HON. CARL SCHURZ

The Great German-American Statesman Speaks For Sound Money at Chicago.

Facts, Arguments, Logic, Wit and Sarcasm Presented In a Masterly Way.

Why Prices Have Declined—The Alleged "Crime of 1873" Has Not Made Goods Cheaper—The Consequences of a Free Silver Victory In November Would Be Panic, Bankruptcy and Universal Distress and Poverty—Free Coinage at Sixteen to One Means Silver Monometallism—Wages Will Be Cut Down and Half of the People's Savings Will Be Lost—Appeals to Prejudice In Support of Repudiation Policies Are Immoral and Bound to Fail.

Hon. Carl Schurz, ex-secretary of the interior, delivered an address on September 5th, in Central Music hall, Chicago, on the issues of the campaign, under the auspices of the American Honest Money league. Every seat in the hall was filled, many persons who desired admission being turned away for lack of room. The address in part was as follows:

FELLOW CITIZENS—I have come from the east to the west to speak to you for honest money. I do not imagine myself to be in an "enemy's country." There is to me no enemy's country within the boundaries of this republic. Wherever I am among Americans I am among fellow citizens and friends bound together by common interests and a common patriotism. In this spirit I shall discuss the question of the day. I shall not deal in financial philosophy, but in hard and dry facts.

There are sporadic discontents in the country, partly genuine, partly produced by artificial agitation. They may be specified thus: There are farmers who complain of the low prices of agricultural products; laboring men complaining of a lack of remunerative employment; men in all sorts of pursuits com-



plaining of a general business stagnation and of a scarcity of money. In some parts of the country, especially the south and west, there are many people complaining of a want of capital and a too high rate of interest. The cry for more money is the favorite cry. These are the principal and the most definite complaints. Beyond them, however, an impression has been spread by agitators that an organized conspiracy of moneyed men, mainly great bankers, in America and in Europe, backed by the monarchs and aristocracies of the old world, is seeking the general establishment of the gold standard of value to monopolize or corner the world's money to the general detriment.

All this has found definite expression in the following declaration of the Chicago platform: "We declare that the act of 1873 demonetizing silver without the knowledge or approval of the American people has resulted in the appreciation of gold and a corresponding fall in the prices of commodities produced by the people; a heavy increase in the burden of taxation and of all debts, public and private; the enrichment of the money lending class at home and abroad, prostration of industry and impoverishment of the people." Mark well that all these evil consequences are ascribed to the demonetization of silver in the United States alone—not to its demonetization anywhere else. This is to justify the presentation as a sufficient remedy of the free coinage of silver in the United States alone, "without waiting for the aid or consent of any other nation."

This platform is amplified by free coinage orators, who tell us that the act of 1873, called "the crime of 1873," has surreptitiously "wiped out" one-half of the people's money—namely, silver; that in consequence the remaining half of our metallic money—namely, gold—as a basis of the whole financial structure, has to do the same business that formerly was done by gold and silver together; that thereby gold has risen to about double its former purchasing power, the gold dollar being virtually a 200 cent dollar; that the man who produces things for sale is thus being robbed of half the price, while debts payable on the gold basis have become twice as heavy, and that this fall of prices and increase of burdens is enriching the money changers and oppressing the people.

What Are the Facts?

Are these complaints well founded? Look at facts which nobody disputes. That there has been a considerable fall in the prices of many articles since 1873 is certainly true. But was this fall caused by the so called demonetization of silver through the act of 1873? Now, not to speak of other periods of our history, such as the period from 1846 to 1851, everybody knows that there was a considerable fall of prices, not only as to agricultural products—cotton, for instance, dropped from $1 a pound in 1864 to 17 cents in 1871—but in many kinds of industrial products before 1873. What happened before 1873 cannot have been caused by what happened in 1873. This is clear. The shrinkage after 1873 may, therefore, have been caused by something else.

Another thing is equally clear. Whenever a change in the prices of commodities is caused by a change in supply or demand, or both, then it may affect different articles differently. Thus wheat may rise in price, the supply being proportionately short, while at the same time cotton may decline in price, the supply being proportionately abundant. But when a change of prices takes place in consequence of a great change in the purchasing power of the money of the country, especially when that change is sudden, then the effect must be equal, or at least approximately so, as to all articles that are bought or sold with that money. If by the so called demonetization of silver in 1873 the gold dollar or the dollar on the gold basis became a 200 cent dollar at all, then it became a 200 cent dollar at once and for everything. It could not possibly be at the same time a 200 cent dollar for wheat, and a 120 cent dollar for coal, and a 150 cent dollar for cotton, and a 100 cent dollar for corn or for shovels. I challenge any one to gainsay this.

Prices and the Act of 1873.

