THE TREASURY REPORT.

SIR: I have the honor to submit the following report:

The ordinary revenues of the Government from all sources for the fiscal year ended June 30, 1885, were:

Customs	$181,471,039 24
Internal revenue	112,498,725 54
Sales of public lands	5,746,066 44
Tax on national banks	2,914,222 25
Profits on coinage, &c.	6,051,284 96
Customs fees, fines, &c.	997,494 27
Fees—consular, letters patent, and lands	3,714,613 58
Repayment of interest by Pacific Railway Companies	1,608,671 58
Sinking fund for Pacific Railway Companies	2,470,707 78
Deposits by individuals for surveying public lands	594,414 34
Sales of Government property	352,952 97
Indian trust funds	76,812 98
Immigrant fund	177,932 50
Soldiers' Home, permanent fund	351,734 05
Sale of condemned naval vessels	55,541 80
Tax on tonnage	400,342 46
Revenues of the District of Columbia	1,959,296 11
Miscellaneous sources	2,471,532 23
Total ordinary receipts	$323,686,706 38

The ordinary expenditures for the same period were:

Civil expenses	$22,858,942 11
Foreign intercourse	1,439,040 11
Indians	6,552,291 63
Pensions	56,102,267 49
Military establishment, including rivers and harbors and arsenals	42,670,578 47
Naval establishment, including vessels, machinery, and improvements at navy yards	16,021,079 67
Miscellaneous expenditures, including public buildings, lighthouses, and collecting the revenue	54,728,058 21
Expenditures on account of the District of Columbia	3,496,650 05
Interest on the public debt	51,386,254 47
Sinking fund, conveniences	45,994,035 43
Total ordinary expenditures	$305,830,070 54
Leaving a surplus of	$17,859,735 84

Which was applied to the redemption of:

Oregon war debt	$2,800 00
Loan of July and August, 1861	58,800 00
Five-twenties of 1862	15,400 00
Five-twenties of 1864	750 00
Five-twenties of 1865	22,800 00
Loan of 1863	30,600 00
Ten-forties of 1864	79,500 00
Consols of 1865	48,950 00
Consols of 1867	74,100 00
Consols of 1869	10,350 00
Funded loan of 1881	35,000 00
Loan of February, 1861	1,000 00
Old demand, compound interest, and other notes	8,200 00
And to the increase of cash in the Treasury	17,471,025 84
Total	$17,859,735 84

For the present fiscal year the revenue, actual and estimated, is as follows:

Customs	$175,000,000
Internal revenue	110,000,000
Sales of public lands	6,000,000
Tax on national banks	3,000,000
Repayment of interest and sinking fund, Pacific Railway Companies	1,500,000
Customs fees, fines, penalties, &c.	900,000
Fees—consular, letters patent, and lands	3,900,000
Proceeds of sale of Government property	300,000
Profits on coinage, assay, &c.	4,000,000
Deposits for surveying public lands	400,000
Revenues of the District of Columbia	1,900,000
Miscellaneous sources	4,000,000
Total receipts	$315,000,000

The expenditures for the same period, actual and estimated, are as follows:

Civil and miscellaneous expenses, including public buildings, lighthouses, and collecting the revenue	$70,500,000
Indians	6,000,000
Pensions	54,000,000
Military establishment, including fortifications, river and harbor improvements, and arsenals	37,000,000
Naval establishment, including vessels and machinery, and improvements at navy yards	15,000,000
Expenditures on account of the District of Columbia	3,500,000
For interest on the public debt	50,000,000
For the sinking fund	45,750,000
Total ordinary expenditures	$290,750,000
Total receipts, actual and estimated	$315,000,000
Total expenditures, including sinking fund	290,750,000
Estimated surplus	$24,250,000

The revenues of the fiscal year ending June 30 1887, are thus estimated upon the basis of existing laws:

Customs	$175,000,000
Internal revenue	110,000,000
Sales of public lands	6,000,000
Tax on national banks	3,000,000
Repayment of interest and sinking fund, Pacific Railroad Companies	1,500,000
Customs fees, fines, penalties, &c.	900,000
Fees—consular, letters patent, and lands	3,900,000
Proceeds of sale of Government property	300,000
Profits on coinage, assay, &c.	4,000,000
Deposits for surveying public lands	400,000
Revenues of the District of Columbia	1,900,000
Miscellaneous sources	4,000,000
Total estimated ordinary receipts	$315,000,000

