THE SILVER DOLLAR,

THE

ORIGINAL STANDARD OF PAYMENT

OF

THE UNITED STATES OF AMERICA,

AND

ITS ENEMIES.

BY

HENRY CAREY BAIRD.

"This bond doth give thee here no jot of blood;
The words expressly are 'a pound of flesh:'
Take then thy bond, take thou thy pound of flesh."
—*The Merchant of Venice, Act IV., Scene i.*

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PREFACE.

THE letters herewith presented to the public have appeared in the *Philadelphia Inquirer* from time to time, within the past three months. They were written and are now republished under a grave sense of the danger to which the people of the United States are exposed from the organized raid of the national banks and other dealers in money and credits, and their pliant tools in and out of Congress, upon the Silver Dollar, the original standard of payment of the United States of America, and the most thoroughly honest money, so far as both debtor and creditor are concerned, in which a debt can be paid. Let other nations do what they may with silver, gold or paper, we are a great enough one to legislate upon this subject for ourselves, just as we do in regard to tariffs, and our other internal and external affairs.

After a carnival of ruin, because of contraction, between 1873 and 1878, such as has never been exceeded in the world's history, engineered by the dealers in money and credits, and the holders of evidences of debt expressed in the money of account, on the ground that we should have "a metallic basis," the people in the passage of the bill of February 28, 1878, for the recoinage of the Silver Dollar, and that of May 31, 1878, prohibiting the retirement of greenbacks, at last arrested the forward movement of these forces of destruction. But ever on the alert to "spoil the Egyptians" the enemy is no better satisfied with the metallic basis which he now has in the Silver Dollar, than he was with the greenback, which had it not. Let no man now on any pretext whatsoever be allowed, in the interest of the holders of money and credits, to inaugurate for this generation a new era of spoliation by laying his unholy hands upon this dollar—at once a badge and a token of a great popular triumph. If he attempts it and he be in public life, let him be driven therefrom as an enemy of his country, and of mankind.

H. C. B.

PHILADELPHIA,
810 WALNUT STREET,
December 6, 1883.

From the Philadelphia Inquirer, September 19th, 1883.

"PILING UP THE SILVER."

To the Editor of The Inquirer:

SIR: On the 11th instant one of your contemporaries contained an editorial under the above caption, from which I make an extract, as follows:

"It is not long since the general public had a rather rough experience with trade dollars, and hundreds of thousands lost more or less of their earnings while said dollars were being cried down for the benefit of speculators. Nothing similar to that is likely to happen again soon with any other portion of our currency, but there is another kind of dollar which the people should be prodding their members of Congress about. An act of Congress is still compelling the mint to coin an average of two millions a month of the Bland dollars, which being legal tender are not likely to be run down in the hands of holders. But nobody wants them in payment of debt, if greenbacks, national bank notes or gold can be procured instead. Large masses of the monthly coinage still find their way to the Treasury, and the government is hard run to find space to pile them up, and has to build additional houses and vaults for the purpose. On the first day of the present month there were $114,320,197 of these pieces in the Treasury, showing an increase of $1,263,145, for the month of August, which was considerably more than one-half of the 2,300,000 Bland dollars coined during that month. Including the fractional silver coin, the weight of the silver held by the treasury on the 1st of September was five thousand two hundred and fifty-seven tons—ten million five hundred and fourteen thousand pounds of silver! Think of all that enormous mass that cannot be forced into circulation and Congress continuing the absurd policy of coining two millions more every month! If the mill should be kept going at this rate it would be but a question of time when the whole amount of the available funds of the government would consist of silver coin. The sooner, therefore, the government wakes up to this the better, and the quicker an urgent pressure is brought to bear on Senators and members of Congress the better that will be too."

Now, what do these gentlemen—these so-called bullionists, but really believers in bank and private credit—want more? Are they not content with having blasted the hopes and destroyed the happiness of well nigh a generation of their fellow-countrymen by the processes pursued in the accomplishment of their so-called "resumption of specie payments," a resumption under which no specie above a dollar is ordinarily used as "money current with the merchant"? Are they not satisfied with having destroyed the property of millions of the people of the middle and poorer classes and built up a condition of monopoly which never before 1873 existed in this country, and which to-day hardly exists in any other country in the world—a monopoly in view of which one of the most acute of American economic thinkers has recently said that the New York Stock Board no longer indicates the real values of stocks, but only records the daily decrees of a dozen men, as did the Roman Senate, in the decline of the Empire, the will of the Emperor and master?

Thirty years ago or more I saw, as the frontispiece to a book on the American Indians, an engraving which then so strongly impressed itself upon my mind and imagination that I can never forget it. It represented an Indian seated on the shores of the Pacific Ocean and exclaiming, "And will the white man still pursue?" And now am I myself compelled in like manner to ask the question, "And will the credit-monger still pursue?" Will he never let us have peace, peace financial, peace industrial? Must we submit to his further demands until he entirely enslaves us, and the government and the country fall absolutely into the grasp of a dozen men?

The first, the greatest, the paramount need of man is that of association, the exchange of services, commodities and ideas with his fellow-men. This condition of man's nature it is which more than any other, fixes the fate of the human race, makes rich and poor, great and small, refined and degraded; causes some to live in palaces, while others shiver and starve in hovels. Now, money is the necessary instrument of this association. In its presence society becomes vitalized, as it did during the war of the rebellion; while in its absence it becomes paralyzed and dies; because of the want of the power of association. Credit substitutes do not wholly answer, because they do not reach the great body of the people, who really constitute the great force known as society; besides which, those who furnish these substitutes not only control the power of association in society, but they levy taxes upon society for the use of these substitutes, and thus become the most powerful of monopolists and the most exacting of tyrants.

These gentlemen were not satisfied with the greenback, to which we to-day owe our national existence, because it lacked "a metallic basis." They insisted on this so-called metallic basis and gave us the unutterable woes of 1874-79, under which our people suffered far more than they did at the bloodiest and gloomiest period of the war. To this fetich almost a generation was offered up, until throughout the land beggars, tramps and thieves —degraded men and women swarmed as they had never in this country done before.