Now for the facts. The act of 1873 in question became a law on the 12th of February. What was the effect? Wheat, rye, oats and corn rose above the price of 1872, while cotton declined. In 1874 wheat dropped a little; corn made a jump upward; cotton declined; oats and rye rose. In 1875 there was a general decline. In 1876 there was a rise in wheat and a decline in corn, oats, rye and cotton. In 1877 there was another rise in wheat, carrying the price above that of 1870 and up to that of 1871, years preceding the act of 1873. Evidently so far the 200 cent dollar had not made its mark at all. But I will admit the possible plea that, as they say, the act of 1873 having been passed in secret, people did not know anything about it, and prices remained measurably steady, in ignorance of what dreadful things had happened. If so, then it would appear that, if the knowing ones had only kept still about it, the gold dollar would have modestly remained a 100 cent dollar and nobody would have been hurt. But, seriously speaking, it may be said that when the act of 1873 was passed we were still using exclusively paper money, that neither gold nor silver was in circulation, and that therefore the demonetization would not be felt. Very well. But, then, in 1879 specie payments were resumed. Metallic money circulated again. And more than that, the cry about "the crime of 1873" resounded in congress and in the country. Then at last the 200 cent gold dollar had its opportunity. Prices could no longer plead ignorance. What happened? In 1880 wheat rose above the price of 1870, likewise corn, cotton and oats. In 1881 wheat rose again; also corn, oats and cotton. In 1882 wheat and cotton declined, while corn and oats rose. The reports here given are those of the New York market. They may vary somewhat from report of farm prices, but they present the rise and decline of prices with substantial correctness.

If, however, there be somebody believing that, in spite of these facts, the demonetization of silver by the act of 1873 must in some mysterious way have done something to depress prices, I meet him with the affirmation that the silver dollar was practically demonetized long before 1873. To judge from the speeches of our free coinage orators, the American people must before 1873 have fairly wallowed in silver dollars. What is the fact? President Jefferson stopped the coinage of silver dollars in 1806. From 1793 to 1878, aside from fractional currency—which since 1853 was only limited legal tender—only about 8,000,000 of silver dollars were coined. They were so scarce that you would hardly ever see one except in a curiosity shop as a rare coin.

There was constant trouble with the legal ratio between gold and silver, which could not be so fixed as to keep the two metals together in circulation. Once one of them would be driven out of the country and then the other. Meanwhile over $1,000,000,000 of gold coin was coined, and since 1853 gold was substantially the only full legal tender money in actual circulation. And those were exceptionally prosperous times. Then the civil war came and swept all our metallic money out of sight. Paper money took its place, and in that condition we were in 1873, when the famous act of 1873 was passed. What, then, was in reality that law that has since been so fiercely denounced as "the crime of 1873?" Why, it was simply an act revising our coinage laws and providing among other things that certain silver coins should be struck to be legal tender in the payment of debts only to a small amount. The standard silver dollar, that had practically been out of use since President Jefferson in 1806 had stopped its coinage, was simply not mentioned in the enumeration. That is all. The act of 1873 therefore did not create a new state of things, but simply recognized a state of things which had existed for many and many years. It did thereby not only not destroy half the money of the country, but not a single dollar of it.

Why Prices Have Declined.

But what is it, then, that has caused the decline of prices? I appeal to your common sense. Do you think that when one man, aided by machinery, does as much productive work as formerly ten or more did, and when our modern means of transportation carry the product from the producer to the consumer with five times the speed at one-fifth the cost, and when in the transmission of intelligence time is quite and cost almost annihilated, do you think that then the product of human labor should not in due proportion become cheaper? If it did not, then modern civilization would in one of its most important and beneficent functions be a flat failure. For what is the inventive genius of the age that devotes itself to practical objects engaged in—what else than in devising and developing means and methods by which the things required by mankind for the sustenance and comfort of life be made better and more easily attainable—that is, cheaper?

The farmer in the United States welcomed the agricultural machinery which helps him in planting, raising and harvesting his crop. He welcomed the railroad, the steamboat, the low freights, the telegraph, which shortened the distance between his farm and the market, and the banking arrangements required for moving and selling his product. But as nearly all our farmers had the same encouragement, so it followed quite naturally that the wheat crop of this country increased from an annual average of 312,000,000 bushels between 1870 and 1880 to an annual average of 475,000,000 bushels between 1890 and 1895. But also foreign countries had the encouraging benefit; new wheatfields were opened in Russia and the Argentine Republic and elsewhere, and, according to Bradstreet's, a very competent authority, the wheat product of the world grew from 1889 to 1894 no less than 420,000,000 bushels, while the world's consumption is estimated to increase only 12,000,000 to 16,000,000 bushels annually. When the increase of the world's supply thus gains upon the increase of the world's demand, is it a wonder that in the world's market, which rules the price for all exporting countries, that price should have declined? Is not this an infinitely more rational explanation of the decline in prices than to ascribe that decline to the so called demonetization law of 1873, which practically demonetized nothing, but was actually followed by an increase of our currency, nearly trebling its volume and making the per capita far, far higher than it ever had been before, and higher than it is in any other country except one? You might as well ascribe our civil war to the great comet of 1811.

