BRYAN, SEWALL AND HONEST MONEY WILL BRING PROSPERITY

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JOHN HOWARD BROWN

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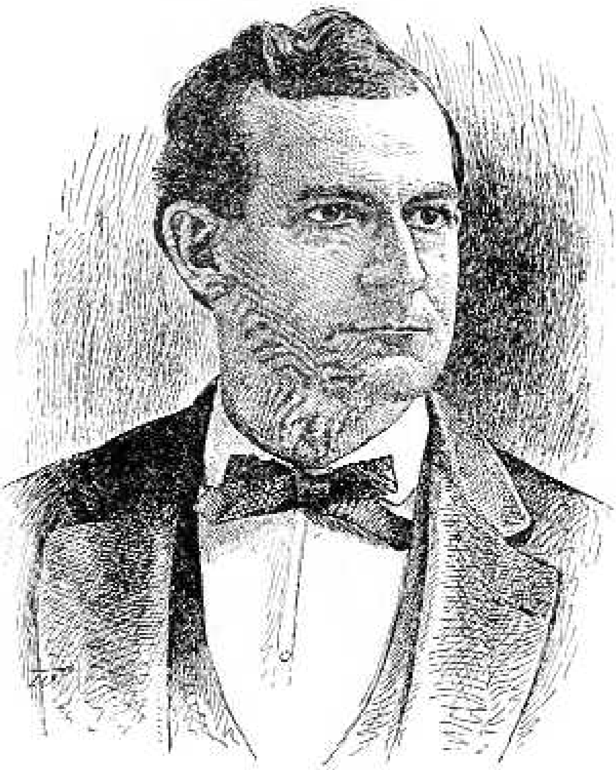

William Jennings Bryan.

BRYAN, SEWALL AND HONEST MONEY

WILL BRING

PROSPERITY.

"THE CRIME OF SEVENTY-THREE." WHO WAS THE CRIMINAL?

BIMETALLISM THE ONLY REMEDY FOR HARD TIMES. IT WAS A *SUCCESS* FROM 1792 TO 1873, AND THEREFORE IS NOT AN *EXPERIMENT*.

"*The free and unlimited coinage of silver at the ratio of 16 to 1, without waiting for the aid or consent of any nation on earth.*

"*A dollar that increases in value is just as dishonest as a dollar that decreases in value.*" —W. J. BRYAN.

"**I concur with you that the unit must stand on both metals.**"
—*Letter of JEFFERSON to HAMILTON, Feb., 1792.*

JOHN HOWARD BROWN,

Editor "National Portrait Gallery," "National Cyclopædia of American Biography,"
Author "American Naval Heroes," etc.

PORTRAITS OF THE LEADERS IN THE MOVEMENT FOR THE RESTORATION OF SILVER TO ITS OLD PLACE AS A STANDARD OF VALUE. PLATFORM, SPEECHES, BIOGRAPHIES, ARGUMENTS, STATISTICS.

New York:
DERBY AND MILLER COMPANY.
1896.

"We live in a land where every year presents a battlefield and every day a call to duty."—W. J. Bryan.

"We know that that which is right will finally triumph, because there is nothing omnipotent but truth."—W. J. Bryan.

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NEW YORK.

FREE SILVER AND NATIONAL PROSPERITY.

The address delivered by Mr. William P. St. John on accepting the permanent chairmanship of the National Bimetallic party at St. Louis, July 22, 1896.

By WILLIAM P. ST. JOHN, M. A.

It is among the first principles in finance that the value of each dollar expressed in prices, depends upon the total number of dollars in circulation. The plane of prices is high when the number of dollars in circulation is great in proportion to the number of things to be exchanged by means of dollars, and low when the dollars are proportionately few. The plane of prices at present and for some time past is and has been ruinously low.

The increase of our population at about two millions a year, scattered over our immense territory, calls for increasing exchanges and thereby demands an increasing number of dollars in circulation. The increase in the number of dollars when dollars are confined to gold is not sufficiently rapid to meet the growth of our exchanges. The consequence is a growing value of dollars or a diminishing value of everything else expressed in dollars ; which is to say a tendency toward constantly declining prices.

The fountain-head of our prosperity has run dry. Our farmers all over the country have endured the depression in prices, until they get about $8 or $9 per acre for an expenditure of $10 per acre and the like. Their credit is exhausted at the country stores. The country store ceases to order from the city merchant, the city merchant reduces his demand upon the manufacturer. Manufactures are curtailed.

