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BASED ON HIS OWN FIGURES

Incontrovertible Facts Which Are Admitted by the Boy Orator in Many of His Speeches Throughout the Land.

HIS ATTACKS ON THE REPUBLICAN PLATFORM

Refuted in a Masterly Argument—Silver Monometallism is Not Bimetallism—Gold the Measure of Value in All the Principal Nations Where Bimetallism Exists, as It Does in the United States.

New York, October 21 (To the Editor.)—If Mr. Bryan is elected, have you weighed what the results will be?

At Paterson, on September 28, he said: "I say to you now that my election means that this nation shall open its mints to the free coinage of both metals at the earliest possible moment. Not only that, but my election means that this nation shall treat the silver dollar just as it treats the gold dollar, and that we shall not issue bonds to buy gold."

If the treasury gold reserve is not to be replenished by bond sales we all know it can't last long. Foreigners would immediately call for their loans and balances here, and holders of the $328,000,000 of outstanding greenbacks and treasury notes (according to the U. S. Treasury statement of October 1, 1896), would quickly withdraw the $122,000,000 of gold now in the treasury, to either export or hoard it, and leave the holders of the remaining $200,000,000 to take their pay in silver.

That this gold will almost immediately be exported Mr. Bryan admits. On September 29, at Tammany Hall, he said: "You know that with gold as our only primary money and the fact that the little quantity of gold can be drained away at a moment's notice by foreign creditors, it leaves us, etc."

As all our national bank notes are redeemable in greenbacks, they too would fall with them to a silver basis.

In short, Mr. Bryan's election would, as soon as the present gold in the treasury is exhausted, put our currency on a silver basis, and all debts, except where otherwise expressly stipulated, would be paid in silver.

It will be observed that this would all happen, even if no free silver coinage act should ever be passed.

As interest on government bonds would henceforward be paid in silver, and also all dividends on stocks, foreign capitalists would dispose largely of their holdings in these, and thus necessitate further large remittances of gold.

DEBTOR WOULD BE FORCED.

Their correspondents here and borrowers of foreign money, being called on to pay up, would be compelled to call in their loans, and draw their balances out of bank.

All creditors in this country who prefer gold to silver dollars (which includes the bulk of them) would demand all debts due them paid, and getting greenbacks instead or treasury notes for their bank balances, would present them at the treasury for gold before it was too late. If impossible to get gold they would buy sterling exchange, or exchange on Canada. The Herald reports that prior to October 1 over $6,000,000 in gold had already been deposited in Canadian banks to avoid the risk of the coming election.

In short, every man who had a dollar coming to him would want that dollar paid him while it was still worth 100 cents, and before it got to be worth but 53 cents.

The business houses and other debtors called on to pay up, would be compelled to call on their debtors, and thus all the debtors in the country would be called on to pay up immediately. The demands on the banks would compel them to call in their loans, and if not paid, to sell or try to sell their collaterals.

Debtors would be compelled to sell their property at any price, and where all debtors are sellers at once, the declines would be such as we have never seen before, because there has never been such a wholesale calling in of debts, and consequently selling, as this would cause.

Business houses the country over, being unable to collect balances due them, or to realize on their stock, except at ruinously low prices, if at all, must fail. Nothing could save them.

Small depositors, nervous and following the larger ones, would draw their balances and run on banks would become general.

With these runs on all the banks, they must either break or suspend. In the cities the stronger ones could combine and suspend, but the weaker ones, left out of the combination, and all country banks, would fail.

PANICS WOULD FOLLOW.

The panic and ruin would far exceed that of 1873 or 1893, the latter of which, called the "Silver Panic," was caused by the apprehension of going on a silver basis. This panic would be caused in part by actually going on that basis.

Mr. Bryan admits this: In the Chicago convention he said: "When you come before us and tell us that we shall disturb your business interests, we reply that you have disturbed our business interests." And the St. Louis Globe-Democrat reported his saying "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."

In the general scramble by home and foreign creditors for gold, as there is not enough to go around, it would necessarily go to a premium, with the inevitable result that the $517,000,000 of gold now in circulation in the United States (according to the U. S. Treasury circular of October 1, 1896) would be exported or hoarded.

As the total circulation of gold, silver, greenbacks, treasury notes, bank bills, silver cirtificates and all other kinds of money in the United States was, on October 1, 1896, $1,582,000,000, forcing $517,000,000 of gold out of circulation would reduce the money in circulation about one-third. That is to say, where there are now three dollars of money in circulation, then there would be but two dollars.

