had listened attentively, and no one had interrupted the little speaker.

Now Mr. John R. Walsh, president of the Chicago National Bank and principal owner of *The Chicago Herald* and *Evening Post*, who occupied a seat near the front, arose and asked this question:

"How can the government by passing a law add a cent to the commercial value of any commodity?"

"You were not here yesterday?" said COIN to Mr. Walsh. To this Mr. Walsh replied that he was not.



"Suppose," said COIN, "that Congress should pass a law to-morrow authorizing the purchase by the government of 100,000 cavalry horses of certain sizes and qualities. And the government entered the market to get these horses. Horses would advance in value. Not

only the kind of horses desired, but also other horses upon which there would be a demand to take the place of the horses sold to the government."



SINGLE STANDARD.

The hand-clapping that followed this reply, and smiles on many faces, indicated two things—one was, that the reply was satisfactory; the other, that the school was making progress—for it was the first applause COIN had received.

"The government," continued COIN, "can create a demand for a commodity."

"The prospect of a law being passed will sometimes add to the value of property. The tariff law was recently being considered by the Finance Committee of the Senate, and on its becoming known that the committee would report in favor of a high tariff on sugar, the market value of the stock of the American Sugar Refining Company advanced 15 per cent. Its total stock is eighty million dollars. This prospect of a law passing added twelve millions of dollars to the wealth of the stockholders of that company. If Mr. Walsh will read the proceedings of yesterday's school, he will see how free coinage fixes the commercial value of silver.

"In the *free coinage* of silver as money, the effect is not to in-



SINGLE STANDARD.

crease its exchange value, but to give a permanent and fixed value."

MONEY AS A SCIENCE

"We are now dealing with money as a science, and, strictly speaking, nothing is money except that commodity which has been selected to be money. It is a common thing for us to refer to National Bank notes, greenbacks and other forms of paper money as "money."

"After a nation has fixed what its *money* shall be, it then issues different forms of credit money all of which are directly or indirectly redeemable in the commodity to which a fixed and stable value has been given.

"This is done for convenience, and to facilitate commerce and the exchange of property. It does not add one dollar to your actual money but represents your real money, and being easier to carry, is a convenience.

"All money may be a medium of exchange, but primary money *only* is the measure of values. Credit money is not a measure of values; it is a medium of exchange only.

"I will refer to *money* proper as *redemption* or *primary* money, and in speaking generally of all other forms of money, will use the term *credit* money.

"There are two kinds of *credit* money, as to the material out of which they are made. One is made on paper and embraces all forms of government and bank notes that are issued from time to time as authorized by law. The other is—token money.

"Token money is made from some metal that does not enjoy *free coinage*.

"*Credit* money of all kinds circulates by reason of its being redeemable directly or indirectly in *money*—in *redemption* money, property money. A piece of paper money, or token money, is a promise of the government

money
not
silver
require
to
avoid
paper
money

to pay so much money. The money promised is the *redemption* money.

"With so much paper or credit money in your possession, there is supposed to be that much redemption money to your credit with the government or bank issuing it. It is a check to bearer for *money*, when presented.

"Hence it is called *credit* money. It circulates on the credit of the government, on the confidence of the people that the government will be able to redeem it if it is presented.

"I have taken pains to impress on you the distinction between actual money and credit money, as no just comprehension of our monetary system as a science can be had without it.

"Actual money was too cumbersome to handle in all the transactions of business, and this gave rise to issuing credit money representing it. Like wheat in your wheat elevators certificates are issued to those who put their wheat there. Such certificates are traded in. Each time one of them is transferred, it is equivalent to transferring the wheat itself. Wheat is behind the certificates. A man does not carry a brick house around in his pocket, but he can carry the deed to it.

"When you have credit money in your pocket, you are carrying around with you the title to property of that commercial value.

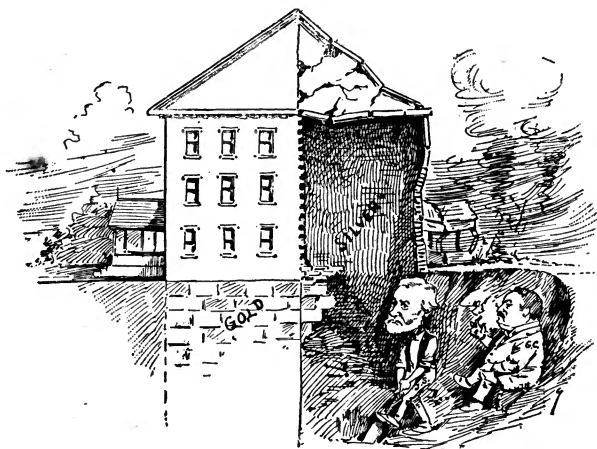
"In issuing dollar for dollar of credit money to redemption money, it is not necessary that the government should keep the latter at all times in its treasury in full amount ready to redeem all the credit money.

"Experience teaches that so long as sufficient *redemption money* is in the country, the credit of the government can be depended upon to get it. But it

cannot strain the proportion beyond such amount without making the danger imminent, and the lack of confidence great.

"If there is one thousand million dollars of redemption money in the United States—in its treasury, its banks, and among its people—then one thousand millions of credit money can be safely used and not more.

"If you want to increase the currency, you must in safety do it by adding to the *redemption* money, and for each dollar so added one dollar of credit money may be added.



DIGGING OUT THE FOUNDATION.

"If it is wished to vitiate the currency, increase the credit money beyond its normal quantity, or dig out the foundation from under it by lessening the supply of redemption money.

X "The demonetization of silver destroyed one-half of the *redemption* money of the United States. It did it in this way: By making gold the *unit* and closing the mints to silver, it lessened the demand for silver, and its commercial value at once began to depreciate, as measured in gold.

"Where before silver and gold had been tied together as one mass of commodity money, and all property had measured its value in it, now gold became the only measure of value, and silver became *credit* money—token money.

"The moment a new standard of money was set up—only one-half in quantity to what had previously existed—silver began to fluctuate. It was then measured for its value in this new standard for measuring values, and bobbed up and down in the market, no longer possessing that fixed value which *free* coinage had given it. It was like a kite without a tail and its course was downward. It had changed its position from redemption money to token money.

"A forced parity between gold and silver has since been strained; namely, by sustaining silver with gold. It is the same kind of parity the government maintains between gold and paper money. What this means is, gold is our present redemption money and our credit money consists of silver and all forms of paper money.

"Each succeeding secretary of the treasury points to the law declaring it to be the intention of our financial system to maintain all our money at par. Gold is the most valuable of all our money, and therefore to maintain it all at par, gold must stand under it and do the work of redemption money.

"The law simply states an axiom in sound financing. All of our money should be at par; with one

kind of money just as good as any other kind of money.

"It is impossible to maintain two kinds of redemption money with one made from property having a commercial value of only one-half, or any noticeable per cent less than the other. When such is the case the lesser must lean on the greater, and to all intents and purposes becomes credit money, while the more valuable becomes the only redemption money.

"We have in the United States in round figures \$1,600,000,000 of all kinds of money. About one-third of it is gold, one-third silver and one third paper. One-third of our money is redemption money, and two-thirds is credit money.

"The blunder was made when silver was demonetized. The remedy is to remonetize it, and thereby restore its commercial value. Purchase acts, or any treatment of silver short of free coinage will have no beneficial effect."

Mr. D. H. Wheeler wanted to know of COIN if he did not believe it would advance prices if the government were to issue five hundred millions of greenbacks.

"No ;" was the reply. "It would break down the present tottering financial system the sooner. The remedy to restore prices, is to remonetize silver, and then issue more greenbacks.

GENERAL PRINCIPLES

"We thus see that *money*, primarily, is a commodity—property—a thing of value—possessing an exchange value with all other property.

"That *credit money* is a title to *commodity money*. That in the exchange value between *commodity money* and all other property, credit money does not add anything—it facilitates—makes convenient the transaction of business. Just as your wheat certificates add nothing to

the exchange value of wheat, or the things for which wheat are exchanged ; yet they facilitate its exchange.

“ This commodity money is the measure of values. Its quantity becomes the measure, and each dollar is a part of that measure. Credit money adds nothing to its value, it only facilitates the transaction of business based on that measure of values.

“ Our commodity or redemption money, up to 1873, was both silver and gold ; and our credit money was paper and copper.

“ Since 1873 our redemption money has been gold— and our credit money has been paper, silver, nickel and copper. Silver and nickel have been added to copper as token money.”

Here Mr. Walsh arose again, and COIN paused to hear the question he evidently intended to ask.

“ Has not,” asked Mr. Walsh, “ the necessity for money diminished since checks, drafts and bills of exchange have come into such prominent use? The first use of money is to effect exchanges, and as a vast bulk of exchanges, are affected without money, should not this be deducted from the bulk of exchange before a normal amount of money can be considered ?”

“ That is a statement of common error,” said COIN, “ and others urge it with as much confidence as Mr. Walsh. That situation does lessen the amount of credit money employed ; but it does not diminish the amount of *redemption* money necessary. Credit money is not used for its value, but for its convenience. Any other convenience which you can substitute for it may be made to answer the same purpose.

“ As *redemption money* is our measure of values, nothing can take its place and assist it in *its* work that is not of equal commercial value.

"It is also an error to suppose that checks and drafts to any very great extent take the place of *credit* money. It facilitates business for a man to be able to carry his check book with him instead of the danger and inconvenience of carrying a large roll of bills ; but the equivalent of each check he draws must be to his credit in bank to meet the check. If a man gives a check for \$100, and that check is transferred to six different parties and pays in that way six different debts in the course of the day, it does no more than a \$100 bill would have done. It, too, could have started on the rounds and paid the same number of debts. The check has no advantages over the bill in that respect.

"Where checks enlarge the use of credit money is in this: A bank may have had deposited with it \$1,000,000. It only keeps say \$400,000 on hand ; the banking and check system give greater utility to the \$1,000,000, but the necessity for *actual* money has not been decreased in the least—the expansion of credit money by substitutes only emphasizes its importance.

OUR FINANCIAL AND CREDIT SYSTEM

"Three lines of credits," continued COIN, "are built up on *primary* or *redemption* money.

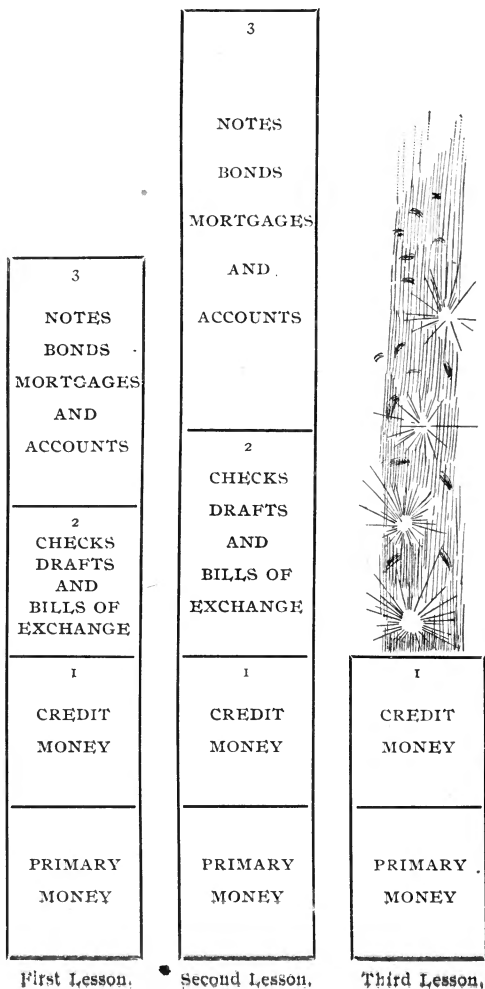
"*First* : Credit money—paper bills and all forms of token money—all redeemable in primary money.

"*Second* : Checks, drafts, bills of exchange, and other forms of like paper, payable on demand.

"*Third* : Notes, bonds, accounts, and other forms of credit, payable at a particular day in the future, or upon the happening of some contingency.

"A reckless era of business that extends either or both the *second* and *third* lines of credit beyond their normal volume may create a panic. Notes, bonds and

accounts become due that are not paid ; a lack of confidence arises resulting in the demand for all debts due for fear delay will endanger their collection.



"A run on banks during such a period is natural, and many of them go down for want of sufficient reserve to pay all money deposited with them subject to check.

"I will illustrate it."

As he said this he unrolled a chart, and as he proceeded he disclosed others, illustrating the relation of primary money to credits.

"The base section of these columns," he said, pointing with a stick at the illustrations, "represents *commodity or property* money. The next, or second, represents *credit money*. The third represents checks, and all forms of personal credits payable on demand. The fourth represents notes, bonds, mortgages, accounts, and all forms of debts calling for money, made when contracted payable in the future. Thus we have—one—two—three—sections of credit built up on primary money.

"The column marked FIRST LESSON presents a normal or healthy condition of things—a proportion which it would not be safe to greatly alter.

"The column marked SECOND LESSON shows a proportion brought about by over-confidence. It is what often happens when the country is prosperous. A man in ordinary circumstances finds that he can easily float \$5,000 dollars in debts; and as his business is prosperous, he increases it to \$10,000. This expansion becomes contagious. Cities, counties, corporations—all increase their debts.

"The column marked THIRD LESSON shows the result this condition produces.

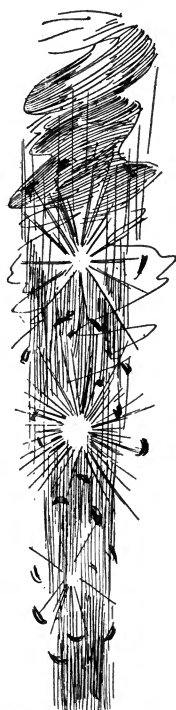
"In this instance which I have illustrated, the fault, or cause of the panic, has been entirely with the second and third columns of credit. Primary money and the first column—*credit money*—have not been at fault. Such panics are not of long duration.

"I now call your attention to the FOURTH LESSON, where the first, second and third sections of credit are all expanded beyond their proportion to primary money.

"The FIFTH LESSON shows the result this produces.

3
NOTES BONDS MORTGAGES AND ACCOUNTS
2
CHECKS DRAFTS AND BILLS OF EXCHANGE
1
CREDIT MONEY
PRIMARY MONEY

Fourth Lesson.



PRIMARY MONEY

Fifth Lesson.

"Panics thus caused are of longer duration, and more disastrous than the first. They breed distrust in the money of the country; and with those who do not distinguish between primary money and credit money, the prejudice raised goes to the whole financial system. When demonetization took place, the column representing *primary money* was reduced a small percentage over one-half—for convenience we will say one-half—and this half that was demonetized was added to the first column of credits—credit money. The people, a short time *before* this was done, had been prosperous, and had expanded abnormally columns 2 and 3. So we then had conditions as illustrated in LESSON SIX.

"Though previously based on the declared in-

tention to do so, actual resumption following the war, and a return to the system of property money, with credit money based thereon, did not take effect till January 1, 1879.

“For some time it was not generally known that silver was demonetized, and for many years since then its true position in our currency was disputed.

“It slowly dawned on the country that silver was neither fish nor fowl; that like Mahomed’s coffin it swung half-way between the floor and ceiling.

