

THE FREE SILVER

MIKIMLEY'S LETTER.

One of the Brightest, Brainiest Documents

Ever Presented to the American People.

The Moses That Will Lead the People

Out of the Land of Misery and Want, Into the Bright Valleys of Happiness and Prosperity.

CANTON, O., Aug. 27.—John M. Thurston and Other Members of the Notification Committee of the Republican National Convention—Gentlemen: In pursuance of the promise made to your committee when notified of my nomination as the Republican candidate for President, I beg to submit this formal acceptance of that high honor and to consider in detail the questions at issue in the pending campaign. Perhaps this might be considered unnecessary in view of my remarks on that occasion and those I have made to delegations that have visited me since the St. Louis Convention, but in view of the momentous importance of the proper settlement of the issues presented on our future prosperity and standing as a nation, and considering only the welfare and happiness of our people, I could not be content to omit again calling attention to the questions which, in my opinion, vitally affect our strength and position among the governments of the world, and our morality, integrity and patriotism as citizens of that Republic which, for a century past, has been the best hope of the world and the inspiration of mankind. We must not now prove false to our own high standards in government, nor unmindful of the noble example and wise precepts of our fathers, or of the confidence and trust which our conduct in the past has always inspired.

THE FREE COINAGE OF SILVER. For the first time since 1863, if ever before, there is presented to the American people this yearning and direct issue as to our monetary system, or vast importance in its effects, and upon the right settlement of which rests largely the financial honor and prosperity of the country. It is proposed by one wing of the Democratic party and its allies, the People's and Silver parties, to inaugurate the free and unlimited coinage of silver by independent action on the part of the United States at a ratio of sixteen ounces of silver to one ounce of gold. The mere declaration of this purpose is a menace to our financial and industrial interests, and has already created universal alarm. In view of the great credit and business of the country—a peril so grave that conservative men everywhere are breaking away from their old party associations and uniting with other patriotic citizens to emphasize the protest against the platform of the Democratic National Convention as an assault upon the faith and honor of the Government and the welfare of the people. We have had few questions in the lifetime of the Republic more serious than the one which is thus presented.

NO BENEFIT TO LABOR. The character of the money which shall measure our values and exchanges and settle our balances with one another and with the nations of the world is of such primary importance and so far-reaching in its consequences as to call for the most painstaking investigation and judgment at the polls. We must not be misled by phrases, nor deluded by false theories. Free silver would not mean that silver dollars were to be freely had without cost of labor. It would mean the free use of the mints of the United States for the few who are owners of silver bullion, but would make silver coin no freer to the many who are engaged in other enterprises. It would not make labor easier, the hours of labor shorter or the pay better. It would not make farming less laborious or more profitable. It would not start a factory nor make a demand for an additional day's labor. It would create no new occupations. It would add nothing to the comfort of the masses, the capital of the people or the wealth of the nation. It seeks to introduce a new measure of value, but would add no value to the thing measured. It would not conserve values. On the contrary, it would derange all existing values. It would not restore business confidence, but its direct effect would be to destroy the little which yet remains.

WHAT IT MEANS. The meaning of the coinage plank adopted at Chicago is that any one may take a quantity of silver bullion now worth 53 cents to the mints of the United States, have it coined at the expense of the Government and receive for it a silver dollar which shall be legal tender for the payment of all debts, public and private. The owner of the bullion would get the silver dollar. It belongs to him and nobody else. Other people would get it only by their labor, the products of their land or something of value. The bullion owner, on the basis of present values, would receive the silver dollar for 53 cents' worth of silver, and other people would be required to receive it as a full dollar in the payment of debts. The Government would get nothing from the transaction. It would bear the expense of coining the silver, and the community would suffer loss by its use.

THE DOLLARS COMPARED.

We have coined since 1878 more than 400,000,000 of silver dollars, which are maintained by the Government at parity with gold and are a full legal tender for the payment of all debts, public and private. How are the silver dollars now in use different from those which would be in use under free coinage? They are to be of the same weight and fineness; they are to bear the same stamp of the Government. Why would they not be of the same value? I answer: The silver dollars now in use were coined on account of the Government and not for private account or gain, and the Government has solemnly agreed to keep them as good as the best dollars we have. The Government bought the silver bullion at its market value and coined it. Having exclusive control of the mintage it only coins what it can hold at a parity with gold.