Now, the silver dollar, the metallic basis, must go, because "nobody wants it in payment of debt if greenbacks, national bank notes or gold can be procured instead." Only a million of them could be "forced" into circulation in August. But these gentlemen were told day after day and week after week for years during their war on the people in 1874-78, that paper money was the money of civilization. Nevertheless, their merciless war went on, and they insisted on the metallic basis, and they have it. There were 114,320,197 of silver dollars in the United States Treasury August 31, 1883, and on these had been issued $92,651,981 of paper money of a most acceptable character, known as silver certificates, and thus do these dollars circulate by virtue of their paper representatives to this amount, leaving less than $22,000,000 in the Treasury unrepresented by paper money. Thus is strictly carried out the metallic basis demand of the credit-mongers, and yet giving proof "as clear as holy writ" that the doctrine of the Greenbacker is true, and that PAPER MONEY IS THE MONEY OF CIVILIZATION. There would indeed be no use for these 3,257 tons of piled-up silver had we not the so-called bullionist among us; but unhappily we have him, and while he is here and in power, we must provide for his idiosyncrasy, and keep the basis piled up, a monument to his folly, but otherwise a heap as unnecessary as an equal quantity of cobble stones; but, nevertheless, a basis for the paper money absolutely necessary for our people to associate among themselves. That this money is actually required is proven from the fact that in spite of the $92,651,981 of silver certificates, the Secretary of the Treasury has found it necessary, in order to relieve a monetary stringency, to make weekly redemption of called bonds, without rebate of interest, and that the business world has gladly acquiesced in it. Take these silver certificates out of circulation within a year and fund them, and melt up the silver, and society would be resolved into its elements. Business chaos would indeed come again.

Much has been said about the government being "hard run to find space to pile them (the silver dollars) up," and of the necessity for it to "build additional houses and vaults for the purpose," and these things are repeated in the article above quoted; but all of this is beside the question. If this "piling up" of metal be necessary in order to give to the people paper currency actually needed, let the government find space, and build additional houses and still pile up the silver. This month I have seen, in a small New England town of 7,600 inhabitants a magnificent United States Government building of granite, merely occupied for a post office, etc., which is capable of holding several times the amount of silver dollars in the United States Treasury. Surely, if the government can indulge in such unnecessary luxury as this beautiful and substantial building in a village, it can supply space for the purpose of storing the metallic basis which the credit-monger alone renders necessary for the proper providing of the instrument of association for 55,000,000 of people.

But is this question of storing space as large a one as has been claimed for it? Is it not pretty much all talk in aid of a new movement for the contraction of the currency? Let us see; 6,144 standard dollars occupy one cubic foot of space: 100,000,000 occupy 16,276 cubic feet, and 114,000,000, the quantity in the Treasury, 19,000 cubic feet; whereas a room 65 feet long, 20 feet wide and 15 feet high contains 19,500 cubic feet, or more than the space required, without allowance for packages. Were fifty such rooms necessary it would not justify the government in refusing to give us the currency necessary to keep society and its affairs afloat, for while we are under the domination of the misnamed bullionist, we cannot get that currency without this metallic basis. Whether or not the time can come "when the whole amount of the available funds of the government would consist of silver coin" is a question of utter insignificance in comparison with the momentous issues at stake in the presence or absence of a sufficient or an insufficient currency.

So, gentlemen, until you shall allow the people a currency issued by the government without a metallic basis, they will insist upon the government piling up the silver dollars, and in the meantime you had better keep your hands off, for they will never again stand the iniquities of 1865-79! Give us but peace; peace financial and industrial, and we shall, as a result, have peace political, and advance in power, happiness and civilization, as no other people have done since the creation. In other words, let us alone!

HENRY CAREY BAIRD.

PHILADELPHIA, *Sept.* 17, 1883.

From the Philadelphia Inquirer, October 17th, 1883.

ECONOMIC QUESTIONS IN AMERICAN POLITICS.

To the Editor of The Inquirer:

SIR: If the adversity which has overtaken the Republican party in Ohio could be made instrumental in inducing our so-called statesmen—our politicians—to acquaint themselves with the true economic principles which lie at the foundation of individual and national well-being and of civilization, the uses of this adversity would, indeed, be sweet. Not only could the party to which these politicians belong carry elections and keep themselves in power, but the people would escape the constant trials and adversities which almost periodically overtake our country, so full of great natural resources, and with so intelligent and energetic a population.

It has been well said by a distinguished writer: "Men will sooner live prosperously under the worst government than starve under the best." Many will vote the Democratic ticket who despise that party and have no confidence in it rather than justify the acts of the so-called protectionist leaders in Congress last winter, who betrayed the cause of protection. The wool growers of Ohio, as I am advised by good authority, had much to do with the defeat of Foraker. Thus did they emphasize their detestation of the Congressional work of reducing the duty on wool, that particular part of the tariff which is the very bulwark of the policy of protection, appealing as it does to the interests of the farmer, for whom the politician entertains such great love, because he polls so many votes. In the Ohio canvass the Republicans largely ignored the tariff question, and at least one shrewd Democratic member of Congress from that State charged the Republican party with having abandoned protection, and claimed that the Democratic party was the real friend of that policy.

Late in the canvass in Iowa, one of the ablest writers and speakers on economic questions in the country, now living in Chicago, was invited into that field, and from a mutual friend I learn with the following result: My friend writes: "I have just been with . . . . and listened to a narrative of incidents and experiences in his late ten days' campaign in Iowa. He found the people hungering and thirsting for strong meat and pure waters of political and economic truths on the tariff question, and says, that if the campaign had been conducted from the outset with the tariff question in the fore front, we could have had a majority of 50,000 to 75,000. It is a most fortunate thing that he went out even at the eleventh hour of the canvass."

The question of the presentation of sound economic doctrines in our political discussions receives additional point and force in view of the fact that that great and powerful syndicate, the Bankers' Association, at its recent annual meeting in Louisville, not merely demanded the stoppage of the coinage of the silver dollar, but the retirement of the greenback. Indeed, it was not content with even these two measures, but took means to insure the perpetuation of the bonded indebtedness of the United States for the special benefit of the national banks. Now, any political party, whatever be its name, which lends itself to these schemes will be sunk so low that it will find itself "deeper than e'er plummet sounded."

The moral of all this is, that the leaders of the Republican party, if they mean to win in the Presidential contest of next year, must get to work, and that quickly, and study well the principles of the true American, or, if you choose, the Pennsylvania system of political economy.

Henry Carey Baird.

Philadelphia, October 13, 1883.

From the Philadelphia Inquirer, October 23, 1883.

THE NATIONAL BANKS IN POLITICS.

To the Editor of The Inquirer:

SIR: The assumption of your correspondent "Banker," in your issue of the 20th inst., that the resolution of Mr. Lindenberger, adopted at the late Bankers' Convention, means the continued coinage of silver dollars, be they great or small, is entirely unjustified by the resolution itself. That resolution is as follows:

"*Resolved*, That the adherence by the government to a policy which will attract to its use an abundant supply of gold and silver, the recognized money of the world, and cause its general diffusion among the people in the currents of business, will encourage the most rapid development of our resources, stimulate to activity our productive industries, and promote the greatest steadiness and stability in the business of the country."