Our Recent Silver Laws.

Cowed by the uproarious outcry which was started by the silver miners and taken up by the "cheap money" men, congress passed two laws, one in 1878, the other in 1890, in pursuance of which over 420,000,000 of silver dollars were added to our currency, more than 50 times as many dollars as had ever been coined before, besides a large addition to our subsidiary silver coins. Our paper money was largely increased, so that while in 1873, the year in which the American people were said to have been robbed of half their money—while in 1873, I say, we had $774,000,000 of money in the United States, we had $2,217,000,000 in 1895, nearly three times as much, and while in 1873 the circulation was $18.04 per capita, it was $22.96 per capita in 1895—fifty times as many silver dollars and many times more money of all kinds than this country had ever had in its most prosperous days—and yet the price of silver in the market kept on falling, and the prices of many commodities, agricultural staples included, continued in their declining tendency. Now analyze this case. Upon what ground do the silver advocates assert that the so called demonetization of silver depressed prices? According to their own reasoning, because there has not been sufficient money to sustain prices. Sustain what prices? Those prevailing before 1873. But there is now three times as much money as there was in 1873 and a much higher per capita circulation. Well, what becomes of their argument? Some of the silver philosophers have invented a more mysterious phrase—that prices have gone down because by the act of 1873 the "money of ultimate redemption" had been curtailed, only gold being available for this purpose. But, according to the treasury statistics, we had in 1873 only $25,000,000 of coin, including subsidiary silver, in the country, and now we have much over $600,000,000 of gold alone, or more than 24 times as much money of "ultimate redemption" as in 1873. And yet prices are low. The man whom such facts do not convince that the decline of prices cannot have been caused by any effect produced upon our currency by the act of 1873 must have a skull so thick that a trip hammer would not drive a sound conclusion through it.

How the Act Was Passed.

But I hear myself asked, If this is so, why was this act of 1873 passed secretly, surreptitiously, stealthily? For silver orators have been persistently dinning into the popular ear for many years, until millions believed it, the story that the silver dollar was "assassinated" through the law of 1873 by some dark, corrupt plot. This fable has been so often and so authoritatively disproved that I am unwilling to take it up again in detail. Senator Sherman did that recently in a most conclusive manner. I will only add that I was a member of the senate at the time and know whereof I affirm, and I emphatically pronounce all the stories about the act of 1873 being passed surreptitiously; about senators and members being somehow hypnotized, so that they did not know what they were doing; about some Englishman being on the ground with much money to promote the demonetization of silver, and so on, as wholly and unqualifiedly false. I wish to be scrupulously courteous to my opponents. But as a conscientious student of contemporaneous history I am bound to say that in the 40 years during which I have been an attentive observer of public affairs I have never witnessed nor heard of such unscrupulous, shameless, persistent, audacious, cumulative, gigantic lying as has been and is now done with regard to the act of 1873, its origin, its nature and its consequences.

What Would Follow Bryan's Election.

Consider now what the immediate consequences would be if Mr. Bryan were elected president with a congress to match. Mr. Bryan would of course be anxious to have his free coinage law enacted, but that could not be, even if he called an extra session of congress, until some time in April or May, five or six months after the day of election. But as soon on the 4th of November as the result of the election was announced everybody would know that the parity of gold and silver would not be maintained.

It having been made certain by Mr. Bryan's election that the parity of gold and silver would not be maintained, there would be a rush upon the treasury for the gold in it by persons holding greenbacks entitled to redemption, and the gold reserve would be exhausted in a twinkling. Gold will instantly disappear from circulation to be hoarded or exported. Why will it disappear? Because every sensible person when making a payment will prefer to make it in the less valuable dollar and hold the more valuable gold dollar back for more profitable use. Gold will therefore quickly rise to a premium, and we shall be on the silver basis long before a free coinage law can be enacted. What does it mean to be on the silver basis? The word "coin," wherever it appears in the law, will no longer mean gold, as it was so far understood, but silver alone. The greenback or treasury note redeemble in "coin" will no longer be redeemed in gold, as heretofore, but only in silver. The United States bond payable in coin, no matter whether gold was paid for it or whether it had been sold for the very purpose of buying gold for the treasury, will be paid, principal and interest, in silver—repudiation as flagrant as the world ever witnessed. Our daily transactions in buying and selling, in paying and receiving wages, will no longer be carried on upon the basis of the gold dollar worth 100 cents, but of the silver dollar worth 50 cents or thereabout, for the government will no longer hold up the silver dollar to the value of the gold dollar. That is what the silver basis means. You can study in Mexico how it works.