The estimates of expenditures for the same period, received from the several executive departments, are as follows:

Legislative	$2,375,828 62
Executive	10,491,311 70
Judicial	4,836,000 00
Foreign intercourse	1,694,961 60
Military establishment	25,089,490 34
Naval establishment	30,836,317 74
Indian affairs	6,051,259 84
Pensions	75,890,200 00
Public works:	
Legislative	25,000 00
Treasury Department	4,823,856 47
War Department	10,572,639 18
Navy Department	4,998,337 41
Interior Department	41,583,019 00
Department of Justice	77,300 00
	26,800,016 76
Postal service	7,443,914 25
Miscellaneous	29,356,982 03
District of Columbia	3,839,888 99
Permanent annual appropriations—	
Interest on the public debt	48,500,000 00
Sinking fund	46,038,000 00
Refunding — customs, internal revenue, lands, &c.	13,152,400 00
Collecting revenues from customs	5,500,000 00
Miscellaneous	5,099,555 00
	118,910,055 00
Total estimated expenditures, including sinking fund	$339,589,552 34
Or an estimated deficit of	$24,589,552 34

Excluding the sinking fund, the estimated expenditures will be $292,930,552.34, showing a surplus of $22,069,447.66.

THE PUBLIC DEBT.

The act of Feb. 25, 1862 (R. S., 3,688, 3,689), requires one per centum of the entire debt of the United States to be annually set apart as a sinking fund and applied to the purchase or payment of the public debt, in such manner as the Secretary of the Treasury may from time to time direct, together with a sum equal to the interest on all bonds thus so purchased; and the act of April 17, 1876 (19 Stat., 33), provides that fractional currency redeemed by the Treasury shall also form a part of the sinking fund.

Under the above provisions of law, United States bonds and fractional currency to the amount of $45,604,035.43 were redeemed and applied to the fund during the past fiscal year.

The requirements of the fund for the present fiscal year, computed upon the same basis as in former years, will aggregate $49,000,000. It is believed, however, that the intent of the law will be fully complied with if, in determining the amount to be applied to the fund, the aggregate of the various coin and currency certificates which are held in the Treasurer's cash, as well as the cash in the Treasury available for the reduction of the debt and the amount held as a reserve for the redemption of United States notes under the Resumption act, shall be deducted from the outstanding principal of the debt, and the bonds issued to the several Pacific Railroads added thereto. The amount required to be applied under this method, including interest on bonds previously redeemed, is estimated at $45,750,000.

On Nov. 1, 1884, the outstanding bonds of the 3 per cent. loan of the act of July 12, 1882, amounted to $204,519,250. Of this amount, $10,000,000 had been called for redemption and ceased to bear interest Nov. 1, 1884.

The reduction in the annual interest charge by reason of the changes during the year ended Oct. 31, 1885, is as follows:

On bonds redeemed or interest ceased	$399,802 50
Deduct for interest on 4 per cent. bonds issued	812 00
Net reduction	$399,550 50

The indebtedness of the United States on March 4, 1885, including therein the bonds issued to the Pacific Railroad Companies, was as follows:

Interest-bearing debt	$1,200,772,612 00
Accrued interest to date	9,066,376 00
Matured debt not yet presented, and accrued interest	4,493,735 37
Debt bearing no interest	668,945,443 67
Total	1,881,878,167 04
Cash in Treasury	370,166,953 40
Amount of debt less cash in Treasury	$1,505,711,213 64

The indebtedness of the United States on Nov. 1, 1885, including therein the bonds issued on account of the Pacific Railroad Companies, was as follows:

Interest-bearing debt	$1,200,778,162 00
Accrued interest to date	9,595,948 10
Matured debt not yet presented, and accrued interest	3,953,689 76
Debt bearing no interest	574,012,535 68
Total	1,848,340,335 74
Cash in Treasury	400,682,767 65
Amount of debt less in cash Treasury	$1,447,657,568 09
Reduction of debt during above period	$58,054,245 55

CURRENCY REFORM.