The profit representing the difference between the commercial value of the silver bullion and the face value of the silver dollar is the Government for the benefit of the people. The Government bought the silver bullion contained in the silver dollar at very much less than its coinage value. It paid it out to its creditors and put in circulation among the people at its face value of 100 cents or a full dollar. It required the people to accept it as a legal tender and is thus morally bound to maintain it at a parity with gold, which was then, and is now, the recognized standard with us, and the most enlightened nations of the world. The Government having issued and circulated the silver dollar, it must in honor protect the holder from loss. This obligation it has so far sacredly kept. Not only is there a moral obligation but there is a legal obligation expressed in public statute to maintain the parity.

THEY COULD NOT BE KEPT AT PAR. These dollars in the particulars I have named are not the same as the free coinage which would be issued under free coinage. They would be the same in form but different in value. The Government would have no part in the transaction except to coin the silver bullion into dollars. It would share in no part of the profit. It would take upon itself no obligations. It would not put the dollars into circulation. It could only get them as any citizen would get them—by giving something of value for them. It would deliver them to those who deposited the silver, and its connection with the transaction would there end. Such are the silver dollars which would be issued under free coinage, silver at a ratio of 16 to 1.

Who would then maintain the parity? What would keep them at par with gold? There would be no obligation resting upon the Government to do it, and if there were it would be powerless to do it. The simple truth is, we would be driven to a silver basis, a monometallism. These dollars, therefore, would stand upon their real value. If the free and unlimited coinage of silver at a ratio of sixteen ounces of silver to one ounce of gold would, as some of its advocates assert, make 53 cents in silver worth 100 cents, and the silver dollar equal to the gold dollar, then we would have no cheaper money than now. It would be no easier to get in than that which would be the result of a silver basis, and is contradicted by experience in all times and in all lands. It means the debasement of our currency and the loss of the difference between the commercial and coin value of the silver dollar, which is ever changing, and the effect would be to reduce property values, entail untold financial loss, destroy confidence, impair the obligations of existing contracts, further impoverish the laborers and producers of the country, create a panic of unparalleled severity, and inflict upon trade and commerce a deadly blow. To any such policy I am unalterably opposed.

BIMETALLISM. Bimetallism cannot be secured by independent action on our part. It cannot be obtained by the opening of our mints to the limited coinage of the silver of the world at a ratio of sixteen ounces of silver to one ounce of gold, when the commercial ratio is more than thirty ounces of silver to one ounce of gold. Mexico and China have tried the experiment. Mexico has free coinage of silver and gold at a ratio slightly in excess of sixteen and one-half ounces of silver to one ounce of gold, and while her mints are freely open to both metals at that ratio, not a single dollar in gold bullion is coined and circulated as money. Gold has been driven out of circulation in these countries, and there are on a silver basis alone. Until an international agreement is had it is the plain duty of the United States to maintain the gold standard. It is the recognized and sole standard of the great commercial nations of the world, which we trade more largely than any other. Eighty-four percent of our foreign trade for the fiscal year 1895 was with gold-standard countries, and our trade with other countries was settled on a gold basis.

WE NOW HAVE MORE SILVER THAN GOLD. Chiefly by means of legislation during and since 1878 there has been put in circulation more than \$24,000,000 of silver or its representative. This has been done in the honest effort to give silver, if possible, the same bullion and coinage value, and encourage the concurrent use of both gold and silver as money. Prior to that time there had been less than 2,000,000 silver dollars coined in the entire history of the United States, a period of eighty-nine years. This legislation secured the largest use of silver consistent with financial safety and the pledge to maintain its parity with gold. We have to-day more silver than gold. This has been accomplished at times with grave peril to the public credit.

The so-called Sherman law sought to stop all the silver production of the United States for money at its market value. From 1890 to 1893 the Government purchased 4,600,000 ounces of silver a month, or 54,000,000 ounces a year. This was one-third of the product of the world and practically all of this country's product. It was believed by those who then and now favor free coinage that such use of silver would advance its bullion value to its coinage value, but this expectation was not realized. In a few months, notwithstanding the unprecedented market for the silver produced in the United States, the price of silver went down very rapidly, reaching a point lower than ever before. Then, upon the recommendation of President Cleveland, both political parties united in the repeal of the purchase clause of the Sherman law. We cannot with safety engage in further experiments in this direction.

THE DOUBLE STANDARD.

On August 23, 1891, in a public address I said: "If we could have an international ratio, which all the leading nations of the world would adopt, and the relation be fixed between the two metals, and all agree upon the quantity of silver which should constitute a dollar, then silver would be as free and unlimited in its privileges of coinage as gold is to-day. But that we have not been able to secure, and with the free and unlimited coinage of silver adopted in the United States at the present ratio, we would be still further removed from any international agreement. We may never be able to secure it if we are upon the increased coinage of silver. The double standard implies equality at a ratio, and that equality can only be established by the concurrent law of nations. It is the concurrent law of nations that made the double standard; it will require the concurrent law of nations to reinstate and sustain it."