The quantity of gold vanishing from circulation will amount to about $600,000,000, the disappearance of which will make a tremendous hole in the volume of our currency. Nearly one-third of it will be gone, and what remains will be reduced nearly one-half in purchasing power. But, says the silver man, there will be free silver coinage to fill the gap promptly with coined silver or silver certificates. Oh, no, my fellow sufferers. The disappearance of gold will happen promptly after the election of Mr. Bryan, and there will not possibly be any free coinage of silver for at least six months, and it will require a great many more months to fill a gap of $600,000,000.

The Free Coinage Panic.

What will happen meanwhile? The St. Louis Globe-Democrat reports Mr. Bryan to have said some time ago: "I think it," meaning the victory of the free coinage movement, "will cause a panic. But the country is in a deplorable condition, and it will take extreme measures to restore it to a condition of prosperity." Whereupon the St. Louis paper pointedly remarks, "Evidently Mr. Bryan has heard of the doctor who always threw his patient into fits before administering any curative medicine." Just so.

How, then, would Mr. Bryan's "fit" work? The sudden disappearance of our gold from circulation would produce the most stringent contraction of the currency on record. Business men who owe money and at the same time have money due them will be forced to collect that money by every means at their disposal. Nobody will be inclined to lend out any money except upon extraordinary security. The banks will naturally consider it their duty to keep themselves strong, and therefore to call in loans and to restrict their discounts and advances to business men with the utmost caution. Business establishments, manufactories, mercantile houses, unable to get the money for meeting their obligations, will by the hundreds succumb to their embarrassments and tumble down like a row of bricks. Others will cautiously restrict their operations to the narrowest possible limit, and wage earners by the thousands will lose their employment and be turned into the street.

No class of society will be spared the destructive consequences. Every frightened creditor, pressed by his own creditors and apprehensive of a growing loss by every day's delay, will eagerly pounce upon his debtors. The prompt settlement of every account will be peremptorily demanded. Our farmers who have mortgages on their property and who have been told that free coinage will make things exceedingly easy for them will have some unexpected experiences. Every mortgage debt that is due will be quickly called in. The mortgageor who tries to have his bond extended will find an unwilling ear. He who seeks to borrow money in order to replace the old mortgage with a new one will be told that this is no time for loans, except, perhaps, upon exorbitant conditions. The mortgageor may find, too, that his bond is payable in gold coin, and he will have to buy the gold at the premium then ruling. Foreclosures will be the order of the day. The mortgageor who seeks shelter under the law's delay will at any rate further burden his property with the cost of legal proceedings. Everywhere anxiety, embarrassment, sacrifice, loss and distress, even before Mr. Bryan could ascend the presidential chair.

Bryan's Bimetallism.

After five or six months of such a deadly crisis, Mr. Bryan's extra session of congress would begin and give us free coinage. Then, as Mr. Bryan solemnly promised us in his great New York oration, free coinage will give us bimetallism, bimetallism will give us an abundance of money, and all will be right. Bimetallism? What is bimetallism? It is a monetary system in which the two metals circulate together for all the purposes of money on a parity with each other upon a fixed legal ratio, which in our case is 16 to 1. Evidently to have bimetallism gold must be on hand as well as silver.

How will Mr. Bryan get the gold back from the money power? Evidently he must offer an inducement? What inducement? To be sure, the mints will be open to gold as well as silver. But who will offer gold bullion to have it coined into dollars for circulation when he can have silver dollars with the same legal tender power at half the price? Only an idiot would do that. Of course, gold will be offered only when the silver dollar is up again to the gold standard. There is the rub. But here Mr. Bryan steps in with a theory which is a curiosity in statesmanship. He said in his New York speech: "Any purchaser who stands ready to take the entire supply of any article at a certain price can prevent that article from falling below that price. So the government can fix a price for gold and silver by creating a demand greater than the supply." And again, "When a mint price is thus established, it regulates the bullion price, because any person desiring coin may have the bullion converted into coin at that price, and any person desiring bullion can secure it by melting that coin."

Would Be Silver Monometallism.

What? Is this to mean that under free coinage the government will purchase silver bullion and pay a certain fixed price for it? If so, then Mr. Bryan, the great free coinage apostle, does not know what free coinage is. Let us remind him. It means that the owner of silver bullion may take it to the mint and have it coined and returned to him in coined pieces, so many dollars for so much weight of pure silver. It does not mean that the government "stands ready to purchase the entire supply of silver at a certain price." The government does not purchase a single ounce of it. It merely receives the bullion, stamps it and returns it. And as to fixing a price, as soon as the government stops holding up the silver dollar to the gold standard, as it would with Mr. Bryan's election, the silver dollar, measured by its purchasing power, will be worth not a cent more than the market value of the silver contained in it. If the market value of that quantity is 50 cents, and you present at the mint 50 cents' worth of bullion, you get back, not a gold dollar, but a silver dollar worth just 50 cents. You might, instead of taking your bullion to the mint, sell it in the market for just the same amount of money. Indeed, bullion owners, unless they have some special reason for taking their bullion to the mint, will take it to the market and sell it there, as they very extensively do in all countries in which there is free silver coinage. Why should they not? Because, if they have their bullion coined, they get legal tender dollars for it. Why, if they sell it in the market they get there legal tender dollars likewise. It will therefore be a mere question of special convenience whether they take it to the mint or to the market. And in the market, according to all human reason and experience, its price will, temporary fluctuations notwithstanding, remain on the whole very near to the figure of the cost at which it can in large quantities be produced. Mr. Bryan's strange imaginings have therefore proved only that when he speaks of government purchases of silver and fixing prices and creating a demand greater than the supply, he simply does not know what free coinage is.