Such a radical and sudden contraction of the currency would of itself alone, and entirely apart from any panic on account of the depreciation of the currency, cause a stringency and panic such as we have never known. But coming on top of the other panic, the ruin it would spread would be difficult to describe.

Thus railroad stocks with gold mortgages ahead of them (as gold must be bought to pay interest, thus increasing if not doubling this fixed charge, and to that extent diminishing or entirely wiping out the net earnings applicable to dividends), with earnings diminished by the business collapse, would in the general panic become absolutely unsalable. The bottom would have dropped out of them. Banks, therefore, would become absolutely unable to realize on their collateral, and though a combination might save the strongest for a time, ultimately they, too, must go to the wall.

The demoralization would be complete.

In this general crash all factories, mills, building operations, etc., would shut down, and all classes of workmen, mechanics and laborers, except farm hands, be generally thrown out of employment.

Under the keen competition of this mass of unemployed for the little work left, it is clear that wages, instead of rising, must in the near future fall, even though paid for in depreciated dollars, because of the many who want employment, and must take it at any price to save themselves and families from starving.

With no wages, the unemployed laborers could buy neither food nor clothing, and the diminished demand would cause the prices of grain, cotton, and all farm products to fall, as is always the case even in small panics; and such want, suffering and misery would be entailed upon the laboring classes as we never have known before.

Of course all mortgages past due or in default would be immediately called in, and if not paid, foreclosed, and the mortgagors largely wiped out.

It is needless to say that there would be absolutely no money whatever to loan, for who would lend a hundred cents, or even 95 or 90, in order, later on, to get back but 53?

THE SILVER DOLLAR.

Mr. Bryan says he does not believe the silver dollar would depreciate to 53 cents, or at all, but would continue to be worth 100 cents in gold.

Is this view sound?

If the silver dollar under free coinage is to remain worth 100 cents in gold, it is apparent that silver bullion must become worth $1.29 an ounce, for if worth less, bullion holders would coin it for the profit, and this process would continue until no profit remained; that is, until the value of the silver dollar was just the same as the value of the bullion in it. If, on the other hand, the price of silver bullion is not raised to $1.29 an ounce, it must inevitably draw the value of the silver dollar down to the value of the bullion in it, as bullion would be coined until the two values met.

To raise the value of silver bullion it is necessary to raise the value of the whole world's stock of silver, which exceeds four hundred millions of dollars, from 65 cents, its present price, to $1.29 an ounce.

Mr. Bryan admits this. In his speech of acceptance he said: "We contend that free and unlimited coinage by the United States alone will raise the bullion value of silver to its coinage value, and thus make silver bullion worth $1.29 per ounce in gold throughout the world."

The question, therefore, resolves itself into this—Would the demand in the United States for silver dollars over and above the present stock of 437,000,000 (Treasury statement of October 1st inst.) which we already have on hand be sufficient to double the value of the world's stock of silver?

Mr. Bryan says it will, but admits he can't prove it, adding, neither can you prove that it won't.

That is his argument. He gives you his claim and belief, and says that is just as good as what all the financiers claim and believe, as neither can be proved; and it is on this showing alone that he asks the American people to elect him, and to see if his belief won't come true.

BRYAN CAN'T PROVE IT.

In Brooklyn, on September 24, he said "You cannot prove by mathematics that we can maintain a parity; neither can you prove that we cannot.
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Fortunately we are remitted to Mr. Bryan's belief alone for our guidance. The United States has had some experience in trying to raise the world's stock of coin above its market value.

In 1860 the bullion in a silver dollar was worth $1.03 in gold; and the gold dollar, measured by the silver, was depreciated 3 per cent. Our mints were open to the free coinage of gold as well as silver. Did that raise the price of gold to par with silver? Not at all. Although the world's stock of gold is much smaller than its stock of silver, and although it was only necesary to raise its price 3 per cent, we could not accomplish it.

THE RATIOS.

This lasted from 1834 to 1860 and down to 1873. The price of gold bullion was not raised the 3 per cent, and being the cheaper currency, it drove the silver out of circulation. And as no silver had been in circulation for over 35 years, in 1873, after full debate, this coin was omitted from our coinage list.

In 1792, under the ratio of 15 to 1 (in force at that time) the bullion in a gold dollar was worth three cents more than the silver dollar, and the silver dollar, measured by gold, was depreciated 3 per cent. Silver being the cheaper, drove gold entirely out of circulation for more than forty years, i. e., until 1834, when the government changed the ratio from 15 to 1, to 16 to 1, with the effect seen above.

In 1860 we were a nation of over 30,000,000 of people, and had no silver on hand. Now we are a nation of about 70,000,000 of people, but have 437,000,000 of silver dollars on hand.