Currency reform is first in the order of importance and of time, and fitly precedes other reforms, even taxation reform, because it will facilitate all other reforms, and because it cannot safely be deferred. The coinage act of 1873 is overloading the mints with unused, the sub-treasuries with returned silver dollars, and will unavoidably convert the funds of the Treasury into those depreciated and depreciating coins.

The disorders of our currency chiefly arise from the operation of two enactments:

1. The act of Feb. 28, 1878, which has been construed as a permanent appropriation for perpetual Treasury purchases of at least $24,000,000 worth of silver per annum, although from causes mostly foreign that metal is now of doubtful and falling value, which must be manufactured into coins of unlimited legal tender and issued to the people of the United States as equivalents of our monetary unit.

2. The act of May 31, 1878, which indefinitely postponed fulfilment of the solemn pledge (March 18, 1869) not only of "redemption," but also of "payment" of all the obligations of the United States not bearing interest, legalized as $346,000,000 worth of depreciated legal tender, and required the post-redemption issue and reissue of these promises to pay dollars, as equivalents of our monetary unit.

But these two evils, which are each a separate menace to the public tranquility and injurious to the public morals and the public faith, do not double the difficulties of a reform of the currency. Their concurrence may even assist Congress to provide the people of the United States with a better currency than the best now possessed by any nation; a currency in which every dollar note shall be the representative certificate of a coin dollar actually in the Treasury and payable on demand; a currency in which our monetary unit coined in gold ($350,000,000) and its equivalent coined in silver ($213,000,000) shall not be suffered to part company.

Such a reform of the whole currency of the United States (setting aside the national bank notes, which are diminishing and well secured) can be undertaken and finished subject to the following conditions:

1. Without shock or disturbance to the industries, the business enterprise, the domestic trade, or foreign commerce of the country.

2. Without degrading the United States monetary unit of value to a cheaper dollar, and without raising the United States monetary unit of value to a costlier dollar.

3. Without loss to any who now hold the promise of the United States to pay a dollar.

4. Without reduction of the present volume of the currency or hindrance to its free increase hereafter when every dollar note shall be the certificate of a coin dollar in the Treasury payable on demand.

5. Without pause in the reduction of the public debt, but paying more than three-fifths of all that part of the debt now payable at the option of the United States prior to September, 1891.

6. Without increase of taxation.

7. Without the sale of any silver bought and coined since February, 1878.

8. Without the disuse of the 215,000,000 coined silver dollars of unlimited legal tender, or any fall or discount in their present received value; and without the disuse of the 550,000,000 coined gold dollars of unlimited legal tender, or any rise or premium on their present received value.

9. Without prejudice to the adoption hereafter of an international bimetallic union, with free coinage of both metals for all comers, at a fixed ratio of weights, into coins of unlimited legal tender.

10. Without the coins of the two metals parting company from each other, whatever may be the temporary fall, if any, in the market price of silver bullion after stopping Treasury purchases.

I would most respectfully commend to the consideration of Congress the question whether such a reform of the currency ought not now to be endeavored; whether these are not among the prudent and just conditions of its reform; and whether such a reform might not be promoted, with immediate advantage to all our industries and trade, by repeal of the clause requiring Treasury purchases of silver bullion; by repeal of the act making compulsory Treasury issues and reissues of the legal tender notes.

THE SILVER QUESTION.

We are all paper money men if it but be understood that our paper money shall be a representative paper money, a certificate that actual coin is honestly borrowed and safely stored by the Treasury, dollar for dollar, and payable to its owner on demand. No one disputes the superior convenience of paper money. Its use in large multiples without increase of weight, its economy in saving the heavy and freeparable loss of the precious metals by abrasion, are indisputable advantages over other kinds of money.

Demonetization may signify legal disuse of either metal as coin. Gold is demonetized in India. But where is silver demonetized? There are varying degrees of its use in different nations. It is not entirely disused. Nowhere is it, then, demonetized if demonetization means legal disuse. It is used in England for fractional coins of a limited legal tender. It is used in France, Germany, and the United States for fractional coins, and also for larger coins of an unlimited legal tender. It is used in India and Mexico for fractional coins, and for coins of an unlimited legal tender, and of these the coinage is free to all owners of silver. In speaking of the demonetization of silver, the degree of its disuse should be specified by those who would avoid being misunderstood to recommend free coinage to private silver owners, which nowhere now co-exists with the use of gold as a part of the currency.