This resolution closely resembles those in the platforms of political parties, which are almost universally intended to be susceptible of a double interpretation, and I assert, without fear of successful contradiction, that it is impossible for any one but those who made and passed it, to say what it really does mean. That it means anything else but provision for a metallic currency, like that of Great Britain, consisting of a single standard, gold, with a subsidiary coinage of silver, I do not believe. That it points to anything else no one can, from its terms alone, confidently assert. The National Bankers' Association having largely gone into politics, it is not uncharitable to judge such a platform as this by the same standard as that by which we judge those of the ordinary politician. What Mr. St. John, of New York, a member of the Bankers' Convention, has said of the views of the convention is entirely beside the question. We must judge it by its official utterances as embodied in its resolutions, and those resolutions give no color to the idea that the convention was in favor of the continued coinage of a silver dollar of any weight whatever.

Your correspondent further says: "The Bankers' Convention at Louisville did demand the stoppage of the compulsory coinage of the so-called silver dollar, worth but eighty-five cents, and the forcing of it upon the people and banks as a legal tender for one hundred cents."

The above expressions show an entire absence of knowledge of the real attributes of money, and a singular confusion of the silver dollar with the metal from which it is coined. That this dollar is worth one hundred cents is proven by the fact that it is readily accepted at this rate in common with that of gold and the greenback by all dealers in merchandise in exchange for their commodities; these parties, too, being under no obligation whatsoever to take it under the law which makes it a legal tender. That it is not bound by or to the value of the metal out of which it is made is proven by the fact that while it contains but 412½ grains of silver it is worth some sixteen per cent. more than the trade dollar, which contains 420 grains, and circulates where the latter will not.

Money derives its power from its quality of universal acceptability among a race of beings whose first, greatest and paramount need is that of association—the exchange of services, commodities and ideas—with their fellow-beings, of which association it is the necessary instrument. The legal tender act of a government possessing the power to maintain and protect this quality in its money gives it the full attribute of money—indeed, constitutes it money. In fact, gold and silver derive much the larger portion of their value from the existence of such laws throughout the world. But bank notes, which do not possess this legal tender quality, and are, therefore, not money, pass freely because of their acceptability, growing out of their supposed convertibility into actual money. Nay, more, even bank debts called deposits, which are notoriously far in excess of the ability of the banks at any one time to honor, are freely accepted in exchange for merchandise and in discharge of debts, because of the knowledge that they can be used as instruments of association. The silver dollar is worth a dollar, and not one cent less than a dollar, because its government has constituted it such, and it is thus the legal representative of the money of account of the nation, in which taxes, prices, debts, credits, individual wealth, income and expenditure are expressed and the judgments of United States and State courts are decreed. It is freely taken, not only because creditors are obliged to take it, but because it will be freely accepted for taxes, national, State and local, and by all men in exchange for services and commodities.

That the silver dollar does not circulate more freely than it does is not owing to any want of value in it, but because paper money is preferred. This is, indeed, more marked with gold than with silver, there being perhaps to-day more dollars in silver in circulation in Philadelphia than dollars in the total gold circulation here. This is well illustrated in the disposition of the public to exchange gold coin for silver certificates, which are only convertible into silver dollars; a leading Philadelphia paper of the 20th inst., in its money article, saying:

"The steady coinage of silver dollars at the rate of $2,000,000 a month for several years has resulted in a sufficient volume of silver certificates this year to take the place of other currency to a considerable extent in the fall movement of money to the South and Southwest, where national banks are few. In fact, that part of the country has been sending gold coin to New York for silver certificates as a more convenient currency. The amount of gold received at the New York sub-treasury from New Orleans, Galveston, Mobile, Memphis and St. Louis for which silver certificates have been demanded and sent back to the same points, from March 3d to date, is $11,000,000. In the nine days from October 9th to 18th it was $2,805,000."

This shows perfect confidence in the silver dollar, even if its paper representative be preferred to it, and fully disposes of the assertion of your correspondent, that it is worth but 85 cents, the public not being so devoid of sense as to exchange one dollar in gold for 85 cents. The real trouble with the silver dollar is that it is metallic, not that it is silver or over-valued, and that trouble is quite as serious as regards the gold one, the paper representative of the former being, as we have seen, preferred to the latter. In a word, PAPER MONEY IS THE MONEY OF CIVILIZATION, and the sooner this great fact is recognized the better it will be for all mankind. Neither metallic money nor a metallic basis for money is needed, and the retention and enforcement of these relics of barbarism resulting in the placing of the power of association under the control of those who can create and use bank credits, called loans, and bank debts, called deposits, means neither more nor less than the enslavement of a vast majority of the members of that society, who must either obtain the power of association or perish.

But your correspondent adds: "The continued compulsory coinage and circulation of the dishonest 85 cent dollar in such vast amounts renders it but a mere question of time when it will drive the honest one hundred cent gold dollar out of circulation, and, by forcing gold to a premium equal to the difference in value of the two coins, bring the business of the country down to the basis of the inferior silver coin. This is the catastrophe the American Bankers' Association seek to avert."

This looks rather plausible, but is there really anything in it? Let us see! *Gold is already practically out of circulation*, not by reason of any difference in the value of the currency which does circulate, but of the superior convenience and acceptability of the paper money, the money of civilization, which forms the bulk of the circulation. Gold can only disappear from the country by our running in debt for merchandise and services abroad, and should any premium result therefrom, it would assist in time in correcting itself by, to that extent, increasing American prices of foreign imports and turning the balance of trade in our favor. It would also enable us to deal more freely with Asiatic countries in which silver is the standard. So far from being an evil, it would be a blessing. Indeed, M. Leon Say, Senator and ex-Minister of Finance, acknowledged to be the most eminent financial authority in France, has recently published in the *Fortnightly Review* an article entitled "France and England in Egypt," in which he says:

"India is a country with a silver currency, and the adjustment of Anglo-

Indian commerce is extremely difficult now, and may become more so, by reason of the difference of money. Unless care be taken the movement of Anglo-American business will tend more and more to the detriment of Anglo-Indian business, and the United States will take the place of India as the intermediaries of English commerce with China. It is in the power of France to re-establish the equilibrium; having the same currency as India, she can bring back, via Suez, to Europe all that might escape by way of America and California."

Take the case of France itself, with a currency in which the relation of value in gold to silver is 15½ to 1, thus overvaluing silver, compared with our ratio of 16 to 1. The reserves of the Bank of France, October 4th, 1883, were as follows:

Gold, francs	974,052,571
Silver, francs	1,025,260,881
Francs	1,999,313,452

Which is probably about the relative proportion of gold and silver money in the country. There is thus indicated no immediate danger of her being left with an exclusive coinage of silver.

These are important considerations; but one far above them is that of the necessity under which our people, one and all, stand for associating—exchanging services, commodities and ideas—with each other. This is the first and paramount consideration, and until the effect of the policy proposed by your correspondent in controlling this great societary phenomenon is well and truly weighed, it cannot be considered as legitimately open for discussion on its merits. In other words, any merits which it possesses outside of its relation to association are unworthy of the name while we ignore its effects upon that great and controlling function of society.