Every sensible person, I trust, will now admit that free silver coinage in the United States alone will make bimetallism, the equal use of both gold and silver as money, utterly impossible, here as well as abroad. It will confirm Europe in gold monometallism and condemn us to silver monometallism—the exclusive use of silver as money and of paper based upon silver. No doubt this is what the silver men are really aiming at.

How Free Silver Will Work.

Let us now consider how it will affect the various interests of the people. The first blessing we are promised to flow from free conage is a general rise of prices. This means that the silver dollar will buy less than the gold dollar did, and this for the reason that it is no longer worth as much as the gold dollar. Evidently the promise of bimetallism, of silver rising to its old price on the one hand, and the promise of higher prices owing to a less valuable silver dollar on the other hand do not go together. The one or the other is a fraud. Of course the fraud is the promise of bimetallism. The rise of prices owing to the debasement of the dollar will begin at once as soon as gold departs and we slip on the silver basis. Bread will be dearer; milk, coffee, sugar, tea, meat, vegetables, will be dearer; clothes, shoes and hats will be dearer; rents, furniture, coal, kerosene—in short, every article the price of which can be raised by the seller.

High prices are a two edged sword—handy to the seller, but unpleasant to the buyer. They press, of course, hardest upon those who are compelled to buy most in proportion to their income or their earnings. And who are they? The poor people. What a rich family spends upon the actual necessaries of life, the indispensable food, clothing and shelter, is very little compared with its income. Most of its expenditures go for things that are not necessaries and may be classed as luxuries, the purchasing of which may be suspended or postponed without hardship. But the poor family, the wage earner's family, is obliged to spend a very large part of its income from day to day upon food, clothing, shelter, heat and light, that cannot be temporarily dispensed with without hardship. From a rise in the prices of the necessaries of life the poor people therefore suffer by far the most.

Where the Wage Earner Will Come In.

How stands the case of the wage earners whose product can be raised in price proportionate to the debasement of the dollar? As the dollar falls in value the manufacturer or the merchant marks up his goods. The workingman or the clerk, finding himself hard pressed by the rise in price of the necessaries of life, applies for a corresponding increase of wages. The head of the factory or the mercantile establishment admits that some increase is called for. "But," says he, "you are not the only person in trouble. The value of our money is fluctuating. We hardly know what it is to-day. We surely do not know what it will be next week. Profits are excessively close anyhow. We make a sale or a purchase today and think it is at a profit. Tomorrow we may find that it was at a loss. We hardly venture to make a contract to be filled at a future time, because we can make no safe calculations. We can increase your wages a little, but not much. For that you will have to wait until things are more settled. Besides, this silver free coinage has thrown all business into dreadful confusion, and there are plenty of people out of employment who would do your work for less than you get now." And so the wage earner has to be satisfied with a little increase of pay and wait for more while the advanced prices of necessaries prey upon him.

Is this mere conjecture? It is the experience of every country that has been cursed by a rise of prices through money of fluctuating value. I defy any one to show me in the whole history of the world a single exception. Have we not, during our civil war, witnessed it with our own eyes? In 1862, when our irredeemable paper currency had begun to depreciate, the average wages of labor rose only 3 per cent, while average prices rose 18. In 1863, when wages had risen 10½ per cent, average prices were 40 per cent higher; in 1864 wages had risen 25¾ per cent and prices 90½; in 1865 wages had advanced 43 per cent and prices 117 above what wages and prices had been in gold in 1861. In other words, the laboring man's wages had lost in purchasing power more than 30 cents in every dollar. Every country laboring under similar conditions tells the same story. What reason in the world is there to assume that this universal rule will not operate in the case of free coinage?

And what have the apostles of free silver coinage to say to this? Hear Mr. Bryan himself in his famous New York oration, "While a gold standard raises the purchasing power of the dollar it also makes it more difficult to obtain possession of the dollar—employment is less permanent, loss of work more probable and re-employment less certain." Is that all? Yes, all. Does not Mr. Bryan know that under what was practically the gold standard we had in the fifties one of the most active and prosperous periods this country has ever seen? Does he not know that more recently, at the time of the return to specie payments, we had under the gold standard years of signal prosperity with all hands at work? And does he wish to learn what has been the trouble since and what is the trouble now? Let him ask the employers of labor, and with almost one voice they will tell him that not the existing gold standard, but the growing danger of its overthrow, that the growing aggressiveness of the free coinage movement, filling the minds of men with anxious apprehensions as to dark future uncertainties, has served to paralyze that spirit of enterprise which sets the laboring man to work. Let him study the history of the crisis of 1893. Not the gold standard, but distrust of silver destroyed the confidence that employs labor. This is the truth, and Mr. Bryan will in vain try to deny it.