If, with all our power in 1860, we were unable to raise the bullion value of gold but 3 per cent, how can we expect to raise the bullion value of a still larger quantity of silver not merely 3 per cent, but more than 15 times 3, i. e., 47 per cent?

If, with over 30,000,000 of people in 1860 we had been able to raise the bullion value of gold just three per cent to par, then, being two and one-third times as great a people now as we were then, we might expect to raise the bullion prices of silver two and one-third times as high, that is 7 per cent, but how could we expect even then to raise its price not 7 cents alone, but more than six times seven, that is 47 cents, especially when the only power we have to raise it with is our demand for silver dollars, and that demand is already supplied to the extent of $437,000,000?

Yet unless the price of the world's stock of silver is nearly doubled, the price of bullion must, as we have seen, inevitably pull the value of the silver dollar down, as bullion would be coined as long as there was a profit, i. e., till the values meet.

Mr. Bryan has presented his beliefs on this subject.

Opposed to them stand facts and history. And not merely history of this country alone, but of all countries.

When the mint was first opened the increased demand would undoubtedly raise the price of silver bullion somewhat, but when this demand was supplied (the value of the silver dollar having been brought down to its bullion value) it is evident that with the continued supply and diminished demand, the price must fall off again.

But it is to be noted that even if the silver dollar did not depreciate, we would not escape the panic, as foreign and domestic creditors alike believe it would, and they consequently would call in debts and force sales just the same.

This panic, as we have seen, Mr. Bryan fully admits must occur. Therefore the consequences of that panic are confessedly sure to happen if he is elected.

THE DOLLAR VALUE.

Mr. Bryan is very fond of insisting it is inconsistent to assert that the silver mine owner would make a profit in coining silver, and also that dollars would be worth only 50 cents.

It is not claimed that silver dollars will go to 50 cents the day the mint is thrown open, but decline gradually, and at first the silver mine owners could evidently make a large profit. When, by the coinage of his bullion, they had depreciated to 50 cents, his profit would cease; so that at one time he could make a profit, and at another time we could, and would have 53 cent dollars. A little thought solves Mr. Bryan's dilemma.

The farmer hopes to profit by a 53 cent dollar to pay off his mortgage at half its face.

How will this work?

On the 5th of November next, there would be no more silver dollars in circulation than today, nor on the 5th of March next, since no more could be coined until after a free coinage act had been passed.

Such a law could not be passed without the most desperate fight by the opponents of free silver. The fight against the Wilson tariff lasted all summer (till August 28th, 1894), and we could not reasonably expect this to be less determined, or that the bill would become a law before about September 1st next.

Then to coin $517,000,000 silver dollars to replace that number of gold dollars driven out of circulation would require over eight years. If the printing press was resorted to as the Populists suggest, it would require at the present rate for treasury notes, on the special paper required therefor, of $1,250,000 a day, over six weeks, which would bring it to the middle of October, and these could not be issued till $517,000,000 of silver had been deposited in the treasury which would require some time, and bring it to about November 1st, or about a year after Mr. Bryan's election.

Now as the gold would have been driven out of circulation, it is evident that until the coinage bill became a law, or until September, 1897, or for ten months after Mr. Bryan's election, we would only have two-thirds as much money as now, and at the end of the year no more than now.

During all of this terrible year we would be suffering from such stringency, panic and depreciation of values, as we have never seen before, and the prostration and dry rot following the panic would continue for several years afterwards. Business activity would not return with restored currency, as credit is a creature of slow growth. It took six years to recover from the panic of 1873, and would probably require ten years or more to recover from this one.

With new corn at 18 cents a bushel in Illinois, and 15 in Kansas and Nebraska, and with those prices to be still further reduced by the panic, the enforced idleness of the laboring classes, and the consequently diminished demand, to from 10 to 15 cents a bushel, after the laborer has been paid and the farmer's store bills settled, how much would be left for taxes and interest on his mortgage? And if he defaults in either, will not the mortgagee want his 100 cents instead of 53, and foreclose? Although foreclosure takes from one to two years, and would take till November of 1897 or 1898, yet as the effects of the panic would still continue, there could be but one result, the farmer must lose his farm, and become a renter.

The outcome therefore for farmers in debt, must inevitably prove disastrous.

The foregoing are the immediate effects.

EFFECTS OF FREE COINAGE.

In from five to ten years hence, after business and credit were restored, real estate and labor to day worth $1 in gold would again be worth that, and, if silver dollars were worth 50 cents in gold, they would be worth $2 in silver, just as they are worth about $2 today in silver bullion. But those silver dollars would not be the silver dollars of today, because not interchangeable with gold as our are. They would only be worth half as much, and hence be different because depreciated.