For instance, it is capable of demonstration from the figures of the censuses of 1860, 1870 and 1880, that the cost of so-called "resumption of specie payments," in which no specie beyond subsidiary coin is used, except that which the Bankers' Association desires to drive out of circulation, involved a pecuniary cost to the people of the United States alone immensely in excess of the value of all the gold and silver coin in the world. How insignificant was a premium of twenty or even fifty per cent. on gold in comparison with this great loss, and yet this sacrifice was made merely to destroy the premium on gold, and not to produce payments in specie, which are alike impossible and undesirable.

This great catastrophe was largely brought upon us by the very class which was represented at the Louisville convention, and yet our finance ministers always first consult Wall street before recommending any important financial measure, and the Comptroller of the Currency annually takes part in the discussions of the bankers' syndicate. That this class of men is incapable of judging or at least of recommending what is best for the people, we have the proof in the proceedings of the Louisville convention, so clear that he who runs may read.

In the face of the fact of a decline in the production of gold from the States west of the Missouri river from $44,880,000 in 1877 to $29,000,000 in 1882, and of the payment of the bonded indebtedness of the United States, which causes, necessarily, a contraction of the bank circulation, this body recommends the cessation of the coinage of the silver dollar, upon which $94,490,000 of silver certificates rest, and further the retirement of the greenback. Further, the evidence is not wanting to show that the bank syndicate means to take this work in hand during the coming session of Congress. Doubtless it is more or less influenced in these foreshadowed proceedings by a desire to coerce Congress into the issue of a long bond for the special use and benefit of the national banks; for the National Bankers' Association is by this time thoroughly at home in the work of influencing Congress on monetary legislation. It is already well understood that to the bank influence was largely due the passage of the tax and tariff bill of last winter, which has already involved so much ruin to every branch of legitimate business in the country.

The bank interest had better be a little cautious, or the national banks may finally succeed in making themselves as obnoxious to the people of the United States as the second Bank of the United States, and may meet a similar fate. Turkey and India are more completely ruled by the money-lending interest than by, respectively, the Turkish and British Governments; but let us hope that the day is far distant when the American citizen will submit to seeing the national banker placed in power over this government. He will not do it if he knows it, and he cannot long be deceived, the horrors of "resumption" having gone far towards opening his eyes, and each new financial cataclysm teaching lessons which are never wholly lost. Will this powerful interest take warning in time, and keep its hydraheaded self out of politics, and the control of the national and financial policy of the country? I for one fear it will not.

HENRY CAREY BAIRD.

PHILADELPHIA, Oct. 22, 1883.

From the Philadelphia Inquirer, October 30, 1883.

THE STANDARD SILVER DOLLAR AND THE BANK DOLLAR.

To the Editor of the Inquirer:

SIR: The resolutions of the Bankers' Convention, given by your correspondent "Banker," and of which he says, "when, taken together, they do not appear susceptible of the double interpretation suggested by Mr. Baird as to the one he quotes to sustain his position," can be wholly relieved of that charge which I made against the second resolution, only on the condition that the other five carry such clear conviction to the mind that, exclusive of the subsidiary coinage of silver, the convention was determined that the government should issue no money whatsoever but gold coin. The second resolution should thus be interpreted by means of the other five, and these go to show that the Bankers' Association desires as little money issued as it is possible to keep the people quiet under, and that the vacuum shall be filled by the notes and loans and the resulting deposits of the banks. This, too, is to the end that their profits may be swollen to the largest possible proportions, regardless of the immediate and direct injury to the public and of the increased instability of an already dangerously expanded and top-heavy banking system.

The resolutions are as follows:

1. *Resolved,* That the president, vice-presidents and Executive Council of this association be instructed to prepare and digest a plan, to be presented to Congress, for the continuance of the national banking system.

2. *Resolved,* That the adherence by the government to a policy which will attract to us an abundant supply of gold and silver, the recognized money of the world, and cause its general diffusion among the people in the currents of business, will encourage the most rapid development of our resources, stimulate to activity our productive industries and promote the greatest steadiness and stability in the business of the country.

3. *Resolved,* That a bank note circulation, absolutely secured and issued under ample safeguards for its redemption on demand in coin, is necessary for the convenient transaction of the business of the country, and such circulation can best be provided through the continued operation of the National Bank act, as has been attested by the experience of the past twenty years.

4. *Resolved,* That the retirement of the United States legal tender notes by a gradual process, not liable to embarrass the business of the country, will be in accord with the purposes of the government at the time of their issue; will be the final step accomplishing the full return by the government to a coin basis; will tend to an increased supply of coin; will give free course to gold and silver in commerce and financial currents, and afford an ample basis for the redemption in coin on demand of bank note issues.

5. *Resolved,* That it is the sense of the American Bankers' Association that the compulsory coinage of the standard silver dollars of 412½ grains is against the welfare of the country, and that they recommend to Congress the discontinuance of such coinage, except in such quantities as the demands of the business of the country may require.

6. *Resolved,* That the retirement of the United States legal tender notes, as rapidly as these notes can be retired, without, at the same time, contracting the legal tender circulating medium, will be the final step accomplishing the full return by the government to a coin basis.

Now, one great and glaring fault in the action contemplated by these resolutions, is that it is utterly impossible while ceasing to coin the standard silver dollar, which they demand, to accomplish "the retirement of the United States legal tender notes . . without at the same time contracting the legal tender circulating medium." The Right Hon. George J. Goschen, one of the very highest financial authorities in the world, and at the same time a great statesman, has in his address "On the Probable Results of an Increase in the Purchasing Power of Gold," delivered before the London Institute of Bankers, in April last, pointed out that while during the last ten years Germany, Italy and the United States have absorbed about £200,000,000 of gold, the annual average supply, which, between 1852 and 1866 was £30,000,000, fell between 1871 and 1875 to £19,200,000. "Thus," as he adds, "you will observe that we have had an extraordinary and additional demand of £200,000,000 sterling coming upon an annual supply of £20,000,000 sterling. The consequence is that this extraordinary demand has practically absorbed the total supply of gold for ten years." He might have added that in addition to this at least £16,000,000 was annually absorbed in the arts.

Where, let me ask, is this gold substitute for greenbacks, silver dollars and silver certificates to come from? Nowhere under the sun! It cannot possibly be had, and the result of the policy indicated by the convention, if carried out, would be to subject the country to a new, frightful and wicked ordeal of bankruptcy, ruin and demoralization, such as was experienced between January, 1874, and January, 1879. To this this generation will not again submit, and any attempt at it by either politicians or banks will result in the overthrow of the party so attempting.