“Finally the silver men, pushing their cause, forced the declaration from the administration that all paper money was redeemable in gold or silver at the option of the *holder*. This meant that they demanded the most favored and valuable of the two—gold. The government had stored most of the silver and issued paper money on it, which was declared to be redeemable in gold.

“This cut the base of the column half in two, and left us with only half a foundation for our financial system.

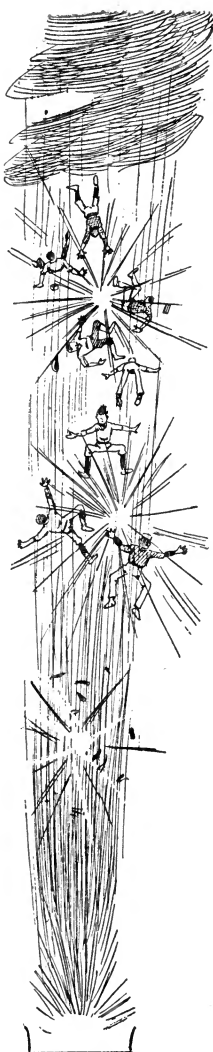
“This defined the position of silver as *token money*, and if not redeemed directly—gold for silver—the exchange of the silver for its paper representative would get the gold. The administration only wants a little more time to declare that silver is directly redeemable in gold—the true position of token money.

“In the meantime, during these years, all property gradually declined in value as

3
NOTES BONDS MORTGAGES AND ACCOUNTS
2
CHECKS DRAFTS AND BILLS OF EXCHANGE
1
CREDIT MONEY
—
PRIMARY MONEY

3
NOTES BONDS MORTGAGES AND ACCOUNTS
2
CHECKS DRAFTS AND BILLS OF EXCHANGE
1
CREDIT MONEY
PRIMARY MONEY

Seventh Lesson.



Eighth Lesson.

compared with gold. The decline was painfully steady.

“These conditions caused new debts to be contracted to pay old debts, and the volume of new debts were rapidly augmented.

“Those who could make nothing in their business borrowed money on their property to go into new ventures, and to meet their living expenses. Old debts were refunded.

“Falling prices continued, and borrowing continued until the spring of 1893, when the 3rd column of credits had grown enormously. It had now reached the incredible sum of nearly *forty thousand million dollars*.

“The bonded indebtedness of the railroads alone was five thousand million. Every town and city nearly felt the weight of a debt. Farms were

mortgaged. Property in the cities was nearly all mortgaged.

"LESSON SEVEN shows the condition with us in 1890, just before the Baring failure.

"LESSON EIGHT shows the panic as it began in 1890—the result of the portentous financial conditions that had been brewing for a long time. A financial storm was now on the country, the rigor and duration of which was to be unprecedented in the history of the world. For it not only involved the first, second, and third columns of credit, but primary money itself was involved under the enormous strain placed upon it.

"By 1893 the conditions had grown worse, and LESSON NINE will illustrate it. (Applause.)

"The best barometer of the storm now are prices of products and labor ; the first is still falling, and labor is not one-half employed. Judged by these the storm is growing worse.

"LESSON TEN will illustrate the present financial condition of the country. (Applause.)

"What is now needed is first to build up the redemption money of the country. By putting silver back in the column of redemption money we could increase it from its present volume of six hundred million to twelve hundred million. This amount of redemption money would warrant twelve hundred million of credit money.

"This would give us twenty-four hundred millions of money on a sound financial footing, or about \$34 per capita. Whereas we now have virtually less than \$20 per capita on an insufficient and unsound basis."

As COIN made this last statement he laid his right hand on the silver bell on the table, and as its clear notes rang through the room, a signal that the school

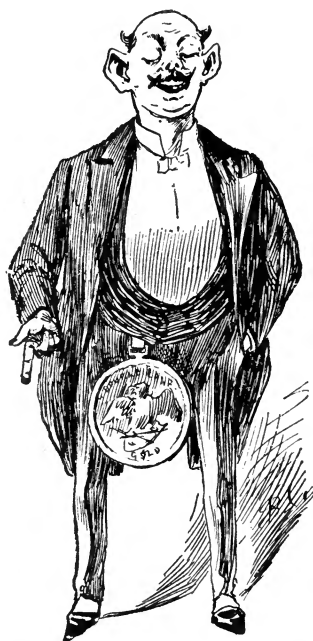


Ninth Lesson.



Tenth Lesson.

had adjourned for the day, a warm and hearty applause went up from a good percentage of the 2,500 people in the room.



A MEMBER OF THE FINANCIAL TRUST.

1 The East lays a trap for the West.



4 And the East rejoices over its easy victory.



5 But gets a shaking up it did not expect.



6 And the West goes up like a kite.

7 The West decides to get even.



8 Rags its revenge refuses to buy Eastern goods and gives the East a dose of its own medicine.



3 The West begins to feel the effect of the agitation.



JOINS HANDS WITH THE

SOUTH AND EVERYTHING

GOES LOVELY.





CHAPTER IV.

THE FOURTH DAY.

The comments of the morning papers on the third day's session of the school on the whole were favorable. The published accounts had been full and substantially correct, and the *Times* and *Inter Ocean* reproduced the illustrations that had been used.

In this way the proceedings of the school had been laid before thousands of readers, whose interest had been aroused, and long before 10 o'clock the hall was crowded, and standing room could not be had.

The *Inter Ocean* in an editorial had commented on the tilt between COIN and Mr. Walsh, the president of the Chicago National Bank, and claimed that COIN had floored the great financier, in his answer to Mr. Walsh's proposition, that the government could not by legislation add to the commercial value of a commodity.

The *Times* pronounced the statements of COIN unanswerable; and said that interested parties had purposely kicked up a dust about silver, obscured and misrepresented the facts, and when confronted were unable to make good their statements, or answer the arguments of the bimetallists.

All who had been there on the previous days and who came early enough to get in were there, and many new faces could be seen in the audience.

Objection was raised by the audience to free admission. COIN was asked to admit people only on tickets, so seats could be procured, and to charge \$2.00 a seat. This COIN agreed to with the understanding that the proceeds should go to the "soup houses" of Chicago, and this announcement was made just before the lecture for the day began, to take effect the next morning.

COIN had entered by a private door, and just at 10 o'clock came forward on the platform.

A DAY OF QUESTIONS.

He was met with a question at the beginning and it soon developed that it was to be a day of questions.

Professor Laughlin, head of the school of political economy in the Chicago University, an avowed monometallist, whose question had the attention of the whole house, said :

"You have stated since this school began, that so long as free coinage was enjoyed by both metals that the commercial value of silver and gold had never differed more than 2 per cent, and that this difference was accounted for by the disturbance of the French ratio and the cost of exchange. Am I right in so quoting you?"

"You are," replied COIN.

"Now, is it not a fact," said the professor, "that several times prior to 1857 silver coin sold at a premium as high as 8 per cent over gold?"

"Yes. That is true," replied COIN.

"Then why did you make the statement you did? And if what you now admit is true, then is there not liable at all times to be a wide margin between gold and silver which *free* coinage cannot control?"

"Professor," began COIN, with a smile on his handsome, young face, "I hardly think you are serious in

asking me that question. We were speaking of silver and gold bullion and not of silver coin. A demand often arises for small money. Suddenly change or small bills are found to be scarce in a large city. This was the case in New York last year, 1893, when silver dollars commanded a premium of 3 per cent—not because of the silver being worth more than a dollar—but because factories had to have small bills which they could not get to use in paying off their men. They paid the same premium for one and two dollar bills.

“A great inconvenience had arisen for the want of small money, and a premium had to be paid to get it. At the time you speak of, nearly all small money was made from silver, and on account of the French premium for silver our silver was leaving us. Small money was scarce, and frequently commanded a premium, not on account of the value of the silver bullion, but upon the demand for small money. Gold dollars commanded the same premium as silver dollars and fifty-cent pieces.

“If you are not satisfied with my answer I have the exchangeable quotations of silver and gold bullion at the time you speak of.”

The professor had taken his seat. He now arose to say that he was satisfied with the answer.

“I am glad these questions are asked,” said COIN. “These statements when used and not answered confuse the people.”

THE LATIN UNION.

Mr. P. S. Eustis, General Passenger Agent of the C. B. & Q. Railroad, wanted to know what nations constituted the Latin Union, that COIN had referred to as having a ratio of $15\frac{1}{2}$ to 1 prior to 1873.

"France, Belgium, Italy, Switzerland and Greece," was the reply.

"Then," said Mr. Eustis, "the Latin Union, Germany and the United States, by free coinage had maintained the commercial value of silver at par with gold?"

"Yes," was COIN's reply.

"And the United States," said Mr. Eustis, "was the first of these to attack silver and demonetize it?"

"Yes," said COIN.

Mr. Eustis took his seat, and some one near him was heard to mutter, "It was old John Sherman."

SUPT. OF MAILS ASKS A QUESTION.

Mr. J. A. Montgomery, Superintendent of Mails at Chicago, then arose and asked this question :

"What would silver and gold be worth if neither were used as money?"

"That would depend," said the little financier, "on what was adopted as money to take their place and the quantity of it. Primary money becomes the measure of all values; and the value of any other commodity is more or less, as the quantity of primary money is more or less. That is the reason you hear gold referred to now as the standard or measure of values.

"The most impartial way to get at what the value of silver and gold would be if not used as money would be to suppose there was no money of any kind.

"Then there would be no measure of values, and only an exchange value would exist. If under these circumstances the arts and sciences progressed, the demand for silver and gold would cause other property to be exchanged for it, and as they are used in so many ways in the sciences and arts, and for domestic and

ornamental purposes, it is reasonable to suppose they would have an exchange value equal to any other scarce property for which there was a demand.

“ When it is considered that they are both precious



WILLIAM PENN BUYING PENNSYLVANIA.

metals—neither found in even or regular veins, and difficult and expensive to mine—it is not unreasonable to suppose that great store would be placed upon their possession when refined into the pure metal.

“ Brass, copper, and other metals than silver and gold,

with anything like their specific gravity, discolor the skin when worn as ornaments.

“When we consider that the native Indians of this country were known to give up large quantities of valuable property *in exchange* for a few trinkets and ornaments, and that large domains of land were purchased in this way, it is natural to believe that a civilized man would give up as much as a bushel of wheat for the amount of silver in one of our silver fifty-cent pieces when fashioned into a ring.

“Cups, pitchers, spoons, table knives, and other forms of table ware made from or plated with silver or gold, will not stain either the liquids or food. Their use in manufacture, chemistry, and some other branches of the arts and sciences are now regarded as indispensable, and more than one-half of the total output of the world is so used.

“It has been said that silver and gold have no intrinsic value ; this is not true. They are the only things used by Webster in the copy of his dictionary which I have to illustrate the meaning of the word ‘intrinsic.’

“But exchange value, in the sense that a civilized or uncivilized person will barter or trade one property for another, is the primary value of all property.

“Iron cannot be used for food, but its utility gives it an exchange value. Silver can be utilized for many mechanical purposes for which iron serves, and can be adapted to a thousand uses where iron would not be suitable.

“Therefore, what the value of silver and gold would be if not used as money, to be expressed in dollars and cents, would depend, first, on what the new unit or dollar was, and then the abundance of the material from which it was being made ; but when established, they would,

I think, have a value relatively with other property not much different from what they have had as the world's money."

COST OF PRODUCING SILVER.

Mr. M. L. Scudder, Jr., asked this question :

"Is it not a fact that silver can be mined for fifty cents an ounce, and does not the cost of production regulate its value?"

COIN replied as follows :

"It is not a fact that silver can be mined for fifty cents an ounce. In some particular mine, for a time, it may be mined for fifty cents an ounce, or less; just as gold has been mined for a time in Australia and California for ten per cent of its value."

"You must not judge of the cost of mining precious metals by any one mine; or by mining coal, iron, or other metals and minerals that lay in even veins. The latter class is demonstrated by geological formation and experience to be reliable in quality and quantity; works are erected, and conservative management and business judgment are safely applied to its production.

Not so with silver and gold mines. They are most unreliable in both quality and quantity. Costly buildings and machinery are often erected to economize the mining of the ore, only to find no mine to operate by the time the buildings are completed and the machinery is working.

"Silver and gold are found in uneven and broken veins and pockets. Sometimes the 'pay streak' is a foot wide, to narrow down to an inch a few feet farther on. A single blast has been known to 'blow out' a mine—and with it the hopes of those who before the shot was fired thought they were millionaires.

"A silver mine that will assay 100 ounces to the ton at 200 feet depth, has been known to run only 10 ounces at 400 feet depth. The Yankee Girl mine in Red Mountain, Colorado, was a heavy dividend payer, at 300 feet, and the ore was too low grade to pay to hoist at 800 feet. The Comstock mines changed at 1,600 feet from high grade to low grade ore. The reverse is just as often true. Mines that are low grade near the surface are high grade with depth.

"It is estimated by all men of judgment who have given practical attention to mining, that the silver now in existence has cost not less than \$2.00 per ounce, and many put it much higher.

"Mining for silver and gold has a speculative and gambling feature to it, that will lure men on notwithstanding the great cost, because a few 'strike it rich'; just as men will speculate on the Board of Trade, though in the end ten lose to where one gains. If Mr. Scudder's proposition were true, you would all be engaged in silver mining.



SAM B. RAYMOND.

"But your presence here gives me an opportunity to forever set this question at rest. I am sure that in so large an assemblage of wealthy Chicago men, many of you have had some experience in silver mining. Now, if all of you," and COIN began to smile, "who have lost money in mining for silver will rise to your feet, I will then call on those who have made by it to stand up also."

The applause indicated clearly that the young economist had clinched his point; and the smile that went round told that the shot had gone home.

Sitting in the assembly were many prominent Chi-

cago citizens who had invested in silver mining and had made a sufficient test to satisfy themselves both as to the risk incurred and the cost per ounce of mining silver.

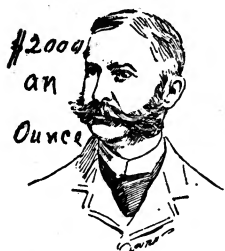
A GREENBACKER.

Mr. E. R. Ridgeley, of Ogden, Utah, who was in the audience, said he would like to ask a question.

"Proceed," said COIN.

"I want to know," said Mr. Ridgeley, "if it is not practical to maintain a purely greenback system."

"Yes," said COIN. "The only theory, however, on which a purely greenback or paper money system might be maintained would be to do away with a redemption money entirely. You cannot have both without the redemption principle applying. The money with a value in itself becomes the most preferable, and must stand behind the other.



WILLIAM T. BAKER.

"You cannot maintain two kinds of money at a parity, when one has a commercial value and the other has none, except by making one redeemable in the other.

"But you might have a purely paper money. The method would be to have no redemption money and to make it legal tender in the payment of all debts public and private.

"Limit it in quantity by fixing the amount at so much *per capita*. Maintain the volume at that as population increased, and from time to time provide for what had been destroyed. The fact that it was limited in quantity, and the uses for which it was intended, would give it a value, and make it a measure of values, and a serviceable medium of exchange.

"Silver and gold would be treated as any other merchandise, and would be purchased at their market value, and exported to other countries, where they might be used as money, or for use in this or other countries in the arts and sciences."

