

VOICE FROM THE TOMBS

From Alexander H. Stephens on the Bimetallism and the Grading of Silver.

Hon. Alexander H. Stephens, of Georgia, was a statesman whose views on all subjects were universally respected, even by his political opponents. He died before the present silver agitation, but when he was in congress he wrote a letter to a gentleman in California answering several inquiries on the question. The letter was dated January 26, 1882, and has but recently been given to the public by the Atlanta Constitution. In speaking of the silver question Mr. Stephens said:

"The subject is one of the gravest that now occupies the attention of congress and the thinking men throughout the United States. The reason that silver bullion has been depreciated since 1873 in this country is that congress in February, 1873, struck silver from the lists of money of the United States. The moment that this act of congress was passed gold was made the only standard of values in this country. That was a great error and was attended with infinite mischief in the United States.

"In 1793 Mr. Hamilton and the patriotic statesmen of that day recognized in our coinage the bimetallic system of money; that is, he and they recognized silver as money as well as gold at the ratio of about 16 parts of silver as equivalent to one of gold. Under this regulation and coinage we were prosperous in 1873. When silver was deprived of its debt-paying power as an equivalent to gold at the ratio stated, silver in the markets of the world was at a premium over gold. It is useless to go into reasons why this change was adopted in our system or by what unseen hands it was effected. The true policy of this country is to return to the system of our fathers. If the government should now, as it ought to, retrace its steps and provide for the free coinage of silver, as it does of gold, and make 412½ grains of standard silver equivalent to 25 8-10 grains of gold then silver would immediately return to its original dignity in the markets of the world in purchasing and debt-paying power. This is the real function of money and in this country this equality in this function at the ratio stated should be maintained.

"The debts and bonds of the United States provided for payment in gold or silver coin at the then standard value; it was a great wrong to the taxpayers, on whom rests the payment of the public debt, to strike silver from the list of money as was done in 1873. It was that blow which changed the values of the property of the United States. More than half of the money of the world was at that time silver. The whole amount in the world in 1873 was estimated at \$8,000,000,000; of these \$4,500,000,000 were silver and \$3,500,000,000 were gold in round numbers. The ruinous consequences which attended this bad act of administration were seen in the failures of mercantile houses and business men, amounting to more than half the public debt of the United States within the last nine

years. I am for the free coinage of silver bullion just as of gold. Gold and silver should be put upon a perfect equality as of yore in the ratio of 16 to 1. This would not only add to the value of real estate and all sorts of property in the United States, but it would greatly encourage and stimulate the mining of silver in this country. In my view all the gold and silver that can be produced to our mints should be coined alike. The coin should be kept in the vaults of the treasury and certificates of it given in all cases where certificates are preferred. These coin certificates should be the currency of the country; it would be the best in the world. In this age we do not wish to burden with the weight of either gold or silver in ordinary business transactions, extending to distant places in the country, but we do want a paper currency which is redeemable at the will of the holder in coin, dollar for dollar. Bank bills which are so common in use are only promises to pay in coin and are often issued in amounts of two and sometimes to three for one of coin in the vaults; but under the plan advocated by me the certificates would in no case represent anything but dollar for dollar."

Mr. Stephens further said "that the present depreciation of silver bullion and of the silver standard dollar arises solely from the degradation of silver by act of congress in 1873. Let congress declare, as it ought to, that 412½ grains of standard silver is and shall be equivalent to 25 8-10 grains of gold in its purchasing and debt-paying power and instantly silver will be on a par, if not above par, compared with gold.

"To increase the quantity of silver in the present dollar of 412½ grains up to 480 grains, to make it equivalent to the present current value of 25 8-10 grains of gold, would be a great wrong to the laboring masses in the nation whose taxes have to meet the public debt; the holders of the public debt at the time they received the bonds received them under the express stipulation that they were to be paid in United States coin, gold or silver, at its then standard value, and all that is wanting to make gold and silver equal, to make 412½ grains of silver equal to 25 8-10 grains of gold, is for congress to put silver back on the list of the moneys of the United States as it was in 1873."

FIXED PRICE FOR GOLD.

How the Yellow Metal Is Maintained in Nominal Value

Here is an item clipped from Real Street's to which we call the attention of the advocates of gold monometallism and the opponents of bimetallicism.

"Unemployed deposits in bank, also the gold in the Bank of England, continue excessive, and seem likely to do so while quiet trade and low prices call for so little money. Gold gathers because the bank act binds the bank to buy all fine gold offered at £3, 17s. 10 an ounce."

Notice that "the bank act" binds the bank to buy all fine gold offered at

early \$29 an ounce. Thus, there is as a fixed value—fixed not by supply and demand law, of which the article and the school of economists which he now belongs talk so much and so eloquently—but a price fixed by legislative enactment. It appears from the paragraph that the Bank of England is being "forced" to buy this gold, although it has more than it needs now.

It is proposed to duplicate this legislation in one form or another in this country. What the banking ring is getting towards is a national bank on the plan of the Bank of England, or the Bank of France, owned and controlled by a few stockholders. The national banks, when they get the exclusive privilege of issuing paper money will be consolidated, the small ones broken out and all the immense power combined in a few hands.

But monometallism must precede the scheme. Free coinage of silver, say the western silver miner, we are all for, but no one says a word about the banking act helps the gold miners, or how the demonetization of silver and the retirement of greenbacks have had the same effect.

We ask some of our gold-bug friends and contemporaries to explain why it is right to force the Bank of England to buy gold at a fixed value, and then to extend the same privileges to silver?

Will it be claimed that the English banking act does not give an artificial value to gold?

All that bimetallicists ask is that the two metals be placed on an equality before the law. But it is not to the interests of the financial rings to do so, and they have proven such adepts in the past at controlling the powers that be, that unless the people awake to their danger the future is full of dark clouds.—Los Angeles Express.

What Silver Advocates Want.

No one advocates what the president calls "a blind and headlong plunge in free coinage." Silver men ask for a enlightened and steady return to real bimetallicism, believing that when the cause of the fall in the price of silver—which more correctly speaking is an appreciation in the price of gold—is fully removed, the effect will also be remedied. Let silver be remonetized and its market price will advance till it reaches its coin value. For, it is not likely that silver will be sold in the market for any price less than its value at the mints, if its free, costless and unlimited coinage is assured. There will then be no talk of "cheap money" nor of an "unstable standard." The dollar will be the standard of value whether it be counted in silver or in gold.—Salt Lake Herald.

No Straddling.

The silver craze is not dead, but it stands to-day as a pivot upon which the success or failure of the two great national parties hinges. Open opposition, or even a straddling plank in the platform of either the republican or democratic parties will be sufficient to alienate the silver states of the west and south from either party.