The vital mistake which pervades the whole spirit of these resolutions is that they ignore the fact that association—the exchange of services, commodities and ideas—with his fellow-men is the first, the greatest, the paramount need of man, and the basis upon which all prosperity, power, intelligence and civilization rest, and that money is the great instrument of this association. The bankers would thus subordinate this great function of society to its mere instrument.

In the preface to that grandest of all the books ever written on money and its substitutes, *The Ways and Means of Payment*, Stephen Colwell says, "The chief inquiry is not, What is the power of money? or, what is the use of money? or, what can be substituted for money? The inquiry which we prosecute to ascertain the nature and doctrine of money is, What is commerce, and what is the nature of the agency of money in its affairs? Money, with all its substitutes, is only one of many agents of trade, and, like many others, it is a pure matter of discretion and convenience how far it may be employed."

Would that bankers' associations and bankers' conventions and politicians, misnamed statesmen, would take to heart these words of wisdom, and direct their investigations to commerce among men, and not be blinded by self-interest and the value of the mere silver in the silver dollar and a supposed necessity for the government reaching a coin basis. Until the demonstration can be made that the Post Office Department shall properly limit the amount of the commerce of the Post Office by an arbitrarily fixed amount of postage stamps, instead of issuing the hundreds of millions which that commerce demands in a few months, the modes pursued by these associations and conventions cannot be defended. The fact that a postage stamp when it has performed a single service is canceled, does not alter the case. Each branch of commerce must have its proper volume of instruments, and must not be subordinated to those instruments. Hence the necessity for directing attention to the commerce, as Colwell has done, and not to its instrument, in entire disregard of what the wants of that commerce may be. The vicious nature of reversing the proper mode of proceeding is nowhere better shown than by the present position of silver. Regardless of the demand of men for association among themselves, the German Government in 1873, at the dictation of the monetary interest and its advocates, moved in the direction of the demonetization of silver. The following year France, Belgium, Switzerland and Italy closed their mints against the coinage of this metal for private account. The result was that the price per ounce of standard silver in London fell from 60⅞d. in 1872 to 46¾d. in 1876. It is now 50 15-16d. Now, the moneyed power in this country demands the exclusion of full legal-tender silver coin, because of the success which has attended the attempts of the same power in Europe to destroy the value of this metal, which represents about one-half of the coinage of the world. Was ever claim for power to direct legislation on a vital subject more entirely groundless?

But this same power is greatly alarmed for fear of "the deplorable evils of a depreciated and deranged currency" being brought "upon the country," and Mr. Coe, of New York, the leading spirit of the Bankers' Association, thinks that it "would be better that the whole amount of these rejected dollars that now incumber the Treasury vaults be sunk in the sea, or, better still, that they be returned to their original condition of uncoined bullion and be thrown upon the market" than used for money.

Let us see what kind of currency it is which the national banks furnish to the people for a majority of the large operations of business. With May 1st, 1883, capital, surplus and undivided profits—their net worldly possessions—of $692,477,951, they had loaned $1,257,448,487, from which resulted private deposits of $1,067,962,238. These deposits, which are the offspring of the loans of the banks, serve as the chief source of currency for monetary transactions on a large scale, throughout the country, and had behind them of fractional currency, specie, including gold and silver certificates, legal-tender notes, certificates of deposit for legal-tender notes and funds with the United States Treasurer, but $198,227,747, or less than 20 per cent. of the deposits! But it may be urged that the depositors have security for these deposits through the $1,257,448,487 of loans. This is so only on the condition that payment of these loans be not demanded as they mature, without new ones to almost or quite an equal amount being made. Should all these banks cease for one week to make new loans, the original ones being demanded, a financial crisis would be reached. Thirty days of such proceedings would result in anarchy of business and society. Were it possible to cancel all these loans, the entire line of deposits would disappear, like the escaping gas from a balloon, for these deposits are merely the creature of the loans and could have no existence whatever without them. Hence these two are mere exchanges of private debts for bank debts, and with them the business of the country—the desire and necessity for association—is obliged to be content and pay, perhaps, $100,000,000 annually for the use thereof. Compared with the "eighty-five cent dollar," the bank dollar of Mr. Coe and his friends is nowhere; is utterly without standing in court. There is an old proverb which reads something like this: "Those who live in glass houses should not throw stones." Last of all men in the land who can consistently condemn the standard silver dollar are those connected with the banks, their own dollar being immeasurably inferior and below that dollar, the representative of a great victory of the people over those who would control their power of association among themselves—a power absolutely and imperatively necessary to their very existence.

HENRY CAREY BAIRD.

PHILADELPHIA, Oct. 29th, 1883.

From the Philadelphia Inquirer, November 13th, 1883.

OF MONEY, THE INSTRUMENT OF ASSOCIATION.

To the Editor of The Inquirer:

SIR: Your correspondent, "Banker," complains that I cannot or will not see that the resolutions of the Bankers' Convention "do not strike at the free coinage of an *honest* dollar of one hundred cents of silver, but only at the continued compulsory coinage and issue of eighty-five cents of silver as a legal tender for one hundred cents." Indeed, I cannot see it. It is impossible for me to see it. But if I did see and acknowledge it, it would not in the least increase my estimate of the wisdom of the convention, and, consequently, of the safety of the State in acting on its advice. If these gentlemen showed a willingness to give the country all the silver dollars which could be coined, even if of a continually fluctuating weight, it might give me a higher view of their humanity than if they endeavored to cut the people off wholly from the necessary supply of silver dollars and their certificates; but what could I think of their judgment?

Just imagine, if one can, such a state of affairs as would arise when the Director of the Mint should be obliged daily to telegraph to the superintendent of each United States Mint how many grains a silver dollar on that day should consist of; and that before he could do so he must receive telegrams from the great bullion dealers, Pixley & Abell, London, and James B. Colgate & Co., New York, as to the then market price of silver. It may be contended that no such idea as this, of a daily change in the weight of the silver dollar, is or has been contemplated. But when once the principle is recognized and the system introduced, it should properly be carried to its logical conclusion, regardless of all consequences. Let the Bankers' Association accept this horn of the dilemma if they think proper. It is fatal to them, as safe leaders of public opinion and founders of public policy. No people would for thirty days tolerate such a scheme in practice; no Congress which ever assembled under this government would dare to adopt it.

Your correspondent further adds: "He defends the issue of the eighty-five cent dollar by the government by claiming that the dollar of the banks is immeasurably inferior and below the silver dollar; and, further, by the claim that the purchasing power of gold has been increased because the demand for it has increased beyond the supply. In other words, the relative value of gold has increased as compared with other commodities, including silver. It is not admitted that the dollar of the banks (money of account) is inferior in purchasing power to the standard dollar of the nation; yet it is difficult to understand why such alleged inferiority should justify the issue of another inferior dollar by the government. It is equally difficult to understand why the diminished supply of gold and its consequent enhanced value as a marketable commodity (supposing such to be true) should justify the issue of a dollar of but eighty-five cents of another marketable commodity and making it a legal tender for one hundred cents."