"Then," said Mr. Ridgeley, "what objection is there to such a system?"

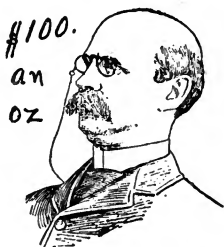
"The objection which is urged," said COIN, "is this: So long as there was confidence in the government, it would be a sound, stable money. But so soon as confidence in the government was shaken it would depreciate in exchangeable value."

When the danger became imminent that the government was not able to enforce its legal tender character, having no commercial value, it would become more or less worthless.

"The paper or substance out of which it is made, would have no exchangeable value, unlike money made from a valuable commodity; when much disturbed by a lack of confidence it would fluctuate in value; and if the government went down it would be entirely worthless."



MARTIN J. RUSSELL.



GEORGE H. WHEELER.

"But," said Mr. Ridgeley, who was still standing: "Isn't it a fact, that when war, and great disturbances come, that redemption money disappears, and paper money takes its place anyhow? So are not the

people at such times embarrassed with a paper money fluctuating with their confidence in the government, and saddled with a worthless paper money if the government goes down, and does the use of silver and gold as money ever prevent this condition from arising?"

"The use of redemption money," replied COIN, "does not prevent the conditions you describe. Paper money always takes its place at such times. The people, however, are not injured by it. They store away their good money—and have it in their possession ready to use at any time, and it becomes especially useful if the other money should become entirely worthless.



GEN'L JOHN C. BLACK.

"After the use of redemption money ceases because of war, every one is on the same footing. As the paper money fluctuates from day to day, all are taking chances alike. If it becomes wholly worthless, all have suffered more or less proportionately, and primary money immediately takes its place.



ROSEWELL MILLER.

"This latter is true, whether a new government is founded on the ruins of the old one at once or not. There may be a long interregnum, as in France toward the close of the last century, when one form of government was from year to year almost, substituted for another. No one knew what was coming next. No stability was in the government itself. During such a period, which may last for

years, it would be impossible to make paper money circulate. But money made from property having a commercial value would circulate, and would assist materially in restoring order and civilization. In fact, it would be hard to restore civilization without its use during such a period.

"We are approaching such a period now, unless wise statesmanship shall intervene; commodity money—silver and gold—will be our only money, and will have to answer the purpose of a medium of exchange until a stable government can get on its feet and issue *paper* money.

"All know and feel the necessity of money, and if chaos comes in this country, it may be years before there is another government sufficiently established to give confidence generally to its issue of paper money.

"In the meantime silver and gold coin will be the only thing on which we can rely for money, and of the two silver will be as it always has been, the greatest friend of the people."

MONEY BASED ON LABOR.

J. R. Sovereign, Master Workman of the Knights of Labor, who had a seat on the platform, now asked a question:



J. FOSTER RHODES.

"You have given us the theory and science of money," said Mr. Sovereign, "as based on *property*. I want to know if it is practical to issue a form of credit money based on *labor*?"



CHARLES NAGL.

"Yes," said COIN. "It is practical, and, to the extent to which it could be brought into use, would be on a parity with other forms of money based on property."

"Suppose the government owned and controlled all the railroads—it could issue paper money redeemable in services. That is, it would be good in the payment of freight and at all the ticket offices."

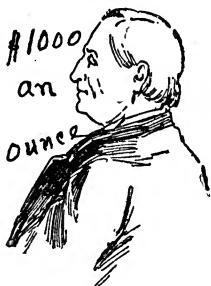
"If the passenger and freight business of the country amounted to \$1,100,000,000 a year, which is the case at present, then that amount of paper currency thus redeemable could be safely kept in circulation. The supply would have to be limited—so that confidence would be maintained in the ability of the government to redeem it, in a reasonable time, if called upon so to do."

"This would be credit money redeemable in labor. It should also be made legal tender, and differ in no respect from credit money redeemable in property—silver and gold—except as to the nature of redemption."

"Naturally it would circulate side by side with the other form of credit money, inside of the United States, and in the payment of freight and purchase of transportation, no discrimination would ordinarily be made in the form of money used."



WILLIAM LINDSAY.



JOHN S. COOPER.

"If confidence in the existence of the government should be shaken by wars or disintegration, as such a danger arose, this form of money would be assorted out

from the other and redemption could take place, and no one would suffer by it.



J. M. ROACH.

"It would be as sound a currency as credit money based on property.

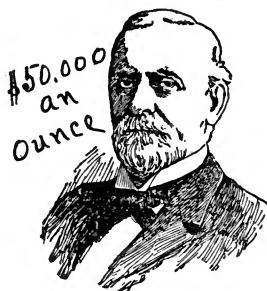
"It would be put in circulation by the government paying it out to its employés.

"The postage stamp is based on the principle of redemption in services, but is not issued in suitable form for currency, and yet it is frequently used in small remittances in letters as such.

"A form of credit money could now be issued resembling our paper bills, redeemable in postage stamps."

"How much?" asked Mr. Sovereign, whose face had worn a broad smile during the answer to his previous question.

"The total annual postal business," said COIN, "of the government for last year was about \$75,000,000. This amount would circulate at par, with other money—how much more I would not now undertake to say. It would be redeemable in postage stamps, just as the other would be redeemable in railroad passenger tickets, or receipted freight bills.



POTTER PALMER.

"This would be money based on labor."

NO SPECIAL ADVANTAGE TO SILVER STATES.

COIN was here interrupted by President Struckman, of the Board of County Commissioners, who said :

"Is it not unfair to give the owners of silver bullion the special privilege of having the value of their property enhanced? Is it not virtually making a present of millions of dollars to the owners of silver bullion by re-monetizing silver? Is this just or right?"

"In the first place," replied COIN, "whatever you select as primary money should be treated distinctively different from all other property. It should not be left on the market to be bulled or beared. Otherwise you cannot have a stable money.

"Free coinage at a fixed quantity to constitute a dollar does take it off the market, and that is what is necessary in the treatment of a money metal. That is the way gold is now treated, and silver should be so treated.

"But your statement is not true. Silver men are not benefited by re-monetization except in common with others. Silver is now worth about 60 cents an ounce as measured in the new standard—gold. It was worth \$1.29 per ounce under free coinage. The owner of silver bullion can now buy as much with an ounce of silver as he ever could.

"An ounce of silver bullion would buy a bushel of wheat in 1873, and it will buy a bushel of wheat now. Two ounces of silver bullion would buy a day's labor in 1873, and two ounces will buy a day's labor now. *Three* ounces of silver bullion would buy a keg of nails in 1873, and *two* ounces will buy a keg of nails now. An ounce of silver bullion would buy 16 yards of calico in 1873, and it will buy 16 yards of calico now.



PRESIDENT STRUCKMAN
ASKS A QUESTION.

“The exchange value of uncoined silver with the other products is substantially the same now as it ever was. Where silver producers are hurt is only in common with all producers — stagnation, falling prices, paralysis of business, and confiscation of property by taxation and debts that *do not shrink* with all other values.”

COIN's answer was satisfactory. This was evident not from applause, for there was none; but from the intense stillness and breathless attention. It was also attested from the further fact that there sat in the audience men ready to leap upon him at the least show. His answers had to be absolutely convincing, or an antagonist was there ready to puncture the weak places. Not one opened his mouth. COIN was like a little monitor in the midst of a fleet of wooden ships. His shots went through and silenced all opposition.

PROFESSORS OF POLITICAL ECONOMY.

There was Professor Laughlin still irritated at his unsuccessful attack on the little bimetallist. As the professor in a chair of political economy, endowed with the money of bankers, his mental faculties had trained with his salary, but his views had been those of theory. Those views now encountered the practical statesman. He moved nervously in his chair, but said nothing.

Here was a study and an object-lesson. Combined capital all over the world had been using professors of political economy to instruct the minds of young men to a belief in the gold standard. This is not hard to do, as these students, being young, their minds are easily molded. The error is planted deep and strong.

Anything can be proved by theoretical reasoning. In the practical application of a theory is the proof of

its strength. The gold standard, now fitted to a shivering world, is squeezing the life out of it. The men of the country, the backbone of the republic, on whose strong arms the life of the nation may depend, are delivering over their property to their creditors, and going into beggary. This is the test proof of the beneficence of monometallism.

There sat a representative professor on political economy, at home when with his school boys, but powerless and confused in the presence of an adversary who courted his questions, but which he knew it was useless to propound.

"You do not enrich the people of the silver states one cent by the remonetization of silver," continued COIN, "except in common with the people of the state of Illinois, and of the whole United States.

"You increase the value of all property by adding to the number of money units in the land. You make it possible for the debtor to pay his debts ; business to start anew, and revivify all the industries of the country, which must remain paralyzed so long as silver as well as all other property is measured by a gold standard.

Mr. Struckman interrupted COIN to say, that the answer to his proposition was entirely satisfactory. That the reply given had never occurred to him, simple as it was. That he wanted to say further, he considered that the people of Chicago had been imposed on by some of their great newspapers ; what private object they had, or whose interests they were serving, he did not know ; but they had misrepresented the silver question. He felt better to make this open confession, and he thought other gold-bugs would feel better if they would do likewise.

IMPROVED FACILITIES.

Mr. Kirk, President of the American Exchange National Bank, was now seen standing up, and COIN stopped to hear the question he was about to put.

"Have not the improved facilities for production," asked Mr. Kirk, "caused a general lowering of prices, and is not this mainly responsible for the gradual decline since 1873?"

COIN replied :

"Improved facilities for production have not been continuous when applied to any one article in the sense of explaining the decline in prices.

"Nearly everything except gold has declined largely in the last two years—the average is about twenty-five per cent—and it may be said that little or no improved facilities have come into use during that time. Demonetization and the collapse of our financial system seems to have paralyzed the hand of even the inventor, and yet values continue to decline.

"Improved facilities as a rule do have a tendency to lower prices, but it is only an incident, and not the cause of the overthrow of our industries.

"When the demand is greater than the supply, prices may advance at the very time that improved facilities for production are in progress.

"Improved facilities for mining gold, both in the placer and quartz mines, are continuously being applied ; and yet the value of that metal, in purchasing power, is continuously rising.

"Take the case of wool. There has been no improved facilities for making it grow on the backs of sheep, or of shearing them, in the last twenty years, and yet wool is only about one-third the price it was a few years ago. It, with many other articles that can be put

in the same class, have been steadily declining in price as expressed in terms of dollars and cents.

"A gentleman from Oregon, now in the audience, tells me that he has lately seen horses in his state sell at auction for 75 cents each. And that horses in droves have been offered there recently at one cent a pound at private sale, with no one willing to take them. It can not be said, that there are any improved facilities, for raising horses."

THE TARIFF PROPOSITION.

Mr. H. H. Kohlsaas, late proprietor of the *Inter Ocean*, now said that he wanted to say something, and as he had COIN's attention, immediately proceeded to state the tariff proposition. Mr. Kohlsaas claimed that the threat to reduce or abolish tariff, in his opinion, had more to do with the hard times than anything else. That since attending these lectures he had more than ever recognized the damage demonetization had done ; but he still thought the tariff an important question.

In replying COIN admitted that a large business interest was more or less disturbed when it was proposed to change the tariff schedule. With manufacturers it was not so much a question of how much the tariff is, as what it is, and so long as that was in doubt it was a disturbing element.

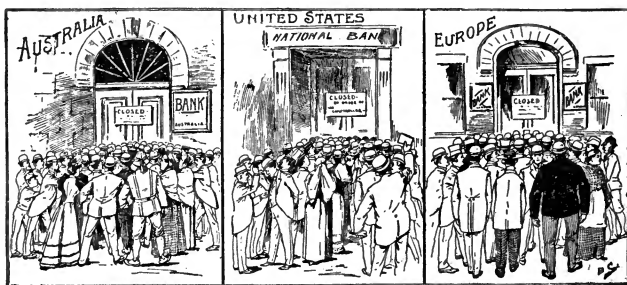
"But," said COIN, "we are trying to get at what is the main or underlying cause of our present industrial demoralization, and tariff, pro or con, will not account for it. Our decline in values has been going on steadily and persistently since the demonetization of silver. During that period we have had different tariff bills, and of late years a very high tariff schedule, and yet it has had no effect in stopping the fall of prices.

"What more clearly than anything else demonstrates that tariff is not the trouble we are searching out, is that the same business depression existing in the United States also prevails in Europe, Australia, and all countries where gold has been made the standard and measure of values.

"To see only our own trouble, and attribute it to local causes, is to be like the narrow-minded Chicago man who attributes the present depression, to the World's Fair.

"The *Chicago Post* published the following the other day from the *San Francisco Chronicle*, that will forcibly illustrate my answer to this question ;" and COIN read the following :

The *San Francisco Chronicle*, says advices from Australia by the steamer *Warrimoo* show an alarming increase in casualties, crimes and acute distress. The police are unable to cope with



BANK PANIC OF 1893.

ALL GOLD STANDARD COUNTRIES AFFECTED.

desperate housebreakers, who swarm in the large cities. A few that have been arrested give as an excuse that famine drove them to deeds of violence. Several of the policemen attacked by burglars at Sydney are dying. The survivors have been promoted and given bonuses by Sir George Gibbs.

On one day last week at Sydney, besides a score of petty robberies, the City Hospital was robbed of all its valuables by nurses;

Mercredie & Drew, manufacturers, were robbed of fifty thousand dollars by employes; F. Coxon, merchant, was robbed by an employé of a large sum. Three young women succeeded in passing a number of counterfeit checks. Charles Graham, a post-office clerk, embezzled two hundred dollars from the postoffice.

The government's claim is that the unemployed problem is too complicated to solve. In Sydney five hundred dollars each week is spent in aiding five hundred families. Five thousand men in South Australia asked the Governor to call a special session of Parliament to discuss means to aid them. The Governor refused. Then they waited on Premier Kingstou, but the Premier would promise nothing. He told them that though they were in want of food, they had refused to break a yard and a half of rock per week for rations, and he could do no more. The delegation said that they would not break rock for food alone.

Thousands are sleeping in the open air and several have starved to death. At Bourke Afghans and Europeans quarreled over a division of labor, and a bloody row occurred. The most tragic suicides out of ninety-eight in one week, directly the result of hard times, are: F. W. Wilson, the biscuit manufacturer of Brisbane, shot himself; William O'Connor, lodger in the European Hotel, Melbourne, jumped from the fourth story and dashed his brains out on the pavement; Kate Brooks, a pretty English girl, starving, got drunk and killed herself with poison; Joseph Bancroft, a miner, out of work, said good-bye to his family and exploded a cartridge in his mouth.

