PUBLIC RECORD

OF

PERRY BELMONT

A

MEMBER

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IN THE

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Capt. Perry Belmont
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DEMOCRACY vs. POPULISM.


(Extract from a report published in the New York Herald, August 19, 1896.)

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The Democratic President of the Democratic Honest Money League gave way to Perry Belmont, another Democrat of Democrats, who was unanimously elected chairman of the great mass meeting. The unalterable resolve of these men, who hold country first at all hazards, was voiced by Mr. Belmont when he said: "We want no victory under a false flag."

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The garden was brilliantly lighted and decorated, and this, with the great sea of faces and the waving thousands of tiny flags which the committee of arrangements had scattered among the audience, made the scene in the big building one long to be remembered.

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The Democratic Honest Money League of America astonished the metropolis by the organizing power and potential influence revealed in the phenomenal demonstration evoked under its auspices at Madison Square Garden, Monday evening, the 18th inst. Major John Byrne, its President; Perry Belmont, its selected Chairman of the meeting, and William Bourke Cockran, orator of the evening, made speeches which The Union fully reports herewith.

Mr. Belmont spoke as follows:

Fellow Democrats: This is a time for very plain speaking. We want no victory under a false flag. The Democratic standard was supplanted at Chicago by the rag of Populism, which we firmly refuse to follow to the discredit of the nation. The banner of the Democracy, protecting under its broad folds all the aspirations of liberty-loving humanity, representing popular constitutional self-government, we now raise here tonight, battle-worn by more than a hundred years of honorable political warfare.

We, who contend against the Chicago nominations and platform, stand strictly within the lines and principles of our party. The Convention itself renounced the National Democracy. We are Democrats, and we represent Democrats who propose to remain Democrats, refusing ever to surrender the honored name of our party to the Populists. Populism is an exaggerated form of spurious Republicanism or Greenback Federalism gone mad. A Republican who is untainted by such doctrines is in-
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finally to be preferred to a Democrat who forswears his allegiance to Democratic principles and countenances the betrayal of his party to Populism.

The fusion of 16 to 1 independent free-silver men, Populists and so-called Bryan Democrats is complete. Some of their leaders attempt to disguise the fusion, but they dare not dispute its existence, for they need the votes of the fusionists.

The opening of the mints to the independent, unlimited coinage of fiat silver dollars is but an intermediate stage; the employment of the Government printing presses for the issue of fiat paper money is the ultimate aim of the fusion party. The National Convention of the Populist party, held in Omaha, Neb., in 1892, declared for fiat paper money to be issued direct to the people, as they said, "at a tax of two per cent." Two years later Mr. Bryan advocated in Congress "the issue of paper money direct by the Government at a market rate of interest." He said that harbors might be improved and rivers deepened in this way. The constitutional power to raise revenue by taxation is superfluous if the Printing Bureau can so easily produce all we need.

Mr. Bryan's record in the House is equal to Senator Peffer's deliverance in the Senate last June, when he asked: "What sort of sense is there in requiring a redemption fund at all, when the Government issues its own paper?" Why characterize such utterances? They are unpardonable when proclaimed by those who aspire to the responsibilities of power.

At the conference at Washington of the fiat silver organization last January, the Populist claim was recognized that if free coinage should not yield enough fiat silver then greenbacks would be issued. The fiat Silver party thereby abandoned the hard-money contention put forth by Mr. Bland years ago, that the quantity of gold and silver coined under free coinage should be the test of the volume of governmental currency, and that Congress should have no other control over the issue of full legal-tender money. That was the real reason Mr. Bryan was preferred over Mr. Bland at the Convention. Mr. Bland was not enough of a Populist. The candidate chosen has been and is a Populist. He has himself announced that he is not a Democrat.

The defeat of the Democratic party in the Chicago Convention became so apparent to some of us that we were unwilling, as Democratic delegates, sent from Democratic constituencies, to remain even for a moment in a Convention so clearly Populistic. We announced emphatically to the assembled delegation from this State our wish to leave such an as-
semblage. Those who were willing to adopt what still seems to me would have been the wisest course finally decided to remain, not as participants in that betrayal of our party, but as protesting against it. Regularity of party organization has always appealed to me with the greatest possible force, but principles are necessary to its recognition and survival.

I am confident that our party in the State of New York in this crisis will hold faithfully to the attitude it assumed at the Convention. It would be monstrous to suppose anything else. That attitude was one of uncompromising opposition to what delegates denounced as an attack upon social order. But even if every State Convention in the Union, including our own, should declare for the Chicago candidate, they would lose their Democratic character.

The issue, stripped of all verbiage and sophistry, of all sectionalism and prejudice, is now, as it was before the nomination of Mr. Bryan, one of morals, one of honesty. I will not question the motives of any one, and far be it from me to say that all the supporters of this extraordinary movement we oppose are intentionally dishonest; but, to speak plainly, I do say that behind them are unscrupulous men and a crude and flimsy free-silver literature, clearly dishonest in purpose, for they lead directly to repudiation, to fiat money, the degradation of the Supreme Court by political control, an unconstitutional impairment of the obligations and interference with the freedom of contracts, a reckless attack upon our National and monetary integrity, as well as upon our whole system of commercial credits. They talk solemnly of an alleged contraction in the volume of currency in disregard of the truth, which is, that their own attacks upon credit produce the effects of contraction. They war upon what constitutes the strength and power of the Nation, alarming all its interest, shaking confidence, thereby threatening to destroy the sources of labor, to the injury and detriment of workingmen. We can not compromise with such doctrines which menace the form and very existence of our Government.