The silver dollar has received no such defense from me. It needs it not. I only claimed that those connected with the banks were barred—out of court—in any attempt to abuse the silver dollar as an "eighty-five cent dollar" when theirs, by the standard set up by themselves, was but a twenty-cent dollar. One thing which I strenuously insisted upon was that, by reason of its legal-tender quality, it was a dollar, and nothing less than a dollar, and I proved that large bodies of people thought so when they exchanged millions of dollars of gold for silver certificates, convertible only into silver dollars. Further, I now assert, without fear of successful contradiction, that this dollar, the original standard of payment under the law of 1792, is *the American dollar coin par excellence*, as it is the coin which gave rise to the unit of our money of account. The coin which represented a dollar was then only of silver, and we came by it and a knowledge of it by our trade with the Spanish possessions in America prior to the Revolution. The American coin represented the average of a large number of Spanish dollars in circulation, which were weighed by the Treasury authorities, thus reaching, in the nearest practicable manner, the then standard. This, therefore, is the very thing which most justly and equitably discharges a debt due to a creditor. It, indeed, represents the "pound of flesh which is nominated in the bond," the dollar of our money of account. To me it is not "difficult to understand why the diminished supply of gold and its consequent enhanced value as a marketable commodity should justify the issue of" this dollar, the original standard of payment, and which, with gold—not gold alone—made up our coinage. If our money of account, since 1853, has been too exclusively tied to gold and thus parted company with silver—the original standard of payment—this alone is a good and sufficient reason for our travelling back over that road and being guided by the old landmarks.

But just here let me expose a widespread and pernicious fallacy held by men as creditors. It is that they assume that they have a right not only to claim of their debtors *dollars*, "the current money of the realm," but also a certain amount of metal, with a certain market value independent of the value of the coin. If it is provided that they shall have a right to demand *dollars*, so be it; or, if a certain weight or measure of metal, potatoes, turnips, wheat, coal, iron or copper, so be it. But it cannot be both, unless it be so stated in the bond. In the statement of the bond in the money of account, and its discharge in legal tender representing that money of account, the creditor has the advantage that he will receive the debt in that which has the quality of universal acceptability and which his creditor must accept from him at the same rate. This is all he has a right to demand. Money has a higher, broader, deeper function than the mere payment of the debts existing at a given moment. It is an absolute necessity to the existence of man in a state of civilization. Born the most helpless of all the animals, his whole intelligence, prosperity and power, even to his very speech, are the result of association with his fellow-men. This association, this great overmastering force of man's existence, involves such countless compositions, decompositions and recompositions of services, commodities and ideas that a medium possessing the qualities of universal acceptability, complete devisability and aggregation is an imperative need to him. This medium is known as money, and has happily been termed *The Instrument of Association.* In its absence these acts of association cannot take place, enforced idleness, a decline in the value of property and a decrease in production result, and society stagnates, decays and dies. Debts expressed in money of account remain as before throughout all these mutations; and the creditor only fails to enforce their payment when the goose which laid the golden eggs is either dead or dying. There are tens of thousands of people in this city, each of whom daily calls for the services of millions of men.

In view of these great functions pertaining to money the State simply tyrannizes over its people when it so legislates as to make it scarce and valuable for the benefit merely of the creditors of a given day, just as much as if it prohibited the invention of new steam engines, sewing machines, reapers, mowers and dynamo-electric machines for the benefit of the patentees and owners of old ones, which will be rendered valueless by the introduction of the new ones. All new inventions of machines and processes destroy the value of existing ones; even do the economies which result from the substitution of bank debts and credits for money take from the value of money itself. Society cannot and will not stand still for the sake of what the creditor calls his "rights." The demands are unreasonable and absurd, and have too long been allowed to shackle and arrest man in his onward career of development and civilization.

Your correspondent further says:

"If the government is justified in making a dollar of eighty-five cents of silver, and declaring it a legal tender for one hundred cents, why draw the line at eighty-five cents? Why not make the dollar of but fifty or even thirty cents of silver, when it only requires a fiat of Congress to make it a legal tender? And if the government has the power in this way of increasing the purchasing power of one marketable commodity used as money, why not another? Why not reduce the number of grains of gold in the standard gold dollar one-half, and thus double the purchasing power of gold by still declaring such gold dollar a legal tender for one hundred cents?"

Why not, if the government alone coins it, and issues it, and receives it as a dollar? Why not go further, and entirely disassociate the money of account from any connection whatever with metals, except, possibly, in small payments, and then treat all coins of large denomination as mere bullion, to pass at its market value? Why not have the money wholly without so-called intrinsic value, of paper, and issued solely by the government? It would have a more substantial basis than the currency now furnished by the banks under the name of deposits. Speaking of the monetary legislation of Great Britain in 1816, and the fixing of the mint price of gold at £3. 17s. 10½d. per oz., Stephen Colwell says: "Whatever may be said of the policy of fixing the price of any article, even that designated for money by law, it cannot be questioned that it was a false step to endanger the steadiness of the money of account by fastening it to any coin or quantity of gold."—*The Ways and Means of Payment*, p. 50.

The greenback possessed the qualities thus indicated for a money by Colwell, and a year or two before his death Henry C. Carey expressed the deliberate opinion that that greenback, had it been retained as it existed at the close of the war in 1865, would have been worth all the sacrifices of that war. But the very power—the moneyed interest—which now protests against the silver dollar, the original standard of payment of this nation, insisted upon a "metallic basis," and in pursuit of this goal gave us the unutterable woes of 1873–79. It now has this basis in the form the most just and equitable which can be conceived, and still it is not happy.

The words from President Hayes's message vetoing the bill for the remonetization of silver, which your correspondent "Banker" characterizes as "brave and honest," sound very well; but when we consider that at that very time the administration of this President was engaged in the scheme of so-called "resumption" by contraction, which destroyed the value of hundreds of millions of property, confiscated the estates of hundreds of thousands, if not millions, of American citizens, curtailed the market for labor, brought penury and want, demoralization and crime, and almost destroyed society, these words do not so deeply impress us. The coinage of the $156,000,000 of silver dollars which President Hayes would have prevented, and the circulation of $40,000,000 of these dollars, and of over $99,000,000 of silver certificates, thus adding $139,000,000 to the currency of the country, have added to the wealth and power of consumption of the people that which cannot be measured by the total amount of silver coin in the entire world. How monstrous to sacrifice the comforts and the civilization which are measured, materially, by such a sum of money, for the benefit of the creditors as such, who were in existence February 28, 1878, the day on which Mr. Hayes vetoed the Silver bill, which was passed over this veto.

HENRY CAREY BAIRD.

PHILADELPHIA, Nov. 6, 1883.

From the Philadelphia Inquirer, December 5, 1883.

