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## THE SILVER QUESTION.

### The Demonetization of Silver and Fall in Prices.

Some Interesting Facts Which Everybody Studying the Silver Question Should Read.

In 1871 Germany, which had previously been a silver standard country, took a step toward establishing the gold standard by providing for a gold coinage and stopping the coinage of the larger silver pieces. In July of 1873 the work was completed by depriving the silver coins of their legal tender.

The thalers (dollars) began to be called in by the government, melted down and sold until about 150,000,000 of them had been thus disposed of. Germany's reasons for thus changing her standard have never been satisfactorily given. We will not stop to investigate that matter, for we are more concerned with the action of our own country.

As early as 1867 the project had been mooted of establishing the gold standard in the United States, and from that time on it was quietly talked at the treasury department, by a few senators and representatives, and possibly in the highest banking circles. But it was never discussed in public, and the people were never consulted with reference to their wishes.

In 1853 the weight of the half dollars, quarters and dimes had been reduced about 8 1/2 per cent; their legal tender limited to \$5, and their coinage on private account stopped. This was intended to prevent their shipment abroad, the effect of which had been to make these small coins scarce, causing inconvenience to those needing change.

But, Director Preston to the contrary notwithstanding, it was in no sense a demonetization of silver. The dollar remained a full legal tender, and its coinage was unlimited. Although a private individual could no longer have his bullion coined into half dollars, quarters and dimes, he could still have it coined into dollars, and these dollars were lawful money the same as the gold dollar.

But on the 12th day of February, 1873, the mint law was revised, and the standard silver dollar was dropped from the list of coins. A trade dollar 7 1/2 grains

heavier was substituted.

As there were but few standard silver dollars then in the country, this amounted practically to the demonetization of silver. The trade dollar was not intended to be legal tender at all, but when the general revision of the statutes took place early in 1874, the legal tender of all silver coins fixed at \$5. This made the demonetization of silver complete in the United States.

Silver was no longer available except in small sums not exceeding \$5, and our vast debt, public and private, instead of being payable in "coin" of either metal, became payable in gold alone.

The demonetization of silver in the United States has never been satisfactorily explained.

It has been repeatedly charged that it was done fraudulently, and by a criminal tampering with the official records of the United States senate. This has been just as positively denied, which was natural enough. If demonetization was accomplished by a trick, of course those engaged in it will stoutly protest their innocence, and those who were not in the senate at the time do not know whether there was any trick or not, except as they may draw their conclusions from the Congressional Record.

Three things, however, are perfectly plain. First, at the time the bill passed the senate there was not a single word of debate on the subject of demonetizing silver. What discussion took place was upon other features of the bill. Second, when the bill was returned to the house with the standard dollar left out, it was concurred in without any debate whatever. Third, the daily press of that period made no mention of silver having been demonetized by the bill, and fourth, Senator Sherman appears to be about the only prominent participant in the work who admits a knowledge that silver was being demonetized.

At that time there was no sneering talk of "cheap," "debased" silver. The gold dollar was then the cheaper one, being worth three cents less than the silver dollar. Indeed, the only excuse that anyone offers for the act is that silver was too valuable to be coined.

Mr. Sherman gives that as a reason, saying that the silver dollar was then worth about 3 per cent. more than the gold dollar.

Mr. Carlisle says (since his conversion,

of course,) that the act was simply a recognition of a condition that had long existed.

Both, however, omit all mention of the highly significant fact that at the time of demonetization, the coinage of silver was increasing very rapidly.

In 1868 the coinage of silver dollars was 182,700; in 1869, 424,300; in 1870, 445,462; in 1871, 1,117,136; in 1872, 1,118,600, and for the first 43 days of 1873, 296,600, which rate, if continued, would have made a coinage for the year of considerably over 2,000,000.

There was absolutely no reason for the demonetization of silver in the United States. The small coinage of previous years was well known to be owing to the difference between our ratio and that of France.

Even if silver were not being coined at all, the law did no harm. It caused no complications, and nobody was complaining of it.

Instead of destroying one of the metals entirely as money, the ratio should have been changed to conform to that of France, and the right of the people to the full use of both metals as money should have been preserved.

This matter is referred to, not because the particular circumstances of silver demonetization are themselves so important, but character of the objections now made to its restoration.

It is boldly assumed that silver was demonetized because it was "superabundant and cheap," when in fact it was then the dearer metal. The demonetization has made it cheap—that is, compared with gold.

In relation to other things, silver is not cheap. Nor was it superabundant, for in the year 1872 the production of gold was \$34,000,000 greater than that of silver.

The gold standardists have created the conditions adverse to silver, and now they have the hardihood to urge those conditions as a reason why it should not be restored. Figuratively, they have knocked silver down, and now kick it for falling.

However, silver was demonetized, whether openly or surreptitiously, honestly, or dishonestly, its consequences were full of injustice to the American people and injury to the country.

The effect of thus closing our mint to silver was not immediately apparent.