IT FAVORS THE USE OF SILVER MONEY. The Republican party has not been, and is not now, opposed to the use of silver money, as its record abundantly shows. It has been in favor of the use of its increased use with safety and honor by the United States, acting apart from other governments. There are those who think it has already gone beyond the limit of financial prudence. Surely we can not, we should not, and we must not, permit false lights to lure us across the danger line.

MORE THAN ANY COUNTRY. We have much more silver in use than any country in the world, except India or China—\$500,000,000 more than Great Britain, \$150,000,000 more than France, \$400,000,000 more than Germany, \$325,000,000 more than India, \$125,000,000 less than China. The Republican party has declared in favor of an international agreement, and, if elected President, it will by my duty to employ all proper means to promote it. The free coinage of silver in this country would defer, if not defeat, international bimetallism, and until an international agreement can be had every interest requires us to maintain our present standard.

Independent free coinage of silver at a ratio of sixteen ounces of silver to one ounce of gold would deliver the free coinage of silver to the people, and the contraction of the volume of our currency. It would drive at least 500,000,000 of gold dollars which we now have permanently from the trade of the country and greatly decrease the paper currency in circulation. It is not proposed by the Republican party to take from the circulating medium of the country any of the silver we now have. On the contrary, it is proposed to keep all of the silver money now in circulation on a parity with gold by materializing the plan of the Government that all of it shall be equal to gold. This has been the unbroken policy of the Republican party since 1878. It has inaugurated no new policy. It will keep in circulation and as good as gold all of the silver and paper money which are now included in the currency of the country. It will maintain their parity. It will preserve their equality in the future as it has always done in the past. It will not put this country on a silver basis, which would inevitably follow independent free coinage at a ratio of 16 to 1. It will oppose the expulsion of gold from our circulation.

FARMERS AND LABORERS SUFFER MOST. If there is any one thing which should be free from fluctuations, it is the money of the country. It ought never to be the subject of mere partisan contention. When we part with our labor, our products, or our property, we should receive in return money which is stable and unchanging in value as the ingenuity of honest men can make it. Debasement of the currency means destruction of values. No one suffers so much from cheap money as the farmers and laborers. They are the first to feel its bad effects, and the last to recover from them. This has been the uniform experience of all countries, and here, as elsewhere, the poor and not the rich are the greater sufferers from every attempt to debase the money. It is the most alarming severity upon investments already made; upon insurance companies and their policy holders; upon savings banks and their depositors; upon building and loan associations and their members; upon the widows and orphans of pensioners and their families; and upon wage-earners and the purchasing power of their wages.

UNLIMITED IRREDEEMABLE PAPER MONEY. The silver question is not the only issue affecting our money in the pending campaign. None start with urging the free coinage of silver, its strongest champions demand that our paper money shall be issued directly by the Government of the United States. This is the Chicago Democratic declaration. The St. Louis platform declaration is that "our national money shall be issued by the General Government only, without the intervention of banks of issue, be full legal tender for the payment of all debts, public and private, and be distributed freely to the people and through lawful disbursement of the Government."

Thus, in addition to the free coinage of gold and silver, we are asked to enter upon an era of unlimited irredeemable paper currency. The question which was fought out from 1865 to 1875 is thus to be reopened, with all its cheap money experiments of every conceivable form foisted upon us. This includes the start with urging the free coinage of silver, its strongest champions demand that our paper money shall be issued directly by the Government of the United States. This is the Chicago Democratic declaration. The St. Louis platform declaration is that "our national money shall be issued by the General Government only, without the intervention of banks of issue, be full legal tender for the payment of all debts, public and private, and be distributed freely to the people and through lawful disbursement of the Government."