Everybody is a two-metallist, and wishes the use of silver in fractional coins, or at least a limited legal tender. Bimetallists desire a larger use of silver for coins of unlimited legal tender; but they also wish the use of gold in coins of unlimited legal tender. If, however, a gold coin and a silver coin must each be received for a dollar, and are both an unlimited legal tender in any nation, some ratio in their weights must also be fixed by law. Yet no law can cross national boundaries as commerce does; so that any nation having a ratio not the same as the ratio of other nations trading with, is liable to be drained, in time, of one of its two metals. Thus bimetallism in any nation depends upon a fortunate balance of demands for the two metals from without. such as France enjoyed from 1785 to 1871; or else upon concurrence in a sufficient number of other nations in coining the units of value in the two metals at one and the same ratio of weight. Bimetallism is essentially an international affair; but it does not exist; the fortunate balance in Europe was upset by Germany, and the international agreement, twice attempted, has failed. In this way now can any nation make use in use coins of both metals which are both unlimited legal tender, namely, by stopping the coinage of the metal unacceptable to other nations. France has done so. The United States must likewise stop coining silver. Stop, wait, negotiate. And, whether negotiations shall succeed or fail, there is still no other way than to stop. Here we are, finally, at the point where a risk begins to appear of difficulty in retaining silver in our home circulation in full equivalence with our gold unit of value which has an international circulation.

Silver in fractional coins is the most convenient and profitable form in the payment of petty sums. These are the bulk of human transactions where money passes. It has no rival. Who does not deem it indispensable? Silver cannot profitably be discarded from large use by any civilized nation in the world, even where, as in Germany and the Scandinavian countries, it is used only for fractional coins, made legal tender for small sums, and gold alone is cut into coins of unlimited legal tender. Silver alone is coined by some nations; is the monetary metal of enormous Asian populations. We know little of China, but computing what they fairly may as to the rest of the world, the statistics all agree that silver is 54 per cent. of the monetary metals of mankind.

GOLD INDISPENSABLE.

Gold, however, is indispensable also, though its high value makes it impossible to be used anywhere as small change. Gold is fairly computed to be about 46 per cent. of the two monetary metals of mankind. Gold is the standard of value in the foreign commerce, not only of the United States, but also of every nation in Europe. Foreign exchange is calculated as between the different gold coins. Gold is the standard in the domestic trade of England and of Germany, and of all the countries which, like France, have been bimetallic, but which have now ceased from silver coinage in order to prevent the fall of the silver already coined as legal tender for all sums. Gold is, in fact and by law, the standard of value in the domestic trade of the United States, and has been since March, 1873, under the act of Congress making 25.8 troy grains of standard gold our monetary "unit of value," which, as will be explained below, has put into the crucible safely and justly placed alike in coins of gold and coins of silver.

Gold is 66 per cent. of the metallic circulation of the United States at the present moment; although it may need explaining that with free coinage for everybody's silver into full legal tender silver dollars, the people of the United States asked for only 8,045,858 in eighty years, but that Congress required the coinage of 215,000,000 in about eight years.

Gold is the standard of value in nations from which we in the United States took 87 per cent. last year of all our imports and to which we sent more than 92 per cent. of all our exports. And with most of the countries having silver as a standard, or in nearly exclusive use, where we do the small remainder of our foreign trade, settlements are effected by the gold standard through sterling bills on London.

Gold from the mines of all the world has doubled in quantity within thirty-five years; silver about doubling in the last one hundred years. Gold, like silver, is a principal product of mines in the United States, which have yielded of the two precious metals:

	Gold.	Silver.
For the last 40 years	72 per cent.	28 per cent.
For the last 14 years	50 + per cent.	50 − per cent.
Lately as 4 years ago	50 + per cent.	50 − per cent.
Last year	39 − per cent.	61 + per cent.