As well might they think to profit by selling their farm or labor for francs instead of dollars, because it takes five francs to make a dollar, and they would consequently get five times as many of them, as that by selling for silver dollars, two of which make a gold dollar, they could make a profit.

All expenses of living would meanwhile have doubled, and as these advance faster than labor or real estate (which always rise last of all commodities) even after work was found, wages would not buy as much as they do today. Hence after severe suffering in the start, and after low wages and high prices for many years, the laborer would be no better off in the end.

And how would the farmer be benefited, if starting in debt, he had in the process lost his farm?

Mr. Bryan claims it is inconsistent to say that free silver coinage will cause disaster and also that it will double prices.

But a little reflection will show that first we would have a panic, which he admits, and afterwards prices would be doubled (in silver).

In this great disaster capitalists could save themselves by buying exchange or foreclosing. The hardships and misery would fall upon the laborer, and those in debt, that is upon the mass of our people, and make the rich richer, and the poor poorer.

Crime and lawlessness would necessarily increase, and driven by hunger and despair, become rampant.

Instead of more money, which Mr. Bryan promised us, we have seen that his election means a money famine for a year or more, and instead of "prosperity for the producers of wealth," there would be but losses, hardships and suffering.

In view of these inevitable, and many of them conceded consequences of Mr. Bryan's election, is it wise to put him in?

BRYAN'S PROMISES.

In conclusion, let us examine some of Mr. Bryan's other promises and arguments and compare them with their unavoidable results.

Mr. Bryan promises that his election will give us the benefits of bimetallism. In his speech accepting the nomination, he said, "If, in November, the people by their ballots, declare themselves in favor of the immediate restoration of bimetallism, the system can be inaugurated within a few months."

What is bimetallism (bi meaning two, and metal) if not two metals in use in the currency of a country (apart from debased subsidiary coin)?

If a country has gold alone in its currency clearly that would not be bimetallism, but gold monometallism.

So, if a country had silver alone, and no gold in use in its currency, clearly it would not have bimetallism, but silver monometallism.

If, on the other hand, a country had silver and gold both in use in its currency, that country would certainly have practical bimetallism.

This is what Mr. Bryan promises us—gold and silver both in use in our currency.

But we have seen that if the mints are opened to the free coinage of silver, it, being the cheaper metal, would drive out the gold, and we should be left with only silver for currency. This, as we have seen, would not be bimetallism, but silver monometallism.

Therefore, although Mr. Bryan promises bimetallism, that is not what he would give us, but monometallism—and silver monometallism at that.

One must not allow oneself to become confused by names or phrases, or even by beliefs or promises. One must go by the true inwardness of things.

It will not do to believe that something is bimetallism because somebody says it is, when in reality it is silver monometallism.

Calling silver monometallism bimetallism does not make it so.

On the other hand, what have we in this country today?

TRUE BIMETALLISM.

The United States treasury statement of October 1st, 1896, shows that we have in circulation (exclusive of treasury holdings) $517,000,000 of gold and gold coin certificates, about $411,000,000 of silver dollars and silver certificates (quite apart from $60,000,000 of subsidiary silver coin). Is not this practical bimetallism?

How much more bimetallic would we be after we had driven out all the gold, and left only silver?

In point of fact then it is apparent that we already have practical bimetallism (though not free silver coinage), and that if we have free silver coinage we shall only get silver monometallism.

Although we already have bimetallism, our measure of value is the gold dollar; that is to say no matter which kind of currency is used in paying a debt, whether a gold dollar, or a silver dollar, or a greenback, or a treasury note, or a silver certificate, they are all measured by the gold dollar, which is our unit or standard of value, and at the present time all these five different kinds of currency are equal in purchasing power to the gold dollar. And so when any exchanges take place in this country in which no money is paid, as where payment is made by note, or by the exchange of other property, the amounts are reckoned in dollars, and the dollar in mind is, at the present time, always equivalent in value to the gold dollar. Thus the gold dollar is the measure (or standard) of value to which all values of property and money are referred in this country at the present time, and by which they are measured.

ONE MEASURE OF VALUE.

This property of being the measure (or standard) of value, it will be observed, is quite distinct from the property of being a medium of exchange. Thus where one or more gold dollars are given in exchange for property, they not only serve as a measure (or standard) of value but also as a medium of exchange for that value; whereas had silver certificates been used, the gold dollar would still have been the measure (or standard) of value of the article purchased, while the silver certi-

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