THE BANKER AS AN AUTHORITY IN THE MONETARY AND FINANCIAL POLICIES OF NATIONS.

To the Editor of the Inquirer:

SIR: Permit me to invite your attention to the disastrous consequences of the fallacious custom prevalent in this and other countries of regarding the Banker as the one who should be above all others consulted and implicitly followed in the financial and monetary policies of nations. Because he is a dealer in money and credits, it is assumed by himself and by others, including finance ministers, that he must necessarily have the capacity to judge of the wisdom of the financial policies of States; and then, that having that capacity, he possesses in addition the unselfishness to recommend that which is best for a people, regardless of its effects upon himself—thus rising above the natural tendency of every class to take care of itself.

Experience has proven that few bankers have ever been eminent as finance ministers or economists. The very nature of the Banker's operations wholly unfits him from taking a broad, comprehensive and abstract view of the subject, free from the belittling effects of dealing in money and credits—watching his interest account—as a mere money-making business; just as the mere practitioner of physic, with his pills, potions, and plasters, thereby becomes unfitted to develop broad, comprehensive and philosophical views in regard to the causes of health and disease. To this necessity for attention to the petty details of disease in individuals, by so large a proportion of the medical profession, is due the fact that we have so little philosophical medicine, and so much medical empyricism. But the physician is no whit worse than the Banker. The people who commit their destinies to the hands of the Banker, will most assuredly be wrecked; for not merely is he incapable of taking a broad, statesmanlike view of their affairs, but even of taking an unselfish one. Having his worldly possessions largely in bank-credits, bonds, promissory notes, and other obligations, irrevocably calling for money, and in money itself, he naturally sees in the enhancement of the value of money his own thrift. His position is totally different from that of the owner of mills, mines, factories, houses, stores, lands, and ships, which possess no value, except either as aids to the production or transportation of commodities, which must find a market, or as means of obtaining the rents of tenants who may revoke their tenancies, or as residences or places of business. The very process which builds up the wealth of the banker, destroys the property of the owners of lands, tenements, and ships, and of every class outside of those who hold irrevocable obligations payable in money, or money itself. So far, then, from being the first, the Banker is, thus, the last man in the State who should dictate its financial and monetary policies.

It may do as a temporary shift for a beggarly country, which needs absolutely the aid of the Banker, but never for a great, wealthy and powerful one, to allow him to dictate its policy. In 1836 when General Jackson made certain imperative demands upon France, which, as was then thought, rendered war imminent, Rothschild was asked whether Louis Philippe was likely to go to war with the United States; to which he replied: "No! I do not mean to let him;" but in 1861, before the greenback had been issued, and at a time when Secretary Chase found himself at almost the lowest depth of financial trouble, he on one occasion met the great bankers of New York, to ascertain what they would do in regard to making loans to the government. He was informed by these magnates that they would give him their "ultimatum" on the following day, to which he politely but firmly replied: "It is for the Secretary of the Treasury to make ultimatums, and not for the banks." Again, at a later period, but still before the issue of the greenback, when these same bankers desired to make him accept their irredeemable notes for loans, he told them that, "Sooner than be forced to do this, he would issue government circulating notes, until it should take $1,000 of them to buy a breakfast." These were brave and noble words, worthy of a great finance minister, and emanating from a man who would never have allowed a Rothschild to dictate to him, whether his country should be at peace or war; whether order or anarchy should reign. Still later, when he had ceased to be Secretary of the Treasury, at the close of the war, when a friend inveighed to him against the exercise of arbitrary power by the banks, he expressed his belief that the people would one day thank him for placing these banks in such a position that, if they did not behave themselves, "their heads could be cut off at one blow."

In the history of Great Britain there are two memorable instances of the potential influence of bankers in the national financial and monetary policies, and with the most disastrous results. The individual bankers referred to are Mr. Ricardo and Lord Overstone. In 1819, when Peel's bill for resumption of specie payments was up for consideration before the House of Commons, Mr. Ricardo said that "He would venture to state that in a very few weeks all alarm would be forgotten," and that "at the end of the year all would be surprised that any alarm at all had ever prevailed at the prospect of a variation of three per cent. in the value of the circulating medium." His "particular reason for supporting the measure was" that, "by withdrawing paper so as to restore the bank note to its bullion value—*an alteration of only three per cent.*—all would be done that was required." —*Parl. Debates, 24th May*, 1819.

Mr. Ricardo's supposed decline of "only three per cent." in prices, turned out in practice to be fifty per cent., and with the result, which it is not too much to say, of an entire change in the drift and destiny of the British Empire; and that in the direction of the centralization of wealth and power in the hands of the few, to the detriment of the material, mental, and moral condition of the many. In a word, it built up monopoly on the one hand, and beggary on the other. Sir Archibald Alison, writing in 1845, says:

"No one can have considered the state of the British Empire during the last half century, without being convinced that some great and unprecedented causes have been at work in producing the prodigious fluctuation and change of fortunes by which its domestic history has in that time been distinguished. Nothing similar to it ever occurred without external disaster, or the actual overthrow of society by the ravages of war, since the beginning of the world. It is hard to say whether these changes appear most extraordinary on a retrospect of their effects in time past, or on a contemplation of their results in times present. They have exhibited a combination of prosperity and adversity, of strength and weakness, of riches and poverty, of progress and decline, of grandeur and debility, of joy and sorrow, unparalleled in any former ages of the world; and which, in future times, instructed by our errors, and warned by our sufferings, will probably never again occur."—*England in* 1815 *and* 1845; *or a Sufficient and a Contracted Currency, p.* 1.

So much for the work of Mr. Ricardo, and those who implicitly followed his advice.

In 1844 Sir Robert Peel brought forward his bill for the recharter of the Bank of England, and the regulation of its issues, thus attempting to steady the operations of the Bank by limiting the amount of its notes, instead of its loans—the latter being the only possible way of establishing a safe, conservative and steady banking system. The author of the theory upon which the Bank Act of 1844 is based, was Lord Overstone, and it was first enunciated by him in 1837. Three years after the act was passed, in 1847, it was first subjected to trial under difficulties, and after a severe financial crisis its operation was suspended, not however until Lord Overstone had accumulated a vast sum of money by the purchase of securities at a great depreciation. He himself afterwards acknowledged in his evidence before a parliamentary committee that "the intervention of the government at that time was necessary," and added that "the consequences" of the non-suspension of the act by the government "would have been that the panic which had seized the public mind, would have gone to such an extent as to produce very serious confusion." Again in 1857 the act was subjected to trial and again it failed, and the government once more permitted its suspension; but Maclaren, in his *Sketch of the History of the Currency*, 2d ed., Lond. 1879, pp. 228, 229, says: "Lord Overstone was prepared to retain the act in force, come what might come—ruinously low prices for goods and twenty or thirty per cent. for money." Lord Overstone has died within a fortnight, leaving a fortune estimated at £20,000,000. Verily "he had his reward" for suggesting the Bank Charter Act of 1844, which never did him any harm and against the beneficence of which no word was ever known, to his dying day, to have escaped his lips, notwithstanding its failure and suspension on three several occasions—in 1847, 1857 and 1866; and its producing, as it did on each occasion, widespread ruin, among the great body of the people.