Who, then, would propose the disuse of gold, or ask the enactment or the continuance of laws likely to promote the expulsion of gold or its use at a premium instead of as the standard of value, to which, by stopping the coinage of silver now, the legal tender value of the 215,000,000 silver dollars already coined may be held up and made to conform, until these troubles be overpast?

But our 215,000,000 silver dollars are here, and cannot be expected sensibly to decrease, as our gold may. Nobody will export or melt them. The reasons are plain. They will not flow abroad, for the legal tender quality given them by act of Congress cannot procure their reception elsewhere; not in Germany, just as her legal tender laws, applied to her equally depreciated 400 or 500 million silver marks in thalers of unlimited legal tender, cannot promote their reception here or in France; not in France, just as her legal tender laws, applied to her 600 million five-franc pieces of unlimited legal tender, cannot promote their reception here or in Germany. Ceasing to coin more, our 215,000,000 silver dollars will remain. Nobody will melt them, since the silver melted is worth 20 or 25 per cent. less than the silver minted, while they remain a legal tender for all sums. Therefore, no silver to be used in the arts or industries, or for exportation, will be drawn from this stock. It is not to be expected that Congress will withdraw from these 215,000,000 silver dollars their full tender quality; it is not to be expected that Congress will redeem and melt them and sell the metal. The fact, then, is that we cannot but be two-metallists.

POINTS OF AGREEMENT.

But do not bimetallists and monometallists agree more than they differ, so far as the known facts of our situation oblige us to be concerned with them? Both demand mints, which are public institutions for the exclusive manufacture of bullion into coins, open, on the rate of first come first served, to all persons bringing any amount of the one received metal, or in the other case both of the received metals, all such persons having the right to receive back their metal cast into coins of specified weight, fineness, size, and inscription, consisting of the monetary unit itself, and its multiples (and its fractions), and being full tender by law in payment of all sums due and payable, the said monetary unit, if bimetallic, in coins of silver and in coins of gold having a uniform ratio of weight. The metal minted and the metal melted having thus an equal value in fact, men of both schools regard the monetary mass of either gold or silver, or, in the other case, of both gold and silver, as consisting at any moment, actually, of the whole metallic coinage of the world (gold, $3,840,000,000; silver, $2,240,000,000), plus, potentially all extant stores of the one metal, or, in the other case, of the two metals. This plus enlarges enormously the great sum to nearly the bulk of the product of all mines of the one, or the two metals, in all past time, computed at not far from a billion half, or, in the other case, the whole of $16,540,000,000. Not to be varied in amount by legislation, its immense superiority appears as a kind and amount of wealth suited to be the standard measure of all wealth; for it is a mass of which the annual increment (four years ago being $203,000,000, divided about equally between silver and gold, and last year being from both metals $220,000,000), however large or variable, is a petty percentage—say 1 33-100 per cent. This relation between the small annual increment and the huge accumulation of the precious metals by mankind in all time is a circumstance of the last importance, if all the economists are right in computing the total wealth of the world—stored, saved, and consuming—to be of less value at any moment than five times the world's gross income for the one previous year.

If the facts of our own monetary situation have been correctly ascertained and stated above, then it is now obvious that gold and silver monometallism may, without prejudice to their high rank as monetary theories, be set aside at once as theories practically inapplicable, at the present moment, for the guidance of the United States. Silver monometallism, though current in India and Mexico, has few advocates among us, and, at any rate, is inadmissible. Gold monometallism has some able advocates among us, but, at any rate, is inadmissible. We are in the presence of 550,000,000 full tender dollars of gold, and 215,000,000 full tender silver dollars, the latter number now practically irreducible.

As bimetallists of both schools condemn all efforts by laws to manufacture a legal-tender equivalent of any nation's monetary unit out of the paper record of a promise to pay that unit, it here suffices to allude to that episode in our history before showing what the precedents of the Congress of the United States has been in making our monetary unit reside in coin, formerly of two metals, latterly in one metal, and the relation of the bimetallic theory and practice thereto, and to our immediate problem, the silver-dollar coinage. Indeed, the dispute between the two (285:100—100:35) in July, 1864, when Congress tried to compel their equality, is comment enough, from a financial point of view, upon the legal-tender laws of February 25, 1862, July 11, 1862, March 3, 1863, and the law of May 31, 1878; though I cannot myself believe the voiers of the several States will ever decide that their Federal Government holds as sovereign a power to issue and reissue Treasury notes and make them a legal tender in payment of private debts as it has to coin money and borrow it.