Debtor and Creditor.

The free coinage men profess especial solicitude for those whom they call "the debtor class." Who are the debtor class? Our silver friends speak as if, as a rule, the rich people were creditors and the poor were debtors. Is this correct? In my household I am the debtor to the cook and the chambermaid and the washerwoman two or three weeks in the month, and they are my creditors. Nor are they likely to be debtors to anybody else, while I may be, for they have little if any credit, while I perhaps have some. I am therefore the only debtor in my house. The relations between the large employer of labor and the employees are substantially the same. Ordinarily the employer, the rich man, is apt to be the only debtor among them. The employees are, as a rule, only creditors, and as they lay up savings they are apt to become creditors in a larger sense. They deposit their money in savings banks or invest it in building associations, in mutual benefit societies, in loan companies or in life insurance policies and become capitalists in a small way. The amount deposited by people of small means in the savings banks of the United States is at present something over $1,800,000,000, that invested in building associations about $800,000,000, in mutual benefit societies $335,000,000 and in life insurance many hundred millions more.

The number of such creditors belonging to what our silver friends often call "the toiling masses" is therefore very large. Together with their dependents it may, for aught we know, amount to $15,000,000 or $20,000,000. Who are the debtors of these creditors? The savings banks had, according to the reports of 1894, loaned out about one-half of the money deposited with them on real estate mortgages and invested the other half in United States bonds, state, county and municipal bonds and railroad and other bonds and stocks. The investments of the life insurance companies were about proportionately the same. The investments in real estate mortgages are always preferably in large amounts, on property belonging to comparatively wealthy persons or to business corporations. Thus the debtors to these creditors belonging to the toiling masses are the United States, states and municipalities, railroad and other corporations and persons very much richer than the creditors. Here we have, then, rich debtors owing to many millions of poor creditors thousands of millions of dollars.

The silver orators pretend that they have the toiling masses greatly at heart and that free coinage is to be introduced mainly for their benefit. How do they take care of the toiling masses in this case? By bringing us down upon the silver basis they simply cut down the thousands of millions of invested savings of poor people to about 50 cents on the dollar. And for whose benefit is this done? For the benefit of the debtors of these poor people, who will gain about 50 cents on the dollar. And who are they? Aside from the United States and the states and municipalities, those debtors are railroad and other corporations and more or less rich men, whom our silver friends profess to abhor very much as belonging to the "money power." Thus will the silver standard bleed the poor creditor for the benefit of the rich debtor. May not the toiling masses pray heaven to deliver them of the free coinage friends?

How the People's Savings Will Fare.

And what have these friends to say in their own defense? I will again let Mr. Bryan's New York oration speak. He says first, with regard to the insurance companies, "Since the total premiums received exceed the total losses paid, a rising standard must be of more benefit to the companies than to the policy holders." How wise! And that the companies may not have this benefit he proposes by the silver standard to strip the policies of the policy holders of nearly half their value! But does not Mr. Bryan know that most of these companies are mutual insurances, and that what benefits or injures the companies therefore benefits or injures the policy holders?

As to the saving bank depositors he says, "Under a gold standard there is increasing danger that the savings bank depositors will lose their deposits because of the inability of the banks to collect their assets." And to avert this danger Mr. Bryan advises a policy which would, by the introduction of the silver standard, at once cut down the value of those assets to 50 cents on the dollar. He further says, "If the gold standard is to continue indefinitely, the depositors in savings banks may be compelled to withdraw their deposits in order to pay living expenses." Indeed! It is a remarkable fact that since 1873, the year of the great crime, until 1875, during the period when we had to suffer all the calamities of the gold standard, the deposits in savings banks have, instead of being withdrawn for living expenses, increased—positively increased—much over $1,000,000,000. And they would have increased still more had not some depositors withdrawn their deposits, not for living expenses, but to send them to Europe for safety, out of the way of Mr. Bryan and other friends of the toiling masses. They will no doubt bring that money back as soon as Mr. Bryan is beaten.

Let us go on. Almost every man in active business is a debtor and a creditor at the same time—every merchant, every manufacturer, a creditor to his customers and a debtor to those from whom he buys. Let Mr. Bryan bring on his panic, and hundreds if not thousands of them, although ever so solvent under ordinary circumstances, will break because they cannot pay what they owe, being unable to collect what is due them.

"Cheap Money" Fallacies.

But we are told that the Bryan panic cannot last forever; that finally the business of the country will adjust itself to the silver basis; that then unrest will cease, and that confidence and prosperity will return. No, the unrest will not cease, for with the establishment of the silver basis will come the disappointment of those who brought it on.