As COIN closed the reading of the extract from the *San Francisco Chronicle*, Mr. Joel Bigelow asked him to read an extract from a paper published in London called "*The Colonies and India*" which Mr. Bigelow then had in his hand. COIN consenting, Mr. Bigelow came forward with the paper, and COIN read the extract as follows:

One of our contemporaries asks: "What is the most constant standard of value in existence?" There can be but one rational answer, in fact—viz., silver. The value of a ton weight of silver on any given day—whether expressed in £. s. d., in dollars and cents, in francs, in marks, or in rupees

and pice, and (compared on the same day with) the sum of the market prices of standard test quantities of each of one hundred varieties of the most generally-dealt-in commodities of the market, also expressed in the same money terms—have by statistical observation and many hundreds of official tests, practically been found the constant equivalent, on the same market, of each other during the last five and twenty years since the system of “index numbers” was invented and applied to this branch of national business. This fact stands officially recorded. For Great Britain the Board of Trade publishes tables which prove it, and such, or their own private statistics, are regularly printed in leading commercial journals. Continental scientists also regularly publish their independent statements of these “index numbers.” The truly marvelous fact above stated is thus capable of absolute verification by each one for himself, and if this does not prove silver to be the true and world-wide standard of value then there is no significance in facts. The metal gold, on the contrary, tried by the same supreme test, shows itself to be in no sense a “standard” of value, for it jumps about like the mercury in a barometer with every movement of the commercial atmosphere, its vibrations—to speak within the fact—having dodged about, up and down, as much as 20 per cent. down from a given point and then back to that point, and then 20 per cent. up from that same point, all within the short space of 40 or 50 years! How in the name of commercial sanity, how with a profession of national honesty, how with a claim to the meanest common sense, the Government of England continues to oppose the restoration of our ancient, proved, and only honest standard of value passes the wit of sane onlookers to understand.

MAYOR HOPKINS ASKS A QUESTION.

Mayor Hopkins wanted to know what effect the adoption of the gold standard by the governments using it had, if any, on those nations using a silver or bimetallic standard. What effect, if any, it had on their prosperity?

COIN's reply was: “If a bimetallic or silver standard nation, or its people, are largely in debt, with the obli-

gations payable in gold, the effect is serious. Take our South American republics to illustrate it: During the last 30 years they have been getting deeper and deeper into debt to England, and during the last 25 years these debts have been made payable in gold.

"Each year, with the advance in gold it takes more and more of their products, or silver, to pay the gold bonds; they must give up in silver \$1.25 to pay \$1 in gold—\$1.50 in silver to pay \$1 in gold—\$1.75 in silver to pay \$1 in gold, and so on, as the purchasing power of gold advances; and at the present time \$2 in silver to pay \$1 in gold.

So that a bond for \$100,000 executed by them when silver and gold were at a parity, payable in gold, must now be met by the payment in principal of \$200,000 in their money. That is—to raise the \$100,000 in gold, they must sell 200,000 of their silver dollars. You will notice in the London Financial reports the price of Mexican dollars as 50 cents or 49 cents as the case may be; which means that about two Mexican silver dollars are accepted in payment for one dollar in gold settlements.

"The bonds of these countries both national and private are held in England for large amounts, and the enhanced value of gold is having a very serious effect on their prosperity. We are now an ally of England in depressing the price of silver and enhancing the value of gold.

"We are paying England 200 million dollars annually in gold in the payment of interest on our bonds, national and private, owned by her people, and to meet this annual interest *we* are giving up about 400 million dollars in property that is required in the market to secure the 200 million in gold.

"Our silver dollars are at par with gold by reason

only of our enforcement of the gold standard—redeeming silver with gold. Otherwise we are with reference to debts in the same fix as our Southern neighbors, with this difference; while they settle their foreign debts only in gold, we settle *both foreign and domestic debts on the gold basis*, and in each instance part with about two portion of property in settlement for one portion of debt.”

And with this COIN announced the close of the lecture for the day.

As he did so Mr. Stone, secretary of the Chicago Board of Trade, stood up in his chair in the center of the hall, and addressing COIN, said:

“The members of the Board of Trade would like to attend to-morrow’s lecture, but the regular session of the board lasts till 1 p. m.; if it could be arranged to have the ‘school’ open at 2 p. m. instead of 10 a. m., it would make it possible for us to be present. And in that event I am commissioned to buy three hundred tickets for to-morrow’s lecture. We feel a special interest in what shall take place here to-morrow, as I am creditably informed the price of wheat will be discussed.”

COIN consented to the request made by Mr. Stone, and the time for opening the school on the next day, Friday, was set for 2 p. m.

Mr. H. M. Milliken, a young bimetallist was selected by COIN as manager and treasurer of the hall under the new system adopted of charging for seats. Mr. Stone at once selected and paid for three hundred seats, to be occupied by members of the Board of Trade.



CHAPTER V.

THE FIFTH DAY.

It was a day of bulls and bears.

Tickets for seats had been printed the evening previous, and the ticket office had been opened in the morning.

Under Mr. Milliken's able management, notwithstanding the great rush, everything proceeded orderly; and after the seats were all sold, tickets for standing room readily brought the regular price, until the hall was packed. There were fully 3,000 people in the audience at two o'clock, when COIN appeared on the crowded platform.

The morning papers had twitted Professor Laughlin with his attempt to trap the little bimetallist by an unfair question, and the *Times* cited it as a sample of the methods used by the monometallists in their campaign of misrepresentations.

Lengthy comments were published editorially on the proposition of credit money based on labor, to be redeemed in services by the government.

The *Inter Ocean* said, editorially :

This kind of money would relieve the volume of money now used in transactions with the numerous postoffices of the whole United States. It is no inconsiderable amount that is now required to perform this business, and the country would readily absorb a supply sufficient for a year's use in advance.

The *Record* said :

The idea of money based on labor is a new one, but the plan is so practical and sensible, we can see no objection to it. To enlarge its use necessitates the government ownership of railroads. Government ownership of the telegraph lines would also add to the quantity of this class of money. It would certainly be sound money, redeemable in value received in the way of services.

There would be no serious objection to government ownership of railroads and telegraph lines if all of the employés were disfranchised. If they had no power to vote there would be no danger of *Cæsarism* from them. If the country was prosperous, and all branches of business were lucrative, the number of people desiring to hold a government situation would be materially reduced.

COIN's answer to Mr. Scudder, as to the cost of producing silver, was approved by all the papers except the *Tribune*. But as that paper has become the unblushing defender of the classes, on the income tax, bribed and unjust property assessments, and every other iniquity that bears heavily on the many and favors a few, little importance was attached to what it said.

The monometallists that were such from personal interest had been piqued and disappointed at the headway the little bimetallist was making. His lectures were having an influence that speeches, books and articles could not have, as he was challenging contradiction of his statements. With such an audience of students of finance, authors and bankers, these statements became admitted facts, that in their judgment were dangerous to their cause.

Two columns had been erected on the platform for this morning, and each of these were surmounted by a sheaf of wheat. This was due to the good taste of Mr. Milliken, by whose direction it had been arranged.

Three globes were on the platform. One was very large and the other two were very small.

The little economist began his fifth lecture with a compliment to the Chicago Board of Trade, as the **greatest institution of its character** in the world. He then proceeded as follows :

“The total value of all the property in the world is about 450,000 million dollars.

“The available silver and gold money of the world combined is about 7,500 million dollars. The available gold money in the world is about 3,750 million dollars.

“Their proportion in values to each other is represented by these three globes.” COIN pointed, as he said this, to the three globes on the platform by him, and then picked up the two smaller ones and held them in his hand that the audience might see them. He then continued :

“The large one represents the value of all the real and personal property in the world; the larger of the two small ones represents the face value of the silver and gold in the world available for use as money; and the smallest represents the amount of gold in the world available for use as money. The proportion of these globes to each other is in the same ratio as the figures I have named.

“The large one is 60 times as large as this one,” indicating the second in size, “representing silver and gold, and is 120 times as large as the small one which represents gold. In estimating this wealth of the world, property in some countries has been measured in a silver standard, in others in a gold standard, and in others in a standard gradually shifting from a bimetallic to a gold standard. All are based on figures of 1890.

QUANTITATIVE THEORY OF MONEY.

“The value of the property of the world, as expressed in money, depends on what money is made of, and how much money there is.

"All writers on political economy admit the quantitative theory of money. Common sense confirms it.

"To be correct this theory should always be applied to the quantity of redemption money.

"The issuing of wheat certificates against the wheat in your elevators, does not increase the value of the wheat; and the credit money issued against the redemption money, does not increase the value of property. It facilitates business based thereon. It enlarges business—not values.

"The exchange value of primary money, for the property of the world, and *vice versa*, fixes the comparative value of the two.

"So if the quantity of *money* is large, the total value of the property of the world will be correspondingly large as expressed in dollars or money units. If the quantity of *money* is small, the total value of the property of the world will be correspondingly reduced.

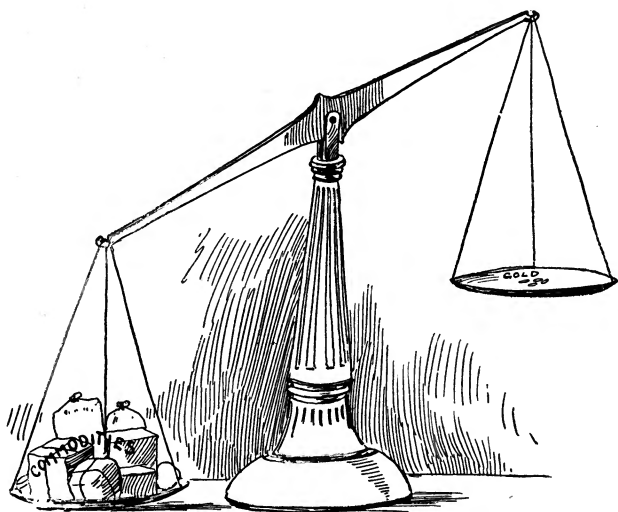
"Property measures its value in money, and money measures its value in property. Money may increase in value by reason of its scarcity. When this is the case it buys more property—property buys less money.

"The same law of supply and demand applies to it as applies to any specific class of property. You are of all men most familiar with that law of trade.

"If a certain number of bushels of wheat, is a normal supply for the world's use, and only half that quantity of wheat is produced, what is the result? Wheat is worth about twice as much per bushel as if the normal amount had been raised. A bushel of wheat will buy twice as much money as it would have bought if there had been a normal quantity.

"This rule applies to money. If there is a normal quantity, it measures its value in property at a certain

price, subject to supply and demand affecting property only. If a normal quantity of money on a sound financial basis is maintained, values of property, and debts with reference to the time of contraction and payment, will be equitably adjusted, and fluctuations in values will depend



GOLD UP, AND COMMODITIES DOWN.

on locality, and supply and demand of property, not money.

“At present the redemption money of the world in some countries is silver, and in some gold. Until recently the two were combined as primary money in most of the world under a law of free coinage, as we have before considered. Now silver is being destroyed as primary money, by a general movement that is deranging the

commerce of the world, and the stronger nations are compelling the silver-using nations to settle with them on the gold basis.

"It is therefore proposed by the monometallists to measure the value of all property in gold, and to settle all debts in gold or in money redeemable in gold. If our debts were payable in wheat, wheat certificates which you handle every day would answer the same purpose, but the wheat would have to be in existence. So it is, if our debts are payable in gold—if paid in other money *it* must be as good as gold. To be as good as gold the other money must be redeemable in gold, just as your wheat certificates, are redeemable in wheat.

QUANTITY OF GOLD IN THE WORLD.

"This policy rests upon the quantity of gold in the world.

"To carry out such a financial policy the world has, as reported by the director of the U. S. Mint, about 3,750 million of dollars in gold. Under any calculation it will not exceed at the present time 3,900 million dollars.

"But let us take the larger figure, 3,900 million dollars, and see what this amount means.

"The population of the world in 1890 was about 1,400 million. It is a *per capita* for the population of the world of about \$2.50. In bulk it is about one-half the size of this nickel I hold in my hand." And as COIN said this he held up a 5-cent piece between his thumb and forefinger.

"The whole 3,900 million dollars of gold in the world, cast into cubic foot blocks, can be stacked up in the corner of this room in a space 22 feet square and 22 feet high, and space enough will be left of the 22 feet each way to box it in."

COIN here directed two boys, with a stick and tape line in their hands, to go to the corner of the room and measure off 22 feet square.

This they did, with the assistance of the people sitting there ; measuring from the corner 22 feet each way along the walls, and then out from those points 22 feet parallel with the first measurements. At this point the stick that one of the boys was carrying was placed in a perpendicular position, with the tape line reaching each way 22 feet to the walls.

COIN, continuing, said :

“ That stick is 22 feet high, and the inclosure indicated by it and the tape line is the cube of 22 feet. *That space will hold all the gold in the world obtainable for use as money !* ”

COIN had spoken the last few words slowly but with great emphasis. A buzz of conversation went around the room with expressions of disbelief—such as “ impossible,” “ it cannot be.” Many had risen to their feet. Professor Laughlin was scratching his head. A mild state of sensation pervaded the entire room. The bimetallists were excited, but smiling, for they felt confident the little financier could not be cornered. In fact, he now had gold in the corner.

“ A cubic foot of cast gold,” continued COIN, after waiting for the effect of his last words, “ weighs 19,258 ounces ; multiply this by 480, the number of grains in an ounce, and you have 9,243,840 grains.

“ This gives you the number of grains in a cubic foot of gold. There are 23.22 (to be exact) grains of gold in a dollar ; divide the number of grains in a cubic foot by this, and it gives you the number of dollars, viz.: \$398,098 in a cubic foot of cast gold.

“ Now as there is \$398,098 in a cubic foot of gold, by

dividing this sum into \$3,900,000,000, the outside estimate on the total gold supply of the world, we get as a result 9,796 cubic feet. The next question is, how much space will 9,796 cubic feet occupy. Instead of extracting the cube root, which would be unintelligible to many, we will do it this way."

And with this he turned to the blackboard and multiplied 22 by 22, and that result by 22 again—thus giving the number of cubic feet in a space 22 feet each way. The result was 10,648.

"You see," said COIN, "a space 22 feet each way, such as I have marked off in the corner of the room, contains 10,648 cubic feet.

The total number of cubic feet of gold in the world is 9,796. So we could put it all in that inclosure, and have 852 cubic feet of space left, which you will admit is enough to box it all in, without requiring any more of the space of this valuable room than the 22 feet.*

"This block of gold could be put in the wheat pit of the Chicago Board of Trade," continued COIN, looking down at the members of the Board of Trade who had front seats, "and you could go on buying and selling wheat without its seriously interfering with your business."

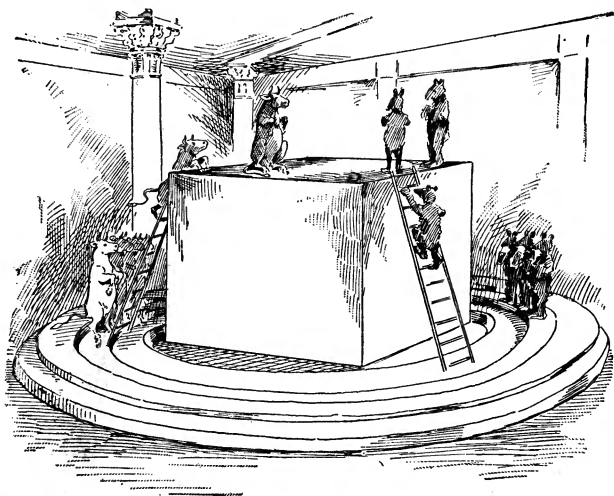
With this COIN paused, and another buzz of conversation went around the room. Excited astonishment was upon the faces of all. There stood the figures, and no one could longer disbelieve.