THE MONETARY UNIT OF THE UNITED STATES.

A complete history of the United States coinage laws would include many unimportant as well as important details. Reference is here made only to those parts which in every principal coinage law have prescribed either a single unit of value, or what weight of fine gold should be equal to what weight of fine silver in the monetary unit and its multiples, so that the least imperfect equivalence, the utmost attainable stability therein, might be had, and every exchange of product or service pass under a convenient and just standard and measure of value. Setting aside the exigencies of the currency, which avoid being upset when paper expelled coin, that history is a record of proud integrity, of uniform good faith.

Congress has established justice and maintained it in a chief article and instrument of justice, the monetary unit. The good faith dictating to every coinage act. Blunders, marked by errors from the first act to the last, none of them is an error without excuse. Perhaps the worst error of all is in the act of 1834 changing the ratio, when Congress omitted to be guided by its abiest living adviser, the most learned man in the professions, the great Albert Gallatin, the friend and peer of Jefferson and Madison, their counsellor in finance, the originator of the Ways and Means Committee, during three Presidential terms Secretary of the Treasury, and the originator of its present system and best traditions. The history of the monetary unit shows that from 1792 to 1873 that unit was embodied by law in either metal. The arrangement is such as is now called bimetallic. From 1873 till now gold has been made by law the sole embodiment of the "unit of value." But what is most notable is not that historical fact, most notable is the fact exhibited from 1792 to 1885 in a variety of historical circumstances—the seeking after perfect equivalence in contemporaneous and successive coin embodiments of the monetary unit.

Equivalence in the contemporaneous coin embodiments of our monetary unit was the purpose of the coinage laws of 1792, 1834, 1837, and 1853.

Equivalence in the successive coin embodiments of our monetary unit was the purpose of the coinage laws of 1834, 1837, 1853, 1873, and 1878.

During the time when the 371.25 troy grains of fine silver continued to be a coin embodiment of the monetary unit, there was no appreciable fluctuation in its value as compared with the mass of commodities, services, and savings measured thereby. Slight variations in the gold coin, therefore, made solely for the purpose of retaining both metals in use and for reaching a more perfect equivalence in order to retain both metals in use, are only confirmations added to proof in the uniformity (371.25) from 1792 to 1873. During that time, when 23.22 grains of pure gold have been either a concurrent or the single coin embodiment of our monetary unit, there has been no demonstrable fluctuation in its value as compared with the mass of commodities, services, and savings measured thereby. Whatever may be speculated, it is not within the wit of man to name any monetary unit more stable.

ENOUGH SILVER DOLLARS.

Our 215,000,000 silver dollars are by law full legal tender. Sharing that function with the monetary unit itself, the honor of the country, not less than its interests, is involved in the preservation of their equivalence with that unit wherever our citizens dwell and our laws run. Equivalence in foreign trade, for the reasons above indicated, is for the present quite impracticable. But equivalence in domestic trade is practicable. But that equivalence is now imperilled by the continuing coinage and increasing number of the silver dollars. This is much more than a deliberate judgment of the Secretary of the Treasury. It is attested to him from the centres of trade in all parts of the country, as much from the South as the North, as much from the West as the East. Not alone our able statesmen and instructed economists and financiers are for the stopping of its silver coinage now, but wherever our fellow citizens are concentrated in commercial cities and towns, the business classes engaged in the trade, the enterprises, and manufactures of those centres, and the still larger masses of workingmen employed by them, urge the stopping of the silver coinage now. It is these classes which are always first to perceive such perils to industry and trade, and the consequences they entail. To their judgment in such a matter even the acts of Congress touching commerce and currency are finally appealed. For it is their interests first, and afterward the interests of the agricultural classes, which are endangered. Every business man from day to day must form his separate judgment of any medium of exchange which he may be obliged by law to receive in his next bargain. Twenty years ago the gold dollar was not kept from a premium, to-morrow the silver dollar cannot be kept from a discount, in disregard of their appraisal.