The ultimate result is not at all uncertain. After a period of infinite confusion, disaster, humiliation, suffering and misery the American people will at last regain sanity of mind and arrive again at some very simple conclusions: That, if you call a peck a bushel, you will have more bushels, but not more grain; if you call a foot a yard, you will have more yards, but not more cloth; if you call a square rod an acre, you will have more acres, but not more land, and if you call 50 cents or 1 cent or a bit of paper, a dollar, you will have more dollars, but not more wealth—indeed, a great deal less chance for wealth, for you will have far less credit, because far less honesty. We shall then have learned again that the wit of man cannot—although insanity tries very hard—invent an economic system under which everything you have to sell will be dear and everything you have to buy will be cheap. And having got hold of these very, very simple truths, the American people will, in sackcloth and ashes repent of this insane free coinage debauch. They will then recognize how wise the great civilized nations were in adopting the only money in our days capable of being the money of the world's commerce as their own money. We shall then be sufficiently cured of prejudice to observe that under that monetary system those nations have on the whole prospered, notwithstanding serious evils and drawbacks under which we do not labor, and that the rate of interest is lowest where the gold standard has existed longest. We shall then understand that it is a good thing to have the necessaries of life in plenty and cheap; to have wages rising and payable in money that does not deceive; to have capital inspired with confidence in the value of money, and therefore eager to go out in investment or enterprise. We shall then readily acknowledge how foolish we were from the very beginning of our silver experiments in throwing away our gold for silver, by which we lost confidence, credit and prosperity. Chastened by adversity, we shall then no longer be tempted to repeat such nonsense, but with laborious and painful effort we shall work our way back to that money standard which will insure stability and confidence at home and enable us to trade with the nations of the world on equal terms.

It is not my habit to boast of a warm heart for the poor and suffering. But my sympathy is no less sincere because I do not carry my love and solicitude for the common people constantly at my tongue's end. If there be those who are satisfied with everything that exists, I am not one of them. There are few, if any, who abhor that which may properly be called plutocracy or detest the arrogance of wealth more heartily than I do. I know, also, that the industrial developments of our time have brought hardship to many classes of people which only the more sagacious, active and energetic among them have been able to counterbalance profitably with its benefits. There are laws and practices which, had I the power, I would promptly change, in the interest of common justice and equity. But because I am so minded I must oppose to the utmost a policy which, I am convinced, will immeasurably aggravate existing evils. I also know full well that a large majority of those who support free coinage are honest and well meaning citizens, wishing to do right. But because I know this, my blood stirs with indignation when I see the unscrupulous efforts made to goad them on to their destruction. I have witnessed in my long life ten presidential campaigns, but never one in which the appeals to prejudice, passion and cupidity were so reckless and the speculation upon assumed popular ignorance or rascality so audacious and wicked. Some of the silver orators actually speak as if they believed the American people to be born fools or knaves, or both.

Sectional and Class Prejudice.

They seek to excite the people of the west against the east because, as Mr. Bryan said in the Chicago convention, the east injuriously interferes with the business of the west. Aye, the east has interfered with western business, but how? In helping to build western railroads, to dig western canals, to set up western telegraphs, to establish western factories, to build up western towns, to move western crops, to allay western distress caused by fire, flood or drought. Has this served to enrich the east? Yes, and so it has enriched the west. Their wealth and greatness have been mutually built up by the harmonious cooperation of their brawn and brain and money just as the blood of the east and the west mingled on the common battlefields of the republic. And now comes this young man, as if we had not suffered enough from sectional strife, and talks of "enemy's country!"

They seek to excite what they call "the poor" against what they call "the rich"—in this land of great opportunities for all, where, now as ever, so many of the poor of yesterday are among the rich of today and so many of the rich of today may be among the poor of tomorrow. Their candidate for the presidency presented a characteristic spectacle when some time ago he was kindly shown over the farm of the governor of New York, who is himself an example of the poor country boy risen by able and honest effort to affluence and distinction, and when that candidate then straightway in a public speech drew invidious comparisons between the elegant houses on the Hudson and the poor cabins in the west—teaching not the true American lesson of success won by honest industry, thrift and enterprise, but the lesson that those who have succeeded less should hate and fight those who have succeeded more—a lesson utterly un-American, unpatriotic and abominable!

They tell the farmer—most cruel deception—that he must and will be made independent of the world abroad, while year after year from $550,000,000 to $700,000,000 worth of our agricultural products must seek the foreign market to find purchasers and while nothing will hurt the farmer more than a serious impairment of the great home market by a business crisis.

False Friends of Labor.

They proclaim themselves the special champions of the toiling masses, while their policy would rob the laboring man of half of his savings and grievously curtail the value of his wages. Am I asked, if the silver standard will relatively reduce wages, why so many employers of labor are opposed to it? The reason is obvious, because, aside from all considerations of sentiment, the prudent employers of labor know that they would lose vastly more through the disastrous disturbance of business sure to be caused by a free coinage victory than they could possibly gain by the cheapening of labor. And would not the toiling masses suffer most from that disturbance of business? He is a traitor to the laboring man who tells him that he can profit by the ruin of his employer.