MEASURING THE GOLD.

"I will show you," he continued "how you can test this statement in a simple way. It is best that not

*A cubic foot of water weighs 1,000 ounces. The specific gravity of cast gold is 19.258. Of silver 10.474. To get the weight of a cubic foot of gold or silver multiply 1,000 by these figures respectively.

the least scintilla of doubt should remain in your minds as to the truth of any statement that I make. The people have been too long deceived by misrepresentations ; the world has been brought to its present condition of misery by deception on this subject and we must depend on truth to find permanent lodgement in your minds to root out the falsehood.



ALL THE GOLD OF THE WORLD IN THE CHICAGO WHEAT PIT.

"I have here the teller of the Metropolitan National Bank with 125 twenty-dollar gold pieces, the number necessary for this simple test."

As COIN said this the teller of the Metropolitan National Bank stepped forward with a sachel in his hand. COIN then laid a foot-rule down on the table and placed 9 twenty-dollar gold pieces by it. Those on the platform gathered around, while he explained to the audi-

ence that nine twenty-dollar gold pieces placed in a row was one foot long, and that hence eighty-one of them would go in a square foot.

He then stacked up the gold pieces a foot high, placing the rule by the side of them, and announced that the 125 in the stack measured one foot.

And then said :

"Multiply 81, the number in a square foot, by 125, the number in each stack, to make them all a foot high, and you have as a result 10,125 twenty-dollar gold pieces. Multiply this by twenty, the value of each, and you get the value of this cubic foot of gold coins, viz., \$202,500.

"A cubic foot of gold coin has in it 10 per cent of alloy ; this, together with the unoccupied space between the stacks of coin, is nearly as much space as that occupied by the pure gold in the coins. So you can see that if it was pure solid cast gold the cubic foot would contain the \$398,098+.

"All the gold in the world cast into solid blocks may be stacked behind the counter of the Metropolitan National Bank."

COIN then turned to the teller and invited him to a seat on the platform until he reached the silver illustration.

"Most of your offices would hold it all," COIN began again.

"It is in this quantity of gold that it is proposed to measure the value of all the other property of the world. Its significance is written in our present low prices and depression in business.

"When the transformation now going on in India, which is changing her from the silver standard to a gold standard, and when Mexico and South America, and the

balance of the world are added to the gold standard, should such be the case, one pinch from that block of gold the size of a gold dollar (one-twentieth of an ounce) will be so valuable that it will not only buy two bushels of wheat, as it does now, but it will then buy four bushels of wheat.

“One-half that quantity will buy ten hours’ labor from a strong-armed mechanic. So much as you could put in the palm of your hand, will then buy a man’s soul—a statesman’s honor. It is breaking down the fabric of our institutions; driving hope from the heart and happiness from the minds of our people.” And with a voice low and impassioned that reached the finer fibres of every heart in that room, he added: “Who can estimate the damage to the commerce and business of the world? Who can estimate the suffering that humanity has and must yet experience? In what language can we characterize the men behind the scenes who knowingly are directing this world to the gold standard?”

A man rising in the middle of the audience, exclaimed, with the accent of Ireland in his tones: “Imps of hell unchained, banqueting in selfish glee upon the heart’s blood of the world.” It came with the Irish ring in the words, rich and mellow, yet breathing fire and vengeance—vengeance for wrongs seared into the human heart suddenly and forcibly realized. The words seemed to linger in the air as if searching for the objects of its hate. It was learned afterwards that his name was Dalton, a member of the steamfitters’ union in Chicago. He was loudly applauded for his appropriate answer.

COIN rapped for order and continued:

“We are not here to deal in sentiment—we are plain matter-of-fact people.

QUANTITY SILVER IN THE WORLD.

"It is proposed by the bimetallists to remonetize silver, and add it to the quantity of money that is to be used for measuring the value of all other property.

"In dollars at a ratio to gold of sixteen to one, there are about the same number of dollars of silver in the world as gold. The report of the director of our mint says there was in the world in 1890, in the form of silver coin and bullion used as money, \$3,820,571,346.

"A cubic foot of silver weighs 10,474 troy ounces, and using $371\frac{1}{4}$ grains to each dollar, this will make a cubic foot of cast silver worth \$13,544.

"You get this by multiplying the 10,474 by 480, the number of grains in an ounce, and dividing the result by $371\frac{1}{4}$, the number of grains in a dollar. You then want to divide the \$3,820,571,346, the silver of the world, by 13,544, the number of dollars in a cubic foot. It gives 282,085 cubic feet of silver in the world.

"Can you comprehend what a quantity of silver this is? I will tell you how. It will make a block of silver sixty-six feet wide, sixty-six feet long, and sixty-six feet high.

"You can put it all—all the silver of the world—in one of the rooms of this building, and anyone entering at the main entrance on Michigan avenue would have to inquire in which room of the building the silver of the world was, before he could find it.

"It will go in the Board of Trade room and still leave sufficient space, I imagine, for you gentlemen to do some business on dull days."

COIN now had the teller of the Metropolitan National Bank hand him a satchel containing one hundred and fourteen silver dollars. With these he showed that sixty-four silver dollars would lay down in eight rows, of

eight each, in a square foot, and that one hundred and fourteen laid one upon the other measured a foot in height ; that a cubic foot would therefore contain 7,296 silver dollars.

He then explained that the alloy (one-tenth), and the space between the sixty-four stacks of silver dollars, would hold the other \$6,248 of the \$13,544 in a solid cast cubic foot of pure silver.

He also stated that the gold and silver of the world obtainable for use as money, when mixed with its alloy and coined, could be stacked up in less than double the space it would occupy in solid cast blocks.

The little economist then continued : " All the silver in the world available for money can be stored in the room of the First National Bank of this city and the basement thereunder.

" This is the quantity of silver in the world, and it will be well for you to remember it when you hear some one talking about a flood of silver.

" We have heard a good deal about the treasury vaults at Washington groaning with silver, and more talk of enlarging them.

" The vaults under our treasury building can easily be arranged to hold all of the silver in all of the countries of the world used as money, either in coins, bars or bullion.

" You can empty all of the pockets of the people of the world of their silver, the bank vaults, the merchants' money drawers, the sub-treasuries, the children's safes, all India, Mexico, South America, England, France, Germany, Russia, Italy, Austria, the Netherlands, British America, China, Japan, and the islands, big and little, of the oceans, and you can put it all into this

room, or in the basement of the Treasury building of the United States. [Applause]

"It is a matter of mathematical calculation and no intelligent citizen need be either alarmed or deceived."

With this statement COIN paused a moment, while people looked into each other's faces and back again at the speaker.

CHANGING THE MEASURE.

"Until 1873," he continued, "the primary money of the world was both silver and gold—at a parity. They were virtually one metal. The demand for primary money was met by the supply of both metals. The relative valuations of property to money, and money to property, adjusted themselves accordingly.

"Thus we had dollar wheat and 16-cent cotton in bimetallic measurement. A bushel of wheat went out into the market and purchased a dollar.

"Then came the abandonment of the use of silver as primary money by the United States, followed by Germany four months later, and then by the Latin Union, and recently by India.

"A new standard of measuring values was set up. Silver and gold combined was displaced by gold alone.

"Silver being deprived of this privilege—free coinage at the mints, and use as primary money—became property of the world, to have its value also measured in gold.

"As the standard for measurement in the countries making this change was now only one-half of what it had been, it meant the decline in value of all property.

"The demand for gold now became greater, and as other countries threw silver aside, the demand for gold

still increased. It became more valuable—therefore, bought more property, silver included.

“As the effect of these changes began to be felt, prices declined. As the demand for gold increased, its value increased—just as the value of your wheat would increase if the double duty of both corn and wheat were put upon it.

“So the purchasing power of gold continued to increase—and this increase was indicated by what is known as the fall of prices. Silver was no longer primary money with us and it too as compared with *rising* gold declined in the market. It is the best thermometer we have to indicate the rise in gold.

“This scroll that I invite you to study,” and here COIN unrolled a parchment and hung it on the wall, “gives you the decline in the price of silver, wheat, and cotton.

“We say ‘decline,’ but it would be equally true for us to say that these figures registered the *rise* in the purchasing power of money under this financial system that is based on gold.

“Our daily expression is that wheat or some other property has declined so much. Bradstreet and Dun reported last week an average decline in all property of one and 1-10 per cent.

“It would be a more intelligent understanding of the situation to say that the gold crop of the world—this crop that can be fenced in by twenty-two feet each way—had appreciated in value as the demand for it had increased.

“Remember that it has no way of expressing its value, except by what it will buy. The gold in a gold dollar may double or thribble in value, but so long as it is the unit of value, it will still be called a dollar, and

when expressed in terms of money no increase in its value will be indicated.

“It only expresses its value in its purchasing power.

“If a dollar buys a bushel of wheat, during a time

YEARS	Bu. WHEAT	Lb. COTTON	Oz. SILVER
1872	1.40	18.0	1.32
1873	1.25	18.2	1.29
1874	1.35	15.0	1.27
1875	1.10	15.0	1.24
1876	1.20	12.9	1.15
1877	1.17	11.8	1.20
1878	1.30	11.1	1.15
1879	1.07	9.9	1.12
1880	1.25	11.5	1.14
1881	1.11	11.4	1.13
1882	1.19	11.4	1.13
1883	1.13	10.8	1.11
1884	1.07	10.5	1.01
1885	.86	10.6	1.06
1886	.87	9.9	.99
1887	.89	9.5	.97
1888	.85	9.8	.93
1889	.90	9.9	.93
1890	.83	10.1	1.04
1891	.85	10.0	.90
1892	.80	8.7	.86
1893	.63	7.0	.72

THE AVERAGE EXPORT PRICE OF WHEAT
COTTON AND SILVER FOR EACH YEAR

Named, as measured in GOLD

when the supply of wheat is normal, and the conditions continuing normal, at a later time a dollar will buy two bushels of wheat—then the dollar has doubled its purchasing power.

“ We speak of declining prices, and do not think of the appreciation of gold. We speak of the sun coming up in the morning and going down in the evening. It is we that come up and go down. The sun is relatively fixed.

“ Property is standing still and gold is going up.

“ It is common now to hear the expression that the silver in a silver dollar is only worth sixty cents, or fifty cents, or forty-eight cents, as the case may be at the time. People do not stop to think what measure that value is being taken in. When we had a double standard, and silver was the *unit*, such a thing as its being worth less than a dollar was as impossible as it would be now for the gold in a gold dollar to be worth less than a dollar. Had gold been destroyed as primary money by the same nations, and silver made the standard, we could have had gold in the form of token money to-day, worth, say, fifty cents on the dollar as measured in silver.

AN ILLUSTRATION.

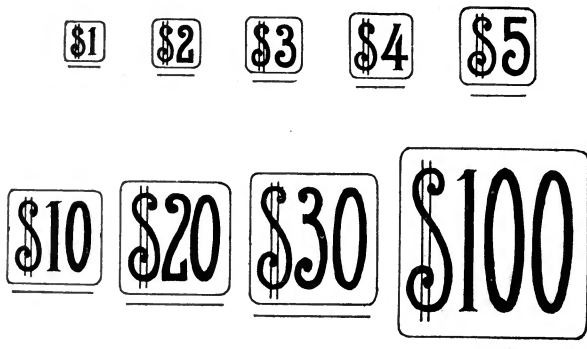
“ Suppose both were destroyed as primary money, and a new standard of values was set up—and that standard was *diamonds*. Suppose a *carat* diamond was made the dollar or unit.

“ And suppose gold and silver token money was used, of the weight and fineness now made, redeemable in this new redemption money.

“ Under a double standard of silver and gold a pure *one-carat* diamond was rated at \$50.00. A change therefore to the diamond standard, would contract values fifty times. Wheat under a double standard that was worth \$1.00 on the farms, would under like conditions with a diamond standard, be worth two cents as expressed in the new standard, or diamond dollar. It could then be said that the gold in a gold dollar, and the silver in a silver dollar

was worth only about two cents. The demand for diamonds would become enormous, but as expressed in dollars a *carat* diamond would be a dollar. As expressed in purchasing power, it would buy fifty bushels of wheat. Wheat would be worth about two cents per bushel.

"Let me demonstrate. Say a *one-carat* diamond is now worth under a gold standard \$25.00. If a *carat* diamond was adopted as the unit of value for our monetary system—*one-carat* declared by our law to be a *dollar*, and diamonds the only money of redemption, you would not say that a *carat* diamond was worth \$25.00; but you would say that it was *one dollar*, or was worth one dollar.



THE DIAMOND STANDARD.

"As expressed in dollars and cents it would pull everything down with it. Wheat now worth fifty cents would be worth one twenty-fifth of fifty, or two cents.

"You could then make fun of gold as some of our papers are now doing with silver, and say that the gold in a gold dollar was only worth two cents. It could be urged as a reason for not remonetizing gold with as much force as the same argument is now used against remonetizing silver. [Applause.]

"Those who have been deceived by this cry of a fifty-cent silver dollar have only themselves to blame, and if they are not money lenders 'they have been paying the fiddler.'

ANOTHER ILLUSTRATION.

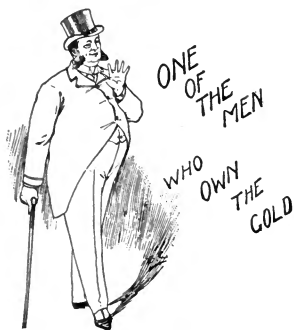
"We express values in dollars, the unit of our monetary system. That unit is now the gold dollar of twenty-three and two-tenths grains of pure gold, or twenty-five and eight-tenths grains of standard gold. If we were to cut this amount in two and make eleven and six-tenths grains pure gold a *unit* or dollar, we would thereby double the value of all the property in the United States, except debts.

"If we were to double the weight of the *unit* or dollar by putting forty-six and four-tenths grains in it, we would thus reduce the value of all the property in the world, as expressed in dollars, except debts, as they call for so many dollars.

"If you don't understand this proposition as I have stated it, you will by enlarging the scale. Keep on adding gold to the dollar, till it takes one hundred grains—five hundred grains—one thousand grains—to make a legal *unit* or dollar. Go on making it larger till you have all of the gold in the world in one thousand *units*, or dollar pieces.

"Who could give up property enough to buy one of them? To buy a single dollar? Suppose you owed a note calling for \$100.00 payable in gold, one-tenth the gold of the world—how could you pay it? Think of the property that would have to be slaughtered to get it.

"Carry the illustration still further and put all the gold in the world in one dollar. A note for one dollar would require all the gold to pay it. When you reduce the number of primary dollars, you reduce the value of



property as expressed in dollars accordingly, and make it that much more difficult for debtors to pay their debts.

"And yet this is the kind of injustice that was committed when silver was demonetized. It struck down one-half the number of dollars that made up our primary money and standard of values

for measuring the values of all property. It reduced the average value of silver and all other property one-half, except debts.

"It is commonly known as the *crime of 1873*. A crime, because it has confiscated millions of dollars worth of property. A crime, because it has made thousands of paupers. A crime, because it has made tens of thousands of tramps. A crime, because it has made thousands of suicides. A crime, because it has brought tears to strong men's eyes, and hunger and pinching want to widows and orphans. A crime, because it is destroying the honest yeomanry of the land, the bulwark of the nation. A crime, because it has brought this once great republic to the verge of ruin, where it is now in imminent danger of tottering to its fall. [Applause.]