The choice before Congress is not between silver monometallism and gold monometallism. Both are inadmissible. The choice before Congress is not between bimetallism and either gold or silver monometallism. The latter are not admissible, and bimetallism is only possible with the cooperation of other nations, which is not now to be had. For, although France holds the same friendly attitude, and would be followed by some of her associates of the Latin Union, England now, as in 1878 and 1881, is unwilling to depart from her mintage of gold alone into coins of unlimited legal tender, and Germany now, as in 1881, regards the concurrence of England in an international bimetallic union, as a *sine qua non*. Such being the facts established upon abundant testimony, official and unofficial, gathered by the Department of State, it becomes plain that the choice of Congress is only in fact between stopping the coinage of silver dollars, or risking by further coinage the inequivalence of those dollars with our monetary unit, risking the fall of the value of 215,000,000 silver dollars from their legal domestic rating to their commercial international value, which is 20 per cent. less, and involving such a disuse in our domestic trade of 550,000,000 dollars of gold coin, as when gold was ejected by paper during the war.

The only choice before Congress, therefore, is the choice between one-metallism and two-metallism. The silver dollar cannot be kept in equivalence with the gold dollar if the coinage of silver continues. The gold dollar cannot be kept in full domestic circulation if the silver dollar is suffered to fall. Coining more necessitates its fall. Doubtless some may hope that more silver dollars can be coined, and yet their equivalence with the monetary unit not be lost. It is respectfully submitted that there is no compensation for that risk, and that a judgment so accordant of the great business classes who carry on the exchanges of the country must be accepted as a final estimate of that risk.

A HEAVIER DOLLAR.

Nor should it be forgotten that every silver dollar coined hereafter at our present ratio would be, as the coining of every dollar since 1878 has been, a direct hindrance to the international bimetallic union then avowed as the object of our legislative policy. This objection is fatal also to the proposal to put more silver into the dollar than 371.25 grains of fine metal (412.5 standard). But that scheme is an admission of the stability of our present monetary unit, an express assertion of our duty to make every full-tender substitute for that unit its acceptable equivalent. Another decisive criticism upon the proposal is that it implies the necessity of further purchases and coinage of silver, which necessity does not exist; and proposes a remedy for the continuance of a danger which does not need to be prolonged. Stopping the coinage now is a perfect remedy for the evil which the silver clauses have measured, judged, and desire to see averted. They do not wish its recurrence in a varied form. Increasing the weight of silver in the dollar assumes the present dollars to be incapable of continued equivalence with the monetary unit, when, in fact, by stopping further coinage they can be held in our domestic exchanges to that equivalence, and the chance retained that the several great powers which are also sustaining the full-tender use of depreciated silver, by local national law, may come to a pool their issues, and so restore silver to international currency. Such union now seems hopeless, while we continue to mitigate the difficulties of other nations by taking off the market half the product of our own mines, which is nearly half the product of the world. Is it not worth while to try the effects of an altered situation after so many years of failure? Is it not worth while to see what can be done when the United States shall have put an end, by stopping the coinage, to the charge that they are moved by selfish interests, and trying to market their silver, when the United States, by stopping coinage, shall have put themselves upon an equality with the other gold and silver using nations who have all stopped silver coinage; and when the United States shall thus be able to negotiate for open mints and free coinage to all comers, with the large offer to join in free coinage to all, in place of no coinage, rather than with the lesser offer of free coinage to all, in place of the coinage of Treasury purchases of $24,000,000 worth of silver per year?