It is not for me to-night to speak further or in detail on these issues. It has already, at various times, been my privilege to do so, and I hope on other occasions to address the Democracy. It is my duty and pleasure now to introduce to you the speaker of the evening, my friend and former colleague in Congress, he who has so justly described the fiat silver and greenback movement as a "conspiracy against wages." He needs no introduction from me—the man who honors us with his presence, whose sole ambition is to serve his country without fear or favor, now in the hour of its need—Mr. Bourke Cockran.
Indianapolis, Ind., August 31.—Among the arrivals to-day from the east was Perry Belmont, who is a delegate to the convention from his own district. Mr. Belmont is a member of the New York State Democratic Committee, and comments were made on that fact in connection with his being here as a delegate, but Mr. Belmont's position is very clear.

The last State convention of the New York Democrats was held in Saratoga in the latter part of June. That convention declared unequivocally for sound money, and sent its delegates, who were the leaders of the party in the State, to Chicago to fight for sound money in the National Convention there.

There has been no State Convention since then, and until another convention declares that the Democrats of New York have changed their opinion, Mr. Belmont assumes that they stand for sound money, as when last they met.

Mr. Belmont's position was clearly stated in an address he issued to his constituents in Suffolk and Queens counties on July 4.

Perry Belmont, of New York, said: "John M. Palmer, of Illinois, and Simon B. Buckner, of Kentucky, the nominees for President and Vice-President, represent Democratic principles, and the platform carries out successfully the purpose for which we came here. We now have every reason to confidently look forward to the preservation and perpetuity of the Democratic party in its integrity."

Indianapolis, September 1.—Mr. Perry Belmont was asked this morning what course he thought the regular New York Democracy would take in the present condition of affairs. He replied:

"Until the Buffalo Convention, which is to meet on September 16th, declares itself, it must be assumed that it will follow the lines laid down.
by the New York delegation at the Chicago Convention, which were an attitude of hostility to the Populistic declarations of the platform and the candidate. On my return from that Convention I declared, in an address to the Democrats in my congressional district, that my own conclusions were definite and fixed; that I hoped to vote for an electoral ticket to be nominated here, presenting, as a Democratic candidate for President, a man in whose loyalty to Democratic principles implicit confidence can be placed. The preservation of Democratic principles in their entirety will be of incalculable value to the country in the future."

"The fact is," Mr. Belmont continued, "that we have lived too long under this war currency that many attribute to the maintenance of the gold standard the evils which are distinctly ascribable to other causes. The root of our financial troubles lies in the continuance of Government paper money, which needs constant redemption. The sounder our currency the better will be our credit; the greater our financial independence and the less need will be for borrowing or resorting to the undesirable aid of bond syndicates. No one can be more desirous of avoiding this necessity than I am. Threats of repudiation, advocacy of unsound and depreciated currency renders doubly difficult the protection of the public credit. Those who talk about a dearer and scarcer dollar themselves create what they allege to be a contraction in the volume of currency, which is in reality the withdrawal of confidence and capital from our industries, produced by agitators of financial heresies, who would wreck prosperity altogether in an attempt to uphold their theories of coinage and currency."

"One of the great objections to the Populistic movements," said Mr. Belmont, "is the attempt made by its leaders to arouse industrial, commercial and sectional animosities among their fellow countrymen, all having the same interest in common interdependent upon all, each other."

**PLANNING THE INDIANAPOLIS PLATFORM.**

(Baltimore News, September 2, 1896.)

**INDIANAPOLIS, September 2.**—Two proposed platforms which, it was believed, might form a conspicuous part of the platform to be finally adopted were rapidly disposed of this morning. Mr. Perry Belmont, who of the Easterners has been most active, said this morning that the statement that he had prepared a full draft of the platform was untrue, and that he had simply drafted a financial plank relating to greenbacks and National banks, which he believed would be incorporated in the platform. * * *
During this morning Mr. Belmont gave out this statement:

"I am urging the adoption of a plank for the retirement of greenbacks and substituting a sound banking currency, in accordance with the Syracuse platform. The purpose is to give greater banking facilities to the people. I also believe this to be the only way of permanently ridding ourselves of the necessity of Government bond syndicates. Whether upon a gold or upon a silver basis, redemption by the Government of paper money might at any time make such syndicates necessary. A silver bond syndicate will be quite as objectionable as a gold one."

ON THE RESULT OF THE CONVENTION.

(Indianapolis News, September 4, 1896.)

Perry Belmont, of New York, said:

"The ticket represents Democratic principles, as does the platform, which carries out successfully the purpose for which we came here. We now have every reason to confidently look forward to the preservation and perpetuity of the Democratic party in its integrity."