"Pardon me for an expression of feeling. We are not here to comment on the effects of demonetization, but



to learn what money is, and wherein our financial system has been changed."

The little speaker, without intending it, through a feeling of honest indignation, had burst forth in a recital of this catalogue of crimes. It had a perceptible effect on the audience. His earnest eloquence was melting hearts that never before had thawed to the presentation of the subject.

It is one of the wonders of the world—how the people have been so slow in grasping the financial problem—in learning what it is that measures values, and that the lesson should have to be learned through an experience so bitter.

"And now," continued COIN, "if my explanation of what is known as the fifty-cent silver dollar is not plain and satisfactory I want to hear from you. It also accounts for fifty-cent wheat."

Mr. Ed. Pardridge, a noted bear operator on the Board of Trade, who had been listening attentively, here stood up. He had commenced bearing wheat in 1893, when it was 80 cents, and to the surprise of every one had continued confidently to sell it short down to 53½ cents, until he had made something like two millions of dollars and was still hammering away.

With a smile on his face and a wink all around him at his fellow members of the Board, he said :

"I have understood the relation of redemption money to values for now little over a year, and have profited by it ; but you," addressing himself to COIN, "have given the snap away." Then amidst laughter and applause Mr. Pardridge took his seat.

Mr. Chas. Henrotin, a Board of Trade operator, then said that he had read in a morning paper, a statement signed by a Mr. Wheeler, that wheat in 1859 was as low

as it is now, and as bimetallism was then the law, he would like to know how that was? Also that corn in 1873 was about the same price (38 cents) that it is now, and he would like to hear from COIN as to that point. Unless, he said, there is a satisfactory answer as to why corn was as low in 1873 as the present low price, he could not satisfactorily change his present views, which were for the gold standard.

COIN replied :

“The statement that wheat in 1859 was as low as now is not true.

“The secretary of your Board has the bound journals of a trade paper published in this city before the war that escaped the great fire. They are shown to any one who calls there. I have them here.

“They show that the average price of No. 2 red winter wheat for 1859 was \$1.10 per bushel. The average price for the month of May, 1859, was \$1.35.

“On this 11th day of May, (1859),” said COIN, turning to one of the books of the bound journals, “No. 2 Red wheat is here quoted at \$1.38 and \$1.40 per bushel. Wheat is now 54 cents a bushel ; so this Mr. Wheeler is much mistaken when he says that wheat or anything else was as low in 1859 as it is now.

“We will take some other things,” continued COIN. “I now hold in my hand the statistical abstract of the United States issued in 1892 by the Bureau of Statistics of the Treasury Department. Any of you can get it by writing to the treasury department. It brings the annual average prices down to 1892.

“On page 341 we see that the average price of cut nails in 1859 was, per 100 pounds, \$3.86. In 1892, \$1.83. Now they are about \$1.00.

“On the same page the average price of pig iron in

1859 was \$23.38 per ton. In 1892, \$15.75; now it is about \$12.00.

"On page 334 we find that the average price for 1859 of cotton was 12.08 cents per pound. In 1892, average price 7.71 cents per pound; now it is about 7 cents.



WHAT IT COSTS A FARMER TO DINE AT A FIRST-CLASS CHICAGO RESTAURANT.

"On page 335 we find the average price for 1859 of fine washed clothing, Ohio fleece wool, was 60 cents. For 1892, 30 cents.

"From this trade journal you will see that corn in 1859 was worth 65 cents.

"All other values on an average have declined like these I have just read. So you see that prices were not as low in 1859, or before the war, as they are now.

"Now, as to that part of your question as to the low price of corn in 1873," said COIN, looking toward Mr. Henrotin.

"What you say about the price of corn in 1873 is true; but I want to call your attention to the cause of it.

"Corn does not seek distant markets like wheat. This is partly on account of its small price per bushel. It cannot always stand the freight. Its use is not so general as wheat, and it seeks the home market.

"On page 215 of the report of the Chicago Board of Trade for 1892 you will find that the corn crop of the State of Illinois, for the year 1872, which controlled the market price for the spring and summer of 1873, was 217,628,000 bushels; while by this year's report the crop for 1893 which controls the present price, was 160,550,470 bushels. The demand for corn now, with nearly double our population, is greater than it was in 1873, and yet in 1873 the corn crop was fifty-seven million bushels greater in this state than it was last year. This over-production in 1872 accounts for its low price in 1873. The gold standard accounts for its low price now.

THE DEBTS OF THE WORLD.

Mr. H. F. Eames, president of the Commercial National Bank, put this question to COIN:

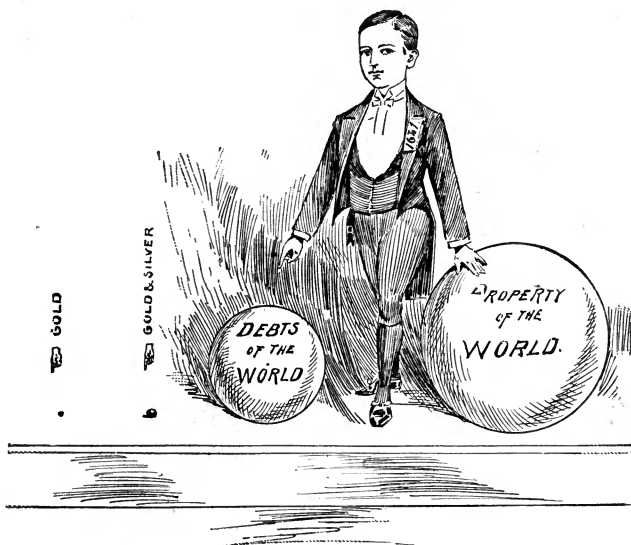
"Suppose values do decline and get on a lower plane. Can't the farmer who gets 50 cents for his wheat buy as much of this world's goods with that 50 cents as he formerly could with a dollar? And if this

is true, and I think it is, wherein does it make any difference?"

And he sat down thinking he had accomplished what Professor Laughlin, Mr. Gage, Mr. Kirk and a dozen others had failed to do, viz., stump the little speaker.

He probably got the cleanest knockout and hardest fall of them all.

COIN turned to one of the boys who had helped to measure off the twenty-two feet in the corner and gave him some direction.



AN OBJECT-LESSON.

The boy went out into the anteroom, and a moment later returned, rolling a rubber globe or ball before him about half the size of the largest one on the platform. The people moving to make way, the lad rolled it to

where COIN was standing. The little schoolmaster putting his hand on it, said :

“This ball, as proportioned to the largest one, indicates the debts of the world, which are, if we include debts of all kinds, about 200,000 million of dollars at the present time. The total value of all the property of the world in 1890 was about 450,000 million.

“This value has since been shrinking, and will continue to shrink until it is about one-half its present size as represented by this largest ball.

“But this ball that represents debts will not decrease any. Its present tendency is to grow larger.

“When this ball,” indicating the one representing values of all property, “has shrunken to half its size, it will be about the size of this one representing debts.

“The history of nations shows that when the debts of a country are two-thirds of the value of all its property, disintegration sets in. Strikes—riots—revolution—provisional governments, as with our neighbors in South America at the present time.

“When you reduce wheat to 50 cents, and all other property accordingly, you don't reduce debts at all. You only make it harder to pay them.

A note executed five years ago which 1,000 bushels of wheat would then have paid, now takes about 1,500 bushels to pay.

Though we have paid since 1869 about 5,000 millions on our public debt in principal and interest, and have reduced the principal from 2,700 million to 1,000 million, it will now take as much of our property to pay the 1,000 million as would have paid the whole 2,700 million in 1869.

“A farmer may buy calico with his 50-cent wheat

money at a like cut in values, but he cannot get the same favor shown him on his debts.

"The property of the money lender—notes, bonds and mortgages—does not shrink. The mortgage will eat the property owner up.

"'Ah!' you may say, 'everybody is not in debt; one-half of the people may be, but let them liquidate and start over, then times will be good.'

"But everybody, except the money lender, *is in debt*. Your city is in debt twenty million, and you owe your part of it. Your county is in debt. Your state is in debt. Your general government is in debt.

"You are paying your part of the interest on all that; and your taxes in this city at the rate of 8 per cent on the assessed valuation is evidence that you are *all* in debt.

"Those who are personally in debt will only become bankrupt the sooner.

"The total debts in the United States, national, municipal, state, county, corporate and private, is now estimated to be about 40,000 million of dollars.

"The railroad bonded debt is 5,000 million, or about one-eighth of the whole amount.

"The interest on 40,000 million, at an average rate of 6 per cent per annum, is 2,400 million. Now, when you consider that the total money supply of the country is only about 1,600 million, and that interest money is going principally to the East, you can see what a great sponge this debt is, to come West twice a year and soak up your money and take it away.

"When your neighbor has sent all of his money off he has none left to spend with you.

"There are two ways ordinarily of getting this money back that goes East. One is to sell something to

them at a profit. We are not now doing that. The other is to borrow it. So many of our friends have borrowed, that while they cannot borrow any more, it has made it unprofitable for those who can borrow to do so, as no business ventures are now profitable.

“The only money coming back to us at present from the East, which first goes there to pay interest, is about one hundred and sixty million a year paid by the government in pensions; salaries paid to government employés, and money received in payment for produce on which there is no margin or profit.

“On one hand the law of the land says these debts must be paid, and there are the courts and sheriffs to enforce it.

“On the other hand, the people cannot pay, as a new monetary unit makes it impossible. The law spends its force by confiscating the property of the people. The people will retaliate * * *. Under the effects of this legalized robbery, which has been in operation for twenty years, the future of the republic looks serious and threatening.

“While not directly interested in our neighbor's debts, we are indirectly; and general paralysis may come to our business on that account.

“In adjusting ourselves to a lower plane of prices, we are at once confronted with the fact that debts do not depreciate with other property, and that on account of its great size it becomes an oppression affecting all, more or less, and directly confiscating the property of millions.

“To expect these debts to be paid under present conditions, when it is so far beyond the power of the people to pay them, is too much. It is like trying to fit a 6-foot

man to a 3-foot coffin. It will mutilate the remains to attempt it.

"Many other things do not, also, readily adjust themselves to a lower plane of prices.

"Suppose the proposition embraced in the question to me was made to the now irritated farmers, and one of



OUR DEBTS LIKE A GREAT SPONGE COME WEST AND
SOAK UP THE MONEY.

them was to go forth to test it, and see if he could buy as much of this world's goods with 50 cents as he formerly could with a dollar.

"We will suppose, before starting, he goes to pay his taxes. He will find that his 50-cent wheat will not pay

as much as his \$1.40 wheat did in 1873. He will find his taxes just as much, and it will take all of twice as much wheat to pay them as in 1873.

“While passing out of the Court House suppose he meets a county official and should ask him what salary was paid to his office in 1873 and now. The answer would be the same number of dollars now as in 1873. The same is true of city, state and national officers, also with the army, navy and officials abroad. The 50-cent wheat would only pay about one-third as much in each instance. He starts for the depot and to get there he takes a street-car. He finds the fare the same as in 1873. He gets on a Pullman car to find the cost the same as in 1873. He registers at a first-class hotel. He finds the cost about the same as in 1873. He sends a telegram, and finds it costs the same as in 1873. He gets a shave with the same result. He buys tea and coffee, with the same result. He gets back home and goes to his bank to borrow money. He finds interest, except in cities on first-class loans, about as high as in 1873. Should he now meet the man who told him that his 50-cent wheat would buy as much of this world's goods as it ever did, it might result seriously for the other fellow.” [Laughter and applause.]

And with a smile and a graceful bow COIN retired from the stage. The lecture was over. It had been full of “meat,” and the bulls and bears knew more than they did before. If they had learned nothing else than that all of the gold and silver in the world could be put in the main room of the Chicago Board of Trade their attendance on the lecture gave rich returns for the time spent. The bears on the Board the next day were more numerous than they had been in many months.



It Feeds on Nothing but Gold!



Denver Road.

"The Rothschilds own 1,600,000 in gold."—*Chicago Daily News*. This is nearly one-half the gold in the Chicago wheat pit.

A PARABLE.

A mother quail with her young quail brood had a home in a wheat field. When the wheat was ripe and the harvest time was come, the little quails suggested to their mother that it was time to move. While they were discussing it, the owner of the field came near, and was heard to say to some one with him, that he was going to get his neighbors to help him harvest. The mother quail said to her young, "We will not move yet." Several days passed by and the wheat had grown very ripe. The quail again heard the owner say that he was going after some friends over in another neighborhood, to help him cut the wheat. The mother quail said to her young, "We will not move yet." A few days later, when the wheat was so ripe it was falling and going to waste, the quails heard the farmer say, "I am going to cut the wheat myself." The mother quail then said to her young: "Now we will move. The wheat is to be cut."—*From an old Scrap Book.*

CHAPTER VI.

THE SIXTH DAY.

The manner in which the little lecturer had handled his subject on the fifth day had greatly enhanced his popularity. What he had said, had been in the nature of a revelation to nearly all that heard it, and his grouping of facts had made a profound impression.

What created the most comment, was his statement as to the space in which all the gold and silver of the world could be placed. In all the hotel lobbies it was the subject of conversation. The bare statement that all the gold in the world could be put in a cube of 22 feet appeared ridiculous—absurd.

Few that had entertained the single gold standard view of the monetary question were willing to believe it. They argued that it was impossible; that the business of the world could not be transacted on such an insignificant amount of property for primary money. They said, "Wait till the morning papers come out; the *Tribune* would puncture it, the *Inter Ocean*, *Herald*, in fact, all of the papers would either admit it by their silence, contradict it or give the facts."

At the Grand Pacific Hotel the cashier was kept busy answering requests to see a twenty-dollar gold piece. They wanted to measure it—to get its diameter and

thickness. As none was to be had, they had to content themselves with measuring up silver dollars and figuring out how much space all the silver in the world would occupy. This resulted in confirming COIN's statement.

Mr. George Sengel, a prominent citizen of Fort Smith, Arkansas, while discussing the subject with a large party in the rotunda of the Palmer House, stood up in a chair and addressed the crowd, saying :

"Gentlemen, I have just been up in COIN's room and examined the government reports as to the amount of gold and silver in the world, and have made the calculation myself as to the quantity of it, and I find that the statements made are true. All the gold and silver in the world obtainable for money can be put in the office of this hotel, and all the gold can be put in this office and not materially interfere with the comfort of the guests of the house.

"I have been until to-day in favor of a single gold standard, but hard times, and this fact that all the gold in the world available for money can be put in a space of twenty-two feet each way, has knocked it out of me. Count on me and old Arkansas for bimetallism."

Mr. Sengel's speech was greeted with applause, and he was followed by others expressing similar views.

The morning papers gave full reports of the previous day's lecture. All editorially confirmed COIN's statement as to the quantity of gold and silver in the world, and the space it would occupy, except the *Herald* and *Tribune*; they were silent on the subject.

It was generally known that COIN would discuss independent action of the United States on the last day, and from the number that tried to gain admission, a hall many times as large could have been easily filled.