OUR CONDITION EIGHT MONTHS LATER. The messages of President Cleveland from the beginning of his second administration to the present time abound with descriptions of the deplorable financial situation of the country. While no resort to history or official statement is required to advise us of the present condition and that which has prevailed during the past three years, I venture to quote from President Cleveland's first message, August 8, 1893, addressed to the Fifty-third Congress, which he called together in extraordinary session: "Involving the welfare and prosperity of all of our people has constrained me to call together in extra session the people's representatives in Congress, to the end that through wise and patriotic exercise of legislative duties with which they solely are charged, the present evils may be mitigated and dangers threatening the future may be averted. Our unfortunate financial plight is not the result of untoward events, nor of conditions related to our natural resources. Nor is it traceable to any of the afflictions which frequently check national growth and prosperity. With plentiful crops, with abundant promise

of remunerative production and manufacture, with unusual invitation to investment and with satisfactory assurance to business enterprises, suddenly financial distrust and fears have sprung up on every side. Numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demands of frightened depositors. Surviving corporations and individuals are content to keep in hand the money they are usually anxious to loan, and those engaged in legitimate business are surprised to find that the securities they offer for loans, though heretofore satisfactory, are no longer accepted. Values supposed to be fixed are fast becoming conjectural and loss and failure have invaded every branch of business."

THE CAUSE OF THE CHANGE. What a startling and sudden change within the short period of eight months, from December, 1892, to August, 1893. What had occurred? A change of administration had taken place. The Government had been intrusted to the Democratic party, which was committed against the protective policy that had prevailed uninterruptedly for more than thirty-two years and brought unexampled prosperity to the country, and firmly pledged to its complete overthrow and the substitution of a tariff for revenue only. The change having been decreed by the elections of November, its effects were at once anticipated and we cannot close our eyes to these altered conditions, nor would it be wise to exclude from contemplation and investigation the causes which produced them. They are facts which we cannot, as a people, disregard, and we can only hope to improve our present condition by a study of their causes.

PROTECTION OF SUPREME IMPORTANCE. An issue of supreme importance is that of protection. The peril of free silver is a menace to be feared; we are already experiencing the effect of partial free trade. The country must be warned; the Government must be alerted; the people must be informed. The Republican party is wedded to the doctrine of protection and was never more earnest in its support and advocacy than now. If argument were needed to strengthen its devotion to the policy, we need only increase the hold of that system upon the party and people, it is found in the lesson and experience of the past three years. Men realize in their own daily lives what before was to many of them only a report, history or tradition. They have had a trial of both systems and know what each has done for them.

DEMANDED BY THE PUBLIC EXIGENCIES. Washington, in his farewell address, September 17, 1796, a hundred years ago, said: "As a very important source of strength and security, common to public credit. One method of preserving it is to use it as sparingly as possible, and the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions in time of peace to discharge the debts which unavoidable wars may be occasioned, not ungenerously throwing upon posterity the burden which ourselves ought to bear."

To facilitate the enforcement of the maxims which he announced, he declared that the more of the Government's debt the public mind should bear in mind that toward the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not in some measure inconvenient or unpleasant; that the intrinsic and inalienable inseparability from the selection of proper objects (which is always a choice of difficulties) ought to be a decisive motive for a candid construction of the conduct of the Government, in making it and for a spirit of acquiescence in the measures for obtaining revenue which the public exigencies may at any time dictate.

OUR CONDITION. In December, 1892, President Harrison sent his message to Congress. It was an able and exhaustive review of the condition and resources of the country. It stated our situation so accurately that I am sure that it will not be amiss to recite his official and valuable testimony.

THE TARIFF OF 1894. The only measure of a general nature that affected the Treasury and the employment of our people passed by the Fifty-third Congress was the general tariff act, which did not receive the approval of the President. Whatever virtual claims may be made for that act, there is confessedly one which it does not possess; it lacks the essential virtue of its creation, the raising of revenues sufficient to supply the needs of the Government. It has at no time provided enough revenue for such needs, but it has caused a constant deficiency in the Treasury and a steady depletion in the earnings of labor and lands. It has contributed to swell our national debt more than \$32,000,000, a sum nearly as great as the debt of the Government from Washington to Lincoln, including all our wars from the Revolution to the Rebellion. Since its passage work at home has been diminished, prices of agricultural productions have fallen, confidence has been arrested and want is seen on every hand.

THE TARIFF OF 1890 AND 1894 CONTRASTED. The total receipts under the tariff act of 1894 of the first twenty-two months of its enforcement, from September, 1894, to June, 1896, were \$57,615,328 and the expenditures \$46,418,265, or a deficiency of \$11,197,063. The decrease in our exports of agricultural products and manufactures during the first fifteen months of the present tariff, as contrasted with the exports of the first fifteen months of the tariff of 1890, was \$20,853,229. The excess of exports over imports during the first fifteen months of the tariff of 1890 was \$23,972,968, but only \$56,758,423 under the first fifteen months of 1894, a loss under the latter of \$17,214,345. The net loss in the trade balance of the United States has been \$196,983,607 during the first fifteen months' operation of the tariff of 1894 as compared with the first fifteen months of the tariff of 1890. The loss has been large, constant and steady, at the rate of \$13,130,000 per month, or \$500,000 for every business day of the year.