The consequence is that employees and all elements of labor are being discharged, and wages are lowered to those who continue in employment. The sufferings of the farmers, who constitute nearly one-half of our population, are thus enforced upon the city merchant, the manufacturer, and all forms of labor. These combined elements constitute the overwhelming majority of voters. Their intelligent conclusion will be felt when expressed at the polls.

The banker also is without prosperity unless prosperity is general throughout the United States. He must learn to distinguish between cheap money and money commanding a low rate of interest. The dollar worth two bushels of wheat is a dear dollar, and yet it commands interest in Wall Street at present of but 2 per cent. per annum on call. If the dollar can be cheapened by increasing the number of dollars, so that each dollar will buy less wheat, the increasing price of wheat will increase the demand for dollars to invest in its production.

Then the borrower of dollars to invest in the production of wheat, being reasonably sure of a profit from that employment of the money, can afford to pay interest for its use as a part of his profit. In other words, interest is a share of the profit on the employment of money. So that abundant money, money readily obtainable, which is to say really cheap money, is the money which commands a high rate of interest as a share of the profit of the borrower in using it.

As we appeal to the country, in the justice of our cause, one or two points of common inquiry must be satisfied as follows:

The experience of Mexico is held up for our alarm. We answer, first, that Mexico is conspicuously prosperous at home. Her increase in manufactures, railway earnings, and the like in recent years is phenomenal. Second, Mexico is no criterion for the United States, for the reason that she has a foreign trade indebtedness of about $20,000,000 annually in excess of the value of her exports of cotton, sugar, coffee, hides, and the like, which must be paid for in the surplus product of her mines. Her silver, therefore, goes abroad as merchandise and at a valuation fixed by the outside world.

The United States, on the other hand, is a nation of seventy millions of people, scattered over a territory seventeen times the area of France. A single one of our railway systems, the Erie, exceeds the aggregate railway mileage of all Mexico. We offer an employment for money to an aggregate greater than the world's spare silver will furnish us. Hence our silver money, at home and abroad, will be valued as the money of the United States.

The opposition threatens us with a flood of Europe's silver upon our reopened mints. We answer, Europe has no silver but her silver money. Her silver money values silver at from 3 to 7 cents on the dollar higher than ours. Hence the European merchant or banker must sacrifice from 3 to 7 per cent. of his full legal-tender money in order to recoin it at our mints. Europe's silverware, like America's silverware, carries in it the additional value of labor and the manufacturer's profit.

They threaten us with a flood of silver from the far East. We answer that the course of silver is invariably eastward, and never toward the west. British India is a perpetual sink of silver, absorbing it, never to return, by from $30,000,000 to $60,000,000 worth every year. And India's absorption of silver will be enlarged by the steadiness of price for silver fixed by our reopened mints.

They threaten us with a "sudden retirement of $600,000,000 gold, with the accompanying panic, causing contraction and commercial disaster unparalleled." We answer that our total stock of gold, other than about $10,000,000 or $15,000,000 circulating on the Pacific coast, is already in retirement. Practically all our gold is in the United States Treasury, or held by banks.

The gold in the treasury will remain there if the Secretary avails himself of his option to redeem United States notes in silver.

The gold in the banks constitutes the quiet and undisturbed portion of their reserves against their liabilities. It will continue to do money duty as such reserves after free coinage for silver is enacted. Hence a premium on it will not contract the currency. The utmost possible contraction of the currency will be the few millions circulating on the Pacific coast, and this will be retired but slowly.

A similar threat of a flight of gold was made for the Bland Act of 1878. President Hayes was urged to veto it, but Congress passed it over the veto. Instead of a flight of gold, as had been predicted, we gained by importation $4,000,000 the first year, $70,000,000 the next, and $90,000,000 the third year. During the twelve years that the act was on the statute book we gained $221,-000,000 of foreign gold.

Instead of the destruction of our credit abroad, as had been predicted, the United States 4 per cent. loan, which stood at 101 on the day of the enactment, sold at 120 per cent. within three years, and at 130 per cent. subsequently. Instead of defeating the resumption of specie payments on January 1st of the following year, the 24,000,000 silver dollars which were coined in 1878, and circulated by means of the silver certificates, reduced the demand upon the government for gold. Hence the threat of disaster now is without historic foundation.

This, then, is what will follow the reopening of our mints to silver: The gold already in the treasury will remain there, if common sense dictates the treasury management; that is, if the Treasurer exercises the option to redeem United States notes in silver. A premium on gold will not occasion a contraction of the currency, bank hoards of gold continuing to serve as a portion of bank reserves against bank liabilities. A premium on gold will tend to increase our exports by causing a higher rate of foreign exchange; that is to say, by yielding a larger net return in dollars on the sale of bills of exchange drawn against goods exported. A pre-