At the hour for opening the hall large crowds sur-



A brutal assault is made by a ruffian upon "Prosperity," a beautiful woman, in the sight of a prisoner, who tries to break his chains that he may go to her rescue.

rounded the entrance to the Art Institute, and the corridors were filled with people. In the large hall where the lectures were delivered the walls had been decorated with the American colors. This had been seen to by a committee of bimetallists ; they had given special attention to the decorations around the platform, and though assuming many forms, each piece had been made from United States' flags. The scene presented was striking and patriotic.

When the doors were opened the hall was soon filled and thousands were turned away.

COIN was escorted by a committee of bimetallists in carriages from his hotel to the Art Institute, each carriage used by the committee being draped in the American colors. It was the first demonstration of the kind made in honor of the little financier of the people, since the lectures had begun.

The evidences of his popularity were now to be seen on every hand. Many, however, had reserved their judgment to hear from him on the United States taking independent action, and all were anxious to listen to what he would say on that subject.

His appearance upon the platform was the signal for an ovation. He had grown immensely popular in those last five days.

He laid his silk hat on the table, and at once stepped to the middle of the platform. He raised his eyes to the audience ; slowly turned his head to the right and left, and looked into the sea of faces that confronted him.

INDEPENDENT FREE COINAGE.

" In the midst of plenty, we are in want," he began.

" Helpless children and the best womanhood and manhood of America appeal to us for release from a

bondage that is destructive of life and liberty. All the nations of the Western Hemisphere turn to their great sister republic for assistance in the emancipation of the people of at least one-half the world.

"The Orient, with its teeming millions of people, and France, the cradle of science and liberty in Europe, look to the United States to lead in the struggle to



"IN THE MIDST OF PLENTY WE ARE IN WANT."

roll back the accumulated disasters of the last twenty-one years. What shall our answer be? [Applause.]

"If it is claimed we must adopt for our money the metal England selects, and can have no independent choice in the matter, let us make the test and find out if

it is true. It is not American to give up without trying. If it is true, let us attach England to the United States and blot her name out from among the nations of the earth. [Applause.]

"A war with England would be the most popular ever waged on the face of the earth. [Applause.] If it is true that she can dictate the money of the world, and thereby create world-wide misery, it would be the most just war ever waged by man. [Applause.]

"But fortunately this is not necessary. Those who would have you think that we must wait for England, either have not studied this subject, or have the same interest in continuing the present conditions as England. It is a vain hope to expect her voluntarily to consent. England is the creditor nation of the globe, and collects hundreds of millions of dollars in interest annually in gold from the rest of the world. We are paying her two hundred millions yearly in interest. She demands it in gold; the contracts call for it in gold. Do you expect her to voluntarily release any part of it? It has a purchasing power twice what a bimetallic currency would have. She knows it.

"The men that control the legislation of England are citizens of that country with fixed incomes. They are interest gatherers to the amount annually of over one thousand millions of dollars. The men over there holding bimetallic conventions, and passing resolutions, have not one-fifth the influence with the law-making power that the bimetallists in the United States have with our Congress and President. No; nothing is to be expected from England.

"Whenever property interests and humanity have come in conflict, England has ever been the enemy of human liberty. All reforms with those so unfortunate as

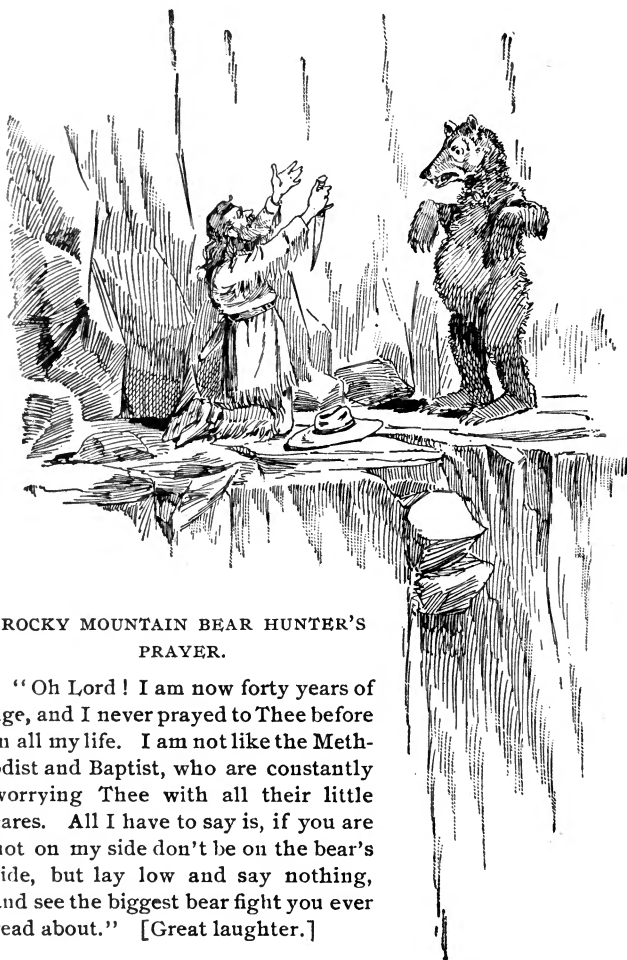
to be in her power have been won with the sword. She yields only to force. [Applause.]

"The money lenders in the United States, who own substantially all of our money, have a selfish interest in maintaining the gold standard. They, too, will not yield. They believe that if the gold standard can survive for a few years longer, the people will get used to it—get used to their poverty—and quietly submit.

"To that end they organize international bimetallic committees and say, 'Wait on England, she will be forced to give us bimetallism.' Vain hope! Deception on this subject has been practiced long enough upon a patient and outraged people.

"With silver remonetized, and gold at a premium, not one-tenth the hardships could result that now afflict us. Why? First: it would double the value of all property. Second: only 4 per cent of the business of the people of this nation is carried on with foreign countries; and a part of this 4 per cent would be transactions with silver using nations; while 96 per cent of the business of our people is domestic transactions. Home business. Is it not better to legislate in the interest of 96 per cent of our business, than the remaining 4 per cent?

"We now face the situation and *must* act. We are similarly situated to the Rocky Mountain bear hunter, when meeting a bear in a level trail on a mountain side, with a cliff on the one hand and a perpendicular precipice on the other. This Rocky Mountain bear hunter could neither dodge to the right or left, and there was no friendly tree near, his only weapon his knife, and no alternative but to fight. "It was to be the bear fight of his life. He knelt down and made this prayer, while the bear looked on with curiosity :



ROCKY MOUNTAIN BEAR HUNTER'S
PRAYER.

"Oh Lord! I am now forty years of age, and I never prayed to Thee before in all my life. I am not like the Methodist and Baptist, who are constantly worrying Thee with all their little cares. All I have to say is, if you are not on my side don't be on the bear's side, but lay low and say nothing, and see the biggest bear fight you ever read about." [Great laughter.]

“In the impending struggle for the mastery of the commerce of the world, the financial combat between England and the United States cannot be avoided if we are to retain our self-respect, and our people their freedom and prosperity. [Applause.]

“The gold standard will give England the commerce and wealth of the world. The bimetallic standard will make the United States the most prosperous nation on the globe. [Applause.]

“To avoid the struggle means a surrender to England. It means more—it means a tomb raised to the memory of the republic. Delay is dangerous. At any moment an internecine war may break out among us. Wrongs and outrages will not be continuously endured. The people will strike at the laws that inflict them.

“To wait on England is purile and unnecessary. Her interests are not our interests. ‘But,’ you ask me, ‘how are we to do it?’ It will work itself. We have been frightened at a shadow. We have been as much deceived in this respect as we have about other matters connected with this subject.

“Free coinage by the United States will at once establish a parity between the two metals. Any nation that is big enough to take all the silver in the world, and give back merchandise and products in payment for it, will at once establish the parity between it and gold. [Applause.]

“France and the Latin Union, with less population and wealth than we have, maintained a premium on silver for forty years by opening their mints to its free coinage, and at a ratio of $15\frac{1}{2}$ to 1, while ours was 16 to 1.

“If France could lift the commercial value of silver above that fixed by the other nations of the world, and

at a premium over gold, the United States can hold its commercial value at a par with gold.

"But we alone would not have to maintain it. We know now that Mexico, South and Central America, the Asiatic governments and France would be with us from the start. The nations that would immediately support bimetallism are stronger in 1894, than those were in 1873 that maintained it then. Of all those that we had then, we would start with only the loss of Germany and Austria, and a few lesser principalities." [Applause.]

Mr. Lyman Gage, president of the First National Bank, who put questions to COIN on the second day of the school, now interrupted the speaker.

"Suppose," said Mr. Gage, "that after all, the independent action of the United States did not establish the parity between the two metals?"

"Why hesitate at the supposition of an improbability," replied COIN. Continuing he said:

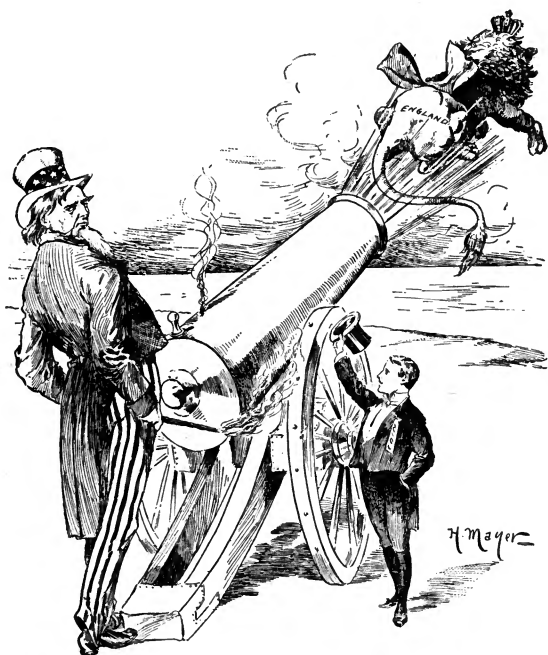
"To suppose that such will be the case is to borrow trouble that is not at all likely to occur. But if it does, we are more fruitful of resources than are the obstacles insurmountable that may be thrown in our way.

"To begin with, we would want an administration at Washington that is friendly to republican institutions.

"The government should exercise its prerogative as of old to pay in either metal it sees fit. Gold must be given to understand that it is not indispensable to the currency of the country. This will depreciate its importance. The bankers of the great money centers must be given to understand that they must take their hands off the throat of the government. That they cannot dictate to the government what is money. The government will dictate that to them. The selfishness of the few must submit to the interests of the many. We will

then be better able to dictate to other governments what the United States wants as she leads in the column of bimetallic nations.

“The unlimited demand for silver, and its free use by the government, will appreciate its value. To that extent the disuse of gold will depreciate *its* value. If



WHAT OUR ANSWER TO ENGLAND SHOULD BE.

necessary, fire a man bodily into the street to teach him his place. Gold needs that lesson.

“With both metals as primary money, property advances to bimetallic values, whether gold goes to a premium or not. Gold may go out of circulation, but

its doing so does not disturb the practical effect of bi-metallic prices.

"There should be a law making it a forfeiture of the debt to discriminate in favor of one form of national currency as against another. Our national currency should be as sacred as our national flag. The present law allowing gold to be named in the bond is statutory treason. The government would stand ready to redeem its paper and token money in primary money on demand, and should not allow any discrimination that would forestall its action or corrupt its financial system.

"With an administration in sympathy with bimetalism there would be no trouble as to the parity of the two metals. It could throw its great influence in favor of the weaker of the two metals if necessary in sustaining that parity."

"But," said Mr. Gage, "if after a fair trial gold continued at a premium, what remedy would you suggest?"

"Put less gold in the gold dollar," replied COIN. "Bring the weight of the gold dollar down till they *are* on a parity." [Applause.]

Mr. Gage took his seat, but when COIN was about to resume he again interrupted the little speaker.

"Suppose" said Mr. Gage, "the free coinage of silver by the United States should flood us with silver? What would we do with it?"

"Put it in the pockets of the people" replied COIN. "Put it to work; put it in the channels of trade. If we desired to store it, we could put it all in your bank. [Applause.]

"But it would drive out our gold?" asserted Mr. Gage.

"Our gold is leaving us now," replied COIN. "Could it leave us any faster? It is now going at

the rate of from \$500,000 to \$2,000,000 a day. Is a drought of gold to be more desired than a flood of silver? It is only a question of time under a gold system when England will take it all. The way to keep our gold is to remonetize silver. Remonetization will give us higher prices for our exports, and will make a balance of trade in our favor large enough to bring us English gold and silver.

"Now, Mr. Gage," said COIN, "may I ask you a question?"

"Certainly," replied Mr. Gage.

"Is it not a fact," said COIN, "that no estimate has been placed on American (United States) bonds held in Europe at less than 5,000 million dollars?"

"Yes, I believe that is true," answered Mr. Gage.

"And is not the largest part of this sum owned in England?" continued COIN.

"I suppose it is," answered Mr. Gage.

"And has not," said COIN "the large shipments of gold to England recently given rise to the opinion in commercial circles that our bonds are held there to a larger amount than 5,000 million dollars.

"Yes," said Mr. Gage.

"Does not these securities," COIN went on, "consist largely of railroad, municipal and other bonds drawing from 4 to 6 per cent interest?"

"I suppose so," assented the banker.

"Then would you not," said COIN, "consider 4 per cent as a fair average interest on our bonds held in England?"

"Yes, I should think so," replied Mr. Gage.

"Mr. Gage" said COIN, "4 per cent on 5,000 million dollars is 200 million dollars. It has all been made payable in gold. The total production of gold in the

world annually is about 165 millions, and of this the United States produces annually about 35 millions. Now unless the balance of trade is increased largely, how may we expect to pay this 200 millions in gold annually?"

"The selling of more bonds in England will get us gold with which to pay it," replied the eminent financier.

"But does not that increase the annual interest to be paid?" asked COIN.

"Yes," said Mr. Gage, reluctantly.

"And where will it end?" continued COIN.

"I don't know," hesitatingly replied Mr. Gage, and with bewilderment in his face he resumed his seat.

COIN now addressed himself to the audience, that showed evident signs of pleasure and satisfaction with the dialogue that had just taken place.

"We have put our heads in the mouth of the English lion, and the question now is how to get it out. I don't like Mr. Gage's plan. [Applause.]

"His plan consists in putting our heads farther in. [Applause.]

"It is the same plan the bankers have adopted for the government to get gold. [Applause.] It will all end, if the present policy is continued, in England owning us body and soul. She is making a peaceable conquest of the United States. What she failed to do with shot and shell in the eighteenth century, she is doing with the gold standard in the nineteenth century. [Applause.] The conservative monied interest furnished the tory friends of England then, and it furnishes her friends now. [Applause.] The business men of New York City passed strong resolutions against the Declaration of Independence in 1776, and they are passing strong resolutions against an American policy now." [Applause.]