Let us now turn to our own experience with the Banker; commencing with the period immediately following the breaking out of the late war. The disposition of a large and influential class of bank officers to discredit the government circulating notes, before the issue of the greenback, was very strong. This spirit manifested itself particularly in New York, where some of the banks refused to accept these notes on deposit. The then president of what is now the Gallatin National Bank, one day during the pendency in Congress of the bill for the issue of the greenback, say in January or February, 1862, ostentatiously threw out some United States demand notes, which were offered for deposit, with the remark that he would "like to know what Mr. Chase would do when he found the banks refusing his notes." It was largely this unpatriotic attempt of bankers, at a time of great national peril and distress, to make their private interests dominate over the public welfare, that finally determined Mr. Chase to join the friends of the legal tender act.

Again, when in February, 1862, the bill for the issue of legal tender notes was first passed by the House of Representatives, it provided that these notes should be legal tender for all debts, public and private, without exception. When it got into the Senate, it was so amended as to except from its operation, interest on the public debt and duties on imports; thus making them payable in gold, and making that demand for gold, which caused it to reach the enormous premium which it did, in 1864. This was almost exclusively the work of New York bankers. When the bill came back to the House of Representatives, Thaddeus Stevens in closing the debate said:

"I have a very few words to say. I approach the subject with more depression of spirits than I ever before approached any question. No personal motive or feeling influences me. I hope not, at least. I have a melancholy foreboding that we are about to consummate a cunningly devised scheme, which will carry great injury and great loss to all classes of the people throughout this Union except one. With my colleague, I believe that no act of legislation of this government was ever hailed with as much delight throughout the whole length and breadth of this Union, by every class of people, without any exception, as the bill which we passed and sent to the Senate. Congratulations from all classes—merchants, traders, manufacturers, mechanics, and laborers—poured in upon us from all quarters. * * * * It is true *there was a doleful sound came up from the caverns of bullion brokers, and from the saloons of the associated banks.* Their cashiers and agents were soon on the ground, and persuaded the Senate, with but little deliberation, to mangle and destroy what it had cost the House months to digest, consider and pass. They fell upon the bill in hot haste, and so disfigured and deformed it, that its very father would not know it."

Coming now down to a later period, we find the Banker aiding, encouraging and abetting the Secretaries of the Treasury in their schemes of so-called "resumption of specie payments," by contraction which covered the land with ruin, and its consequent misery, demoralization and crime, and built up monopoly, by enabling the rich to buy at an extraordinary sacrifice the property of those who were obliged to succumb to the storm. This "resumption," now that it has been reached, is merely the disappearance of the premium on gold, and not payments in gold, which are neither desirable nor possible. The same result was accomplished in France in 1878, without entailing the least loss upon the people. With us it has changed the whole drift, tendency and destination of the country and its people, and a reinauguration of the policy of contraction, in any form, would finally and inevitably overthrow our institutions by transferring all power to the hands of a money oligarchy.

Not content with this great measure of confiscation under which all debts, public and private, expressed in the money of account of the United States, remained fixed, while lands and tenements, mills, mines, furnaces, factories, merchandise, railway property and businesses declined 50, 60, 90, or even 95 per cent., the Banker was not happy. In 1878, when the law for the remonetization of silver was passed, he took measures for discrediting it by refusing to receive it on deposit, except in limited amounts. Had he had his way the country would not to-day have the $139,000,000 of silver dollars and silver certificates which are now in circulation, and would not have recovered even as far as it has from the dreadful ordeal of bankruptcy of 1873–79.

Assembled in convention at Louisville in October last, the Banker took measures to stop the coinage of any more of these dollars and to retire the greenback, and while not embodying it in the resolutions, a scheme was advocated for the issue of a bond in exchange for the full volume of greenbacks, to be sold only to banks as a security for their circulation. He now denounces the silver dollar, the original standard of payment of the United States of America, as an "eighty-five cent dollar." One banker has recently gone so far as to state publicly that the law providing for this dollar was "an outrageous one, and should be repealed immediately;" adding that "in olden times people have been tried, convicted, executed and quartered for less outrageous proceedings than making such a law." And yet Albert Gallatin, one of the most eminent men who has ever filled the position of Secretary of the Treasury, writing in 1831, says: "The act of Congress of the year 1791, which declared that the dollar of the United States should contain 371¼ grains of pure silver, has irrevocably fixed that quantity as the equivalent of a dollar of account, and as the permanent standard of value [standard of payment] according to which all contracts must be performed." —*Considerations on the Currency and Banking System of the United States*, p. 5. While not giving in full adhesion to this dictum, I confidently assert that there can be no more honest way of discharging a debt to a creditor in the United States than in standard silver dollars. If debts have been legally made payable in anything more valuable in the past than this dollar, the creditor has received more than his just due.

When the government adopted the greenback as the national standard of payment, it did it as a necessary means toward saving the nation for the common benefit of the whole body of the people. When it desired to bring gold to par with the greenback, it should have waited until it could do so by the accumulation of gold through our mines and our trade, or at the cost of the whole people by the purchase of the gold. When it threw the burden upon those alone who held property liable to depreciate, and which did depreciate 25, 50, 75 or 90 per cent., or lost its entire value, it was guilty of repudiation pure and simple. This repudiation inured to the benefit of those who held promissory notes, bonds, ground-rents and other evidences of debt, expressed in the money of account, and which altered not, or money itself, and who were thus enabled under the forms of law to practice spoliation upon their legally disinherited fellow-countrymen. Much eloquence has been and is now being expended in defence of the *rights* of those who hold money or evidences of debt expressed in money of account, but few there are to recognize the *wrongs* endured by those whose debts are unaltered and unalterable, notwithstanding the fact that the value of their property is destroyed.

Were all other evidences wanting to prove the utter unreliability of the American banker as a financial and monetary guide for the nation, it would be found in the part which he took in regard to so-called resumption of specie payments, and in his efforts since February 28, 1878, to discredit and denounce the silver dollar, THE ORIGINAL STANDARD OF PAYMENT OF THE UNITED STATES OF AMERICA, and pre-eminently and precisely "THE DUE AND FORFEIT OF THE BOND," indeed the very "POUND OF FLESH;" to demand more than which in payment of a debt expressed in the money of account of the United States of America, is to be guilty of extortion.

HENRY CAREY BAIRD.

PHILADELPHIA. December 4, 1883.

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