The agitators denounce the gold standard as the device of monarchs and aristocrats, while the history of the world teaches that from time immemorial it was a favorite trick of unscrupulous despots to fleece their subjects by debasing the coin of the realm, and that those who out of the monetary confusion evolved fixed standards of values and money that would not cheat have always been ranked among the most meritorious benefactors of mankind and especially of the poor and weak.

They seek to inflame the vanity of the American people by telling them that we are great and strong enough to maintain any monetary system we like and to keep up the value of our money without regard to all the world abroad—while our own history teaches us that a century ago the American people were strong enough to shake off the yoke of Great Britain, but not strong enough to save their continental money from declining in value to nothing; that in recent times the American people were strong enough to subdue a gigantic rebellion, but not strong enough to keep an indefinite issue of greenbacks at par, and that this republic may be able to conquer the world, but it will not be able to make twice two five or to make itself richer by watering its currency.

They speak of the silver dollar as the money of the constitution, while they must know that there is not one single word in the constitution which, honestly interpreted, could justify such a claim.

They invoke for their cause the names of Jefferson and Jackson, while every reader of history knows that Jefferson and Jackson would have stood aghast at their wild scheme of creating by law a false value and would have kicked out of their presence as a public nuisance any one seriously advocating it.

Such things the free coinage agitators tell the American people, assuming them to be without intelligence. Far worse are the appeals they address to them, assuming them to be without moral sense.

Immoral Pleas.

They have been teaching the people that because the prices of wheat and other things have fallen about one-half since the so called demonetization year, 1873—I have shown why those prices have fallen—it is not equitable that debtors should be held to pay more than half the amount of their debts in gold, that they should be released in correspondence with the decline of prices, and that it would therefore be right to reduce by free silver coinage the value of the debt paying money by one-half.

Subject the principle to a simple test. When I contract a debt, I owe what it is mutually understood that I am to pay. Our whole business life and social fabric, all human intercourse, rests upon the binding force of such understandings. Unless it be expressly understood, has the debtor the slightest right or reason to demand that the creditor shall be satisfied with a less amount in payment if wheat or cotton or something else had meanwhile declined in price? If so, would not the creditor also have the right to demand that the debtor should pay more in proportion if wheat or cotton or something else meanwhile had risen in price? If neither of them had thought of proposing or of accepting so adventurous a contract, how can such claims be justified if based upon a mere secret mental reservation or an arbitrary afterthought? Is it not monstrous that such an assumption should be taken as a warrant for the reduction at one sweep of all debts by a debasement of the standard of value?

And yet he who has watched the free coinage agitation knows that just this appeal to debtors is one of its main allurements. Listen to their speeches, read their literature, and you meet ever recurring—now in soft spoken circumlocution, now in sly suggestion, now in the language of brazen cynicism—the promise that free coinage will enable the debtor to get rid of his obligations by paying only a part of them. It is a scheme of wanton repudiation of private as well as public debts, not as if we could not pay in full, but because we would prefer not to pay in full—the practice resorted to by the fraudulent bankrupt—and this sanctioned by law, as a part of our national policy.

The Coming Verdict.

Fellow citizens, think this out. It is a grave matter—a matter of vital import to the existence of this nation. The father who teaches such moral principles to his children educates them for fraud, dishonor and the penitentiary. The public men who teach such moral principles to the people educate the people for the contempt and abhorrence of mankind. The nation that accepts such moral principles cannot live. It will rot to death in the loathsome stew of its own corruption. If the nation accepting such moral principles be this republic, it will deal a blow to the credit of democratic institutions from which the cause of free government will not recover for centuries.

But, thank God, the American people will never accept such moral principles. The American people will, before election day arrives, have fully discovered what all this means. They will indignantly repeal the unspeakable insult offered to them by the politicians who have dared to ask for the votes of honest men upon the offer of such a bait. They will know how to resent the deep disgrace inflicted upon the nation in the eyes of the whole world by those Americans who exhibited their own belief that the American people were capable of taking such a bait.

Mr. Bryan has a taste for Scriptural illustration. He will remember how Christ was taken up on a high mountain and promised all the glories of the world if he would fall down and worship the devil. He will also remember what Christ answered. So the tempter now takes the American people up the mountain and says, "I will take from you half of your debts if you will worship me." But the brave old Uncle Sam rises up in all his dignity, manly pride, and honest wrath, and speaks in thunder tones: "Get thee behind me, Satan! For it is written that thou shalt worship only the God of truth, honor, righteousness, and him alone shalt thou serve."

This will be the voice of the American people on the 3d of November. And the star spangled stripes will continue to wave undefiled, honorable and honored among the banners of the kind.