“The objection to independent bimetallism is that the parity between the two metals cannot be maintained at our ratio of 16 to 1. That is—the gold (23.2 grains) in the gold dollar will be worth more than the silver ($37\frac{1}{4}$ grains) in the silver dollar. We have twice changed the quantity of gold in the gold dollar; each time making it less. If the commercial value of 23.2 grains of gold is more than the commercial value of $37\frac{1}{4}$ grains of silver, then reduce it to 22, 21, 20 grains or less if necessary to put the two at a ratio, where the practical effect of free coinage, when once set to working again, will demonstrate that the ratio is at its natural point, and parity easily obtained. Reducing the gold in the gold dollar would leave gold for more dollars, and this would assist in establishing rising prices as it would multiply the number of dollars. The weight of the silver dollar should not be changed. Its integrity should be preserved as originally fixed.

“There can be no objection to this plan, for as we have seen the parity of the two metals was maintained for hundreds of years. The bimetallists do not believe that the ratio has much influence. They believe that the influence of unlimited free coinage is so great in establishing the commercial parity of the two metals, that any ratio near the natural ratio of 1 to $15\frac{2}{3}$ will give satisfaction.

“In this controversy, one point should never be lost sight of, and that is, that higher prices—*bimetallic* prices—will come with remonetization of silver, even though gold goes to a premium.

“It is a fixed law in the science of money that when both metals are *primary money*—*whether at the time seeking the mints or not, and whether in circulation or not*—*bimetallic prices prevail.*

Mr. P. A. H. Franklin, a prominent bimetallist of Chicago, wanted to know of COIN, in case it was necessary or desirable, if there were any practical method to force England to adopt bimetallism?

COIN's reply was: "Yes. It is not probable that such an emergency can arise; but if it does all we would have to do would be to put an excessive tariff on all imports coming from her, and all other countries having a gold standard, until they adopted a bimetallic system with the same ratio as ours.

"England could not afford to stay out of our market; while France was enjoying them. The English people would raise a clamor that would soon lead to bimetalism. If such a course on our part conflicts with treaties—treaties should be broken. When humanity, or the life of a nation, is involved, all treaties are at an end.

"If England wages a war on humanity, the United States should declare an industrial war on England. [Applause.]

"England demonetized silver in 1816, and yet from that period to 1873 the parity of the two metals was not affected; we did not need her then, and we do not need her now.

"When the nations giving importance to silver, are as numerous and as strong as those giving importance to gold, a parity is naturally produced.

"The farmer in Mexico sells his bushel of wheat for one dollar. The farmer in United States sells his bushel of wheat for 50 cents. The former is proven by the history of the world to be an equitable price. The latter is writing its history, in letters of blood, on the appalling cloud of debt that is sweeping with *ruin* and *desolation* over the farmers of this country. [Applause.] What is said of wheat may be said of all our property.

"When it is considered that we are giving two dollars worth of property now, in payment for one dollar in gold, you will realize that we are now paying 100 per cent premium on gold. [Applause.]

"And this applies not only to our foreign business, but to our home business.

"With silver remonetized, and a just and equitable standard of values, we can, if necessary, by act of Congress, reduce the number of grains in a gold dollar till it is of the same value as the silver dollar. [Applause.] We can legislate the premium out of gold. [Applause.] Who will say that this is not an effective remedy? I pause for a reply!"

COIN waited for a reply. No one answering him, he continued :

"Until an answer that will commend itself to an unbiased mind is given to this remedy, that guarantees a parity between the metals, write upon the character of every 'international bimetallist' the words '*gold monometallist.*'"

Pausing for a moment, as if still waiting for his position to be attacked, he proceeded :

"Give the people back their favored primary money ! Give us two arms with which to transact business ! Silver the right arm and gold the left arm ! Silver the money of the people, and gold the money of the rich.

"Stop this legalized robbery, that is transferring the property of the debtors to the possession of the creditors !

"Citizens ! the integrity of the government has been violated. A Financial Trust has control of your money, and with it, is robbing you of your property. Vampires feed upon your commercial blood. The money in the banks is subject to the check of the money lenders.

They expect you to quietly submit, and leave your fellow citizens at their mercy. Through the instrumentality of law they have committed a crime that overshadows all other crimes. And yet they appeal to law for their protection. If the starving workingman commits the crime of trespass, they appeal to the law they have contaminated, for his punishment. Drive these money-



GREED.

changers from your temples. Let them discover by your aspect, their masters—the people.” [Applause.]

“The United States commands the situation, and can dictate bimetallism to the world at the ratio she is inclined to fix.

“ Our foreign ministers sailing out of the New York harbor past the statue of “ Liberty Enlightening the World ” should go with instructions to educate the nations of the earth upon the American Financial Policy. We should negative the self-interested influence of England, and speak for industrial prosperity.

“ We are now the ally of England in the most cruel and unjust persecution against the weak and defenseless people of the world that was ever waged by tyrants since the dawn of history. [Applause.]

“ Our people are losing each year hundreds of millions of dollars ; incalculable suffering exists throughout the land ; we have begun the work of cutting each others throats ; poor men crazed with hunger are daily shot down by the officers of the law ; want, distress and anxiety pervades the entire Union.

“ If we are to act let us act quickly.

“ It has been truthfully said :

“ ‘ It is at once the result and security of oppression that its victim soon becomes incapable of resistance. Submission to its first encroachments is followed by the fatal lethargy that destroys every noble ambition, and converts the people into cowardly poltroons and fawning sycophants, who hug their chains and lick the hand that smites them ! ’

“ Oppression now seeks to enslave this fair land. Its name is greed. Surrounded by the comforts of life, it is unconscious of the condition of others. Despotism, whether in Russia marching its helpless victims to an eternal night of sorrow, or in Ireland where its humiliating influences are ever before the human eye, or elsewhere ; it is the same.

“ It is already with us. It has come in the same form that it has come everywhere—by regarding the

interests of property as paramount to the interests of humanity. That influence extends from the highest to the lowest. The deputy sheriff regards the \$4 a day he gets as more important to him than the life or cause of the workmen he shoots down.

"The Pullman Palace Car Company recently reduced the already low wages of its employes $33\frac{1}{3}$ per cent. Unable to make a living, they laid down their tools. A few days later the company declared a quarterly dividend of 2 per cent on watered capital of \$30,000,000. This quarterly dividend was \$600,000.

"Had this company sent for the committee of the workmen and said, 'We were about to declare our regular quarterly dividend of 2 per cent; it amounts to \$600,000; we have concluded to make it $1\frac{1}{2}$ per cent; this will give us \$475,000 for three months, or one quarter's profits, and we are going to use the other \$125,000 to put back the wages of the men. There would have been no strike. The men would have hailed it as generosity, and the hearts of 4,000 workmen would have been made glad.

"It was not done. It was not to be thought of. These stockholders living in comfort with all their wants provided for, think more of their property interests than they do of humanity, and will see men starve or reduced to the condition of serfs rather than concede an equitable distribution of the profits of their business.

"This has occurred here in the city of your homes; in the World's Fair city; a city supposed to be as patriotic as any we have; if this is human nature here, what do you expect from the men in England who hold our bonds, notes and mortgages payable in gold.

"We are forced to take independent action. To hesitate is cowardly! Shall we wait while the cry of

the helpless is heard on every hand? Shall we wait while our institutions are crumbling?" (Cries of "No—no—no!")

"This is a struggle for humanity. For our homes and firesides. For the purity and integrity of our government.

"That all the people of this country sufficiently intelligent to vote cannot understand that the reduction of our primary money to one half its former quantity reduces the value of property proportionately, is one of the inexplicable phenomena in human history.

"Those who do understand it should go among the people and awake them to the situation of peril, in which they are placed. Awake them as you would with startling cries at the coming of flood and fires.

"Arouse them as did Paul Revere as he rode through the streets shouting: 'The British are on our shores.'

"To let England dictate to us was not once the spirit of Americans.

"When Benjamin Franklin was minister to England he attended a banquet in London, at which, toasts were responded to by the Premier of England, and the ministers of France and the United States. The toast in each instance was the government represented by the official responding.

"The toast to England came first and was responded to by the Premier. He was eloquent in praise of his country, and at the close of his speech took up his wine-glass and said, 'Now drink with me again to England, the Sun that gives light to the world.'

"The toast to France came next, and the French minister did great justice to his subject. Imitating the English Premier he closed his address by lifting his wine-glass high, and saying, 'Now drink again with me to

France, the Moon that controls the tides of the world.'

"As Mr. Franklin arose to respond to the toast—the *United States*—all eyes were upon him. The French minister had taken up the gage thrown down by the Premier of England and had responded fittingly as to the position of France among the nations of the earth. What would Mr. Franklin say? Would he properly acquit himself for the United States?

"At the close of an able response, suitable to such an occasion, Mr. Franklin placed his hand on his wine-glass, and lifting it to a level with his eyes, said. 'Now drink with me again to the United States, the Joshua that commanded the sun and moon to *stand still*, and they *stood still*.' [Applause.]

"Had Mr. Franklin had the ears of all the people of the United States on that occasion, one universal acclaim would have resounded throughout this land.

"If we had an administration and Congress now, that would say to England '*Stand still*'—one glad shout would be heard in this country from Sea to Sea and Lakes to Gulf, proclaiming the second independence of the United States." [Long continued applause.]

COIN had finished. The audience had risen to its feet, and the applause was tumultuous and continued. Those on the stage were shaking the little statesman's hands, and many others were crowding around the platform.

As the tumult subsided a fine-looking gentleman appeared on the platform with his hands raised to command attention. It was Mr. J. L. Caldwell, president of the First National Bank of Huntington, West Virginia. As soon as he had secured attention he said:

"I am the president of a national bank, and I want to first say to you people that all national bankers do not

regard selfish personal interest, as paramount to love of country and the interests of the whole people.

"A few of us have stood out against this gold standard system, and are in favor of immediate free coinage, 16 to 1 or $15\frac{1}{2}$ to 1, independent of England. [Applause.]

"I now propose *three cheers* for COIN."

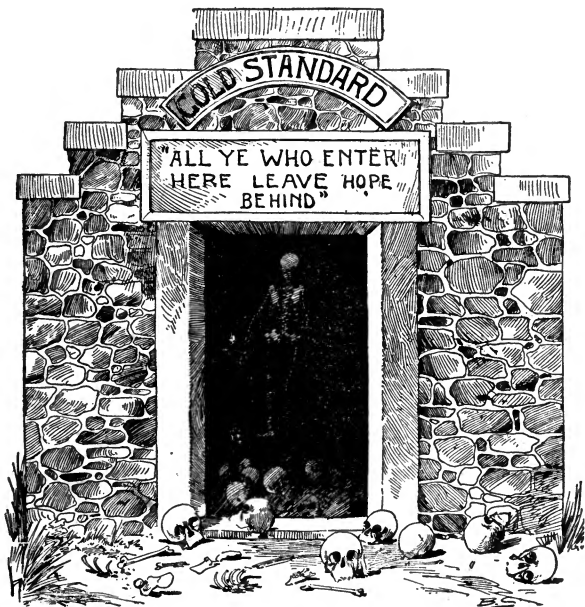
They were given with a will. The *hip! hip! hurrahs!* were heard through the open windows for two squares away.

Thus ended the "school." Chicago has had its lesson on bimetallism.

How will this contest end?

No one can tell. In the struggle of might against right, the former has generally triumphed.

Will it win in the United States?



APPENDIX.

It will be noticed that during the lectures, COIN was never asked to answer the proposition of "*over-production*." His attention was afterward called to this, and he replied: That he was not surprised; that under-production was now conceded by all who had investigated it, and the newspapers seldom mentioned it. That over-production could not be claimed so long as tens of thousands were going hungry; and that the only over-production admitted by all, was millionaires.

COIN used in his lectures the phrase "1 to 16" in speaking of ratio. This was used for convenience. The exact ratio is 1 to 15.98, but, as by common usage, the term 1 to 16 is used, the correct figures 1 to 15.98 would have been confusing.

The assessed valuation of all the property in the United States, as given by Census Bulletin No. 192, issued June 4, 1892, is \$24,651,585,465.

In giving the debts of the United States, public, corporate and private, COIN has used in part the report of the Census Bureau, as far as completed, and has added to it an estimated amount for maritime debts, accounts, pawn shops, private debts not on record, rentals, and other debts due on contracts, none of which is included in the

census report. Among the larger items of our debts, as far as officially reported, are the following:

National debt of the United States (U.

S. Census, 1890.....	\$ 891,960,104
State and Municipal debt (U. S. Census, 1890).....	1,135,210,442
Railway bonds on 171,866 miles railway, 1892 (Poor's Manual, '93).....	5,463,611,204
The average farm and home debt shown by tabulation of partial returns from counties distributed throughout the Union, is \$1,288 for farm and \$924 for homes. If this average holds good for the United States, there is an existing debt in force, on the farms and homes of the United States occupied by owner (R. B. Porter, Supt. 11th Census, in North American Review, Vol. 153, page 618) of.....	2,500,000,000
Mortgaged Indebtedness of Business Realty, Street Railways, Manufactories and Business enterprise (estimated from partial reports of 11th Census).....	5,000,000,000
Loans from 3,773 National Banks (Statistical Abstracts of the United States)	2,153,769,806
Loans from 5,579 State, Saving, Stock and Private Banks and Trust Companies (Statistical Abstracts of the United States).....	2,201,764,292

If the same progressive ratio of increase is added to these figures that maintained from 1880 to 1890, over 5,000 million should now be added to the items above given.

Taking the figures used by COIN in the Fifth Chapter, we find that the actual ratio between the two metals is 1 to $15\frac{2}{3}$.

The following is the calculation :

THE RATIO.

No. cubic feet gold in the world,

9796

No. ounces in a cubic foot gold,

19258

78368

48980

19592

88164

9796

188651368

No. cubic feet silver in the world,

282085

No. ounces in a cubic foot silver,

10474

1128340

1974595

1128340

282085

2954558290
188651368

1068044610

943256840

124787770

= $\frac{2}{3}$

188651368

The ratio of the two metals as they exist in the world available for money is 1 to $15\frac{2}{3}$.

By making gold the only primary money, the natural result is to depress the *commercial* value of silver ; this depression now marks a commercial ratio between the two metals of 1 to 33 ; sooner or later, on account of the large gold interest-bearing debt in this country, money will be concentrated in the money centers ; values of all property will be further depressed, until the commercial ratio between gold and silver can be expected to go to 1 to 40 or more.

On page 18, COIN refers to the published report of the Director of the Mint as giving the world's production of silver for 1893 as \$143,096,239. This was the report as published in the newspapers at the time. Since then, however, the report of the Director of the Mint as now published gives the amount as \$208,371,100. From the fact that so much hostility and prejudice has been shown by Mr. Cleveland's administration to silver, and considering the unreliable sources from which this information is frequently obtained, there is some doubt as to the fairness of the last figures given. This doubt is further increased when it is considered that Mr. Cleveland has set the example to his subordinates to disregard a faithful observance of laws and customs, and has exhibited a zealous desire to make everything bend to his will. We refer to his having the coinage of silver stopped before the repeal of that law; to his appointment of a minister plenipotentiary to Hawaii without the consent of the Senate then in session; his infamous use of patronage with which to buy the votes of congressmen in the passage of the bill repealing the silver purchase act, and other acts now fresh in the mind of the reader. Any figures *now* given out on silver by his administration may be regarded as unreliable. There is not in the world to-day a more avowed and zealous gold monometallist than Mr. Cleveland.



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