LOSSING IN BOTH DIRECTIONS. We have either been sending too much money out of the country or getting too little in, or both. We have lost steadily in both directions. Our foreign trade has been diminished and our domestic has suffered incalculable loss. Does not this suggest the cause of our present depression and indicate its remedy?

CONCERN IN SOME ENTERPRISES HAS ALMOST WHOLLY DISAPPEARED. Our shops are closed or running on half time at reduced wages and small profit, if not actual loss. Our men at home are idle, and while they are idle, men abroad are occupied in supply us with goods. Our unrivaled home market of the farmer has also greatly suffered because they who constitute it, the great army of wage-earners, are without the work and wages they formerly had. If they cannot earn wages they cannot buy products. They cannot earn if they have no employment, and when they don't earn the farmer's home market is senseless and impaired, and the loss is felt by both producer and consumer. The loss of earning power alone in this country in the past three years is sufficient to have produced our unfortunate business situation. If our labor were well employed and employed at as remunerative wages as in 1892 in a few months every farmer in the land would feel the glad change in the increased demand for his products, and in the better prices which he would receive.

NOT OPEN MINTS, BUT OPEN MILLS. It is not increase in the volume of money which is the need of the time, but an increase in the volume of business. Not an increase of coinage, but an increase of confidence; not more coinage, but a more active use of the money coined, and open mints for the unlimited coinage of the silver of the world, but open mills for the full and unrestricted labor of American workmen. The employment of our mints for the coining of the silver of the world would not bring the necessaries and comforts of life back to our people. This will only come with the employment of the masses, and such employment is certain to follow the re-establishment of a wise protective policy that we have now abandoned. Protection has lost none of its virtue and importance.

GOOD MONEY NEVER MADE THE TIMES HARD. It is a pretense to attribute the hard times to the fact that all our currency is on a gold basis. Good money never makes times hard. Those who assert that our present industrial and financial depression is the result of a gold standard have not read American history aright or been careful students of the facts of our recent years. We have had greater prosperity in this country in every field of employment and industry than in the busy years from 1880 to 1892, during all of which time this country was on a gold basis and employed more than 10,000,000 of our people. We had, in making it and for a spirit of acquiescence in the measures for obtaining revenue which the public exigencies may at any time dictate.

RECIPROCITY. Another declaration of the Republican platform that has my most cordial support is that which favors reciprocity. The splendid and wise arrangements of authority of the tariff law of 1890 are striking and suggestive. The brief period that they were in force, in most cases only three years, was not long enough to thoroughly test their efficacy, but sufficient was shown by the trial to conclusively demonstrate the importance and wisdom of their adoption. In 1893 the export trade of the United States attained the highest point in our history. The aggregate value of our exports reached the immense sum of \$1,030,278,148, a sum greater by \$100,000,000 than the exports of any previous year. In 1893, owing to the threat of unfriendly tariff legislation, the total dropped to \$847,878,000. Our exports of domestic merchandise decreased \$187,700,000, but reciprocity still secured us a large trade in Central and South America and a larger trade with the West Indies than we had before our reciprocity. Our trade with Cuba was phenomenal. In 1891 we sold that country but 114,441 barrels of flour; in 1892, 266,175; in 1893, 616,400, and in 1894, 662,248. Here was a growth of nearly 600 per cent, while our exportations of flour to Cuba for the year ending June 30, 1895, the year following the repeal of the reciprocity treaty, fell to 375,856 barrels, a loss of nearly half our trade with that country. The value of our total exports of merchandise to the United States to Cuba in 1891, the year prior to the negotiation of the reciprocity treaty, was \$12,224,088; in 1892, \$17,953,579; in 1893, \$24,157,606; in 1894, \$26,125,321, but in 1895, after the enactment of the reciprocity agreement, it fell to only \$12,887,661.

Many similar examples might be given of our increased trade under reciprocity with other countries, but enough has been shown to indicate the efficacy of legislation of 1890 to justify the speedy restoration of its reciprocity provisions. In my judgment, Congress should immediately restore the reciprocity section of the old law, with such amendments, if any, as time and experience sanction as wise and proper. The underlying principle of this legislation must, however, be strictly observed. It is to afford new markets for our surplus agricultural and manufactured products without loss to the American laborer of a single day's work that he might otherwise procure.

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