The coinage of a heavier dollar would obstruct the success of such an experiment. The coinage of silver not being free to all comers, but being exclusively a coinage of Treasury purchases of silver, there is no reason for making a heavier dollar, whether the purchases are to continue or to be stopped. Treasury purchases of silver are anomalous, unprecedented except in the case of subsidiary coin, and a hindrance to the restoration of a sound currency. If the silver dollar is full tender, but not of free coinage, its currency is confined within the country where the laws run which make it full tender. It cannot be forced across the Atlantic or Pacific, except as metal. Legal tender laws do not cross national boundaries. The silver dollar of 371.25 grains was full tender, but was kept equivalent to our monetary unit of value. If no more are coined, and the metal in it will not fluctuate more from the datum line of 23.22 grains fine gold than the metal in a 500-grain silver dollar would, though it may fluctuate in value, yet the value of the silver dollar is to be dealt with as a commodity, it cannot be kept in equivalence with the coin monetary unit, any more than it can be kept in equivalence with some other commodity than itself. The proposal to make a heavier dollar, like the proposal to make unlimited legal tender silver bullion certificates on a variable commercial ratio of the metal with gold money, is a proposal to treat silver as a commodity. If the silver of our dollar is to be dealt with as a commodity, its relations of the world, to which the full legal tender power of leading Governments is to be applied, 371.25 grains of fine silver can be made equivalent with 23.22 grains of fine gold as effectually as 500 grains of fine silver can.

THE FALL IN PRICES.

An adequate sense of the magnitude of the actual coin-money stocks of the world, which join with the potential money existing in uncoined gold and silver, and with all their numberless equivalents, substitutes, and representatives, to measure prices, not to mention growing economies in the use of money, by checks, bills of exchange, book credits, Clearing House exchanges, telegraphic transfers, &c., which operate in the same direction, enforces the lessons of experience as to the impotence of any nation's legislation to affect prices, if prices are measured by a stable monetary unit. Changing the measure changes prices except the owners of the property of the losing ones. It does not change prices measured honestly. But the lessons of experience cannot be completely learned in a moment. For the general range of prices of the hundred chief commodities of civilized man's use has been therefore, in our century, to follow or completing the last leisurely cycle of its rise and fall. The range of prices is lower to-day than since the discovery of gold in California. The redistribution of populations in the two hemispheres since then is vastly more assertive of a speculative contrariance than is the low level of prices. Prices in the United States are the record of the fluctuations of commodities and currencies in the markets of the world. They are not merely domestic fluctuations. Odessa and India appear in the price of wheat at Chicago; legislation chiefly concerns fifty-five million people, but prices are the outcome of twelve or fifteen hundred million people's affairs. Yet we are occasionally told that the present general fall of prices has been caused and can be counterpoised by the variation of a few hundredths of 1 per cent. in the yearly rate our own silver coin stock to the mass of the monetary metals of the world—by the transfer of more silver from mines in Nevada to vaults in New York.

Man's inventions and industries are hammering down the prices of all the products of man's labor. If one New England town, by one week's labor, can shoe all the feet in Cincinnati, Chicago, and St. Louis for a year, when a year's work was too little one decade ago, how shall not the price of shoes go down? Everywhere the effort is to obtain shelter, clothing, food, and the ornaments of these necessities of life at a smaller expense of mental energy and bodily toil. The history of inventions is the record of permanent reductions of the cost of getting man's necessities. This reduced cost makes possible the enlargement of the comforts of all, a higher and higher standard of life for the poor. How shall the reduced cost not appear in dropping prices? But things on hand bought to sell fall while held. To the trading classes a fall of prices when compressed into too brief periods cannot but bring some measure of distress; when continued for too long periods, cannot but entail a general depression of trade. But when it is neither sudden nor prolonged enough to throw large numbers out of employment, the great mass of working men and women find in lower prices almost unmixed good. Wages are always at once exchanged, with some deduction for saving, and if prices are lower the same wages buy more. Even where reduced prices necessitate reduced wages and on the whole, even in Europe, the return to labor grows more and more the wage-receiver gets the advantage of wages being slow to move, as he gets the disadvantage of their being the last to move when from a degradation of the unit of value, in place of a legal equivalent, prices measured by that unit going up, the same wages buy less. To keep the unit of value stable is the true limit of legislative control over prices.

A large proportion of our workingmen of mature years have had an instructive experience that lowering the value of any so-called dollar, legal tender of payment for their wages, is a lowering that is compensated to everybody else before compensation reaches them. It is a lowering that lifts the prices of all commodities except that of the owning and selling property of the losing ones. It does not change prices measured honestly. But the lessons of experience cannot be completely learned in a moment. For the general range of prices of the hundred chief commodities of civilized man's use has been therefore in our century