THE INDIANAPOLIS FINANCIAL PLANK.

(New York Times, September 6, 1896.)

Perry Belmont's attention was called yesterday to the published statement that the New York delegation to the Indianapolis Convention had unanimously agreed to authorize its chairman, Daniel G. Griffin, to present to the Convention a draft of a financial plank which omitted reference to the retirement of greenbacks and the divorce of the Government from the banking business.

Mr. Belmont said he and a large number of the other delegates were absent from the meeting when the resolution was considered, and did not give their assent to its presentation. It was not read when offered to the Convention, and they supposed it to be the financial plank of the Syracuse platform, which is entirely acceptable to them, as is also the Indianapolis resolution on that subject.
RESIGNATION FROM THE DEMOCRATIC STATE COMMITTEE.

(New York Times, September 7, 1896.)

Ex-Congressman Perry Belmont yesterday made public the letter to Chairman Hinkley of the Democratic State Committee, in which he resigns from the State Committee because of his inability to support Bryan and Sewall. The letter is as follows:

J. W. HINKLEY, Esq., Chairman of the Democratic State Committee of New York:

Dear Sir,—In placing my resignation as a member of the committee at your disposal, permit me to recall the fact that on my return from the Chicago Convention I deemed it my duty in an address to the Democrats of Suffolk and Queens counties to give my reasons in full for my dissent from the action of that Convention, concluding as follows:

"At the final analysis of the conditions in which our country now is, comes the critical question, 'how shall we vote in November?' I shall not presume to suggest to any one how he should exercise his privilege of voting. My own conclusion is definite and fixed. It is to vote the electoral ticket which I hope will be in the field standing for a Democratic candidate for President in whose unflinching courage and loyalty to the gold unit of value, as prescribed by the law of 1873, and to Democratic principles, I can have the most explicit confidence, and so with regard to candidates for Congress. In respect to State officers, and especially members of the State Legislature, the conditions should be the same. Remember the next Legislature will choose a United States Senator."

WHAT HE HAD HOPED FOR ATTAINED.

"The Indianapolis Convention in its selection of candidates for President and Vice-President and its declarations of Democratic principles has in every way fulfilled the hope I then expressed. It now remains for the Democracy of the State of New York to select Presidential electors, candidates for State offices, for Congress and the Assembly."
"I assume that the approaching Convention to be held at Buffalo will adhere to the platforms adopted at the Convention held at Syracuse in 1895, over which I had the honor to preside, and at Saratoga last June, and to the attitude taken by the New York delegation at the Chicago Convention.

"Our refusal to participate in the deliberations of that Convention, after the adoption of its un-Democratic and Populistic platform, was a loyal interpretation of the trust imposed upon us by our State conventions. It was also the expression of our determination not to surrender, at any time, the principles we were sent there to uphold, or to support any candidate representing and countenancing a betrayal of those principles.

DESIRE FOR HARMONIOUS ACTION.

"I know that the Democrats of this State who took part in the Indianapolis Convention have no desire to create disunion in the party. On the contrary, they sincerely hope that united and harmonious action can be had on State and legislative offices. As for myself, I trust that you and I and all Democrats who have the interests of the country and the party at heart will continue in this campaign, as heretofore, our united action for the maintenance of Democratic principles in defending the National and monetary integrity against attacks from whatever source.

"Sincerely yours,

"New York, September 5, 1896.

"PERRY BELMONT."
SPEECH AT THE BROOKLYN ATHENAÉUM.

September 15, 1896.

(Extract from a report published in the New York Herald, September 16, 1896.)

The opening gun of the campaign of the National Democratic party in Kings county will be fired at the Athenæum, Atlantic avenue and Clinton street, to-morrow night. The occasion will be a regular meeting of the General Committee, which, after the routine business has been disposed of, will be addressed by prominent members of the Democratic party who repudiate repudiation. A telegraphic dispatch has been sent to Perry Belmont, asking him to be present and speak. Ex-Congressman William D. Bynum, of Indianapolis, and Charles J. Patterson, of Brooklyn, have also been asked to address the meeting.

The regular monthly meeting of the Sound Money Democratic General Committee of Kings county, in the Athenæum last night, was more than a mere committee meeting, for the hall was packed by cheering Democrats who have repudiated the strange doctrines born in Chicago of a coalition between the unthinking element of the old party and the Socialists who masquerade as Populists. Men who have borne the Democratic standard within the regular fold in many a fierce campaign against Republicanism sat shoulder to shoulder with those who had opposed them in factional contests. The internal feuds of the past were blotted out; they shook hands in the new alliance to save their common country from ruin, to prevent American workingmen from sinking to the level of the peons of silver of Mexico.

Charles J. Patterson presided. In his speech he arraigned the men who were leading the workingmen of the country to ruin.

Edward M. Shepard made a short speech. He reviewed the work done at the Syracuse and Indianapolis conventions.
Perry Belmont was then introduced. He riddled the platform of the false Democracy with heavy shot and pointed out the inevitable ruin that would come upon a silver basis.

Mr. Belmont spoke as follows:

This earnest and enthusiastic assemblage is itself a ratification of what was done by the National Democracy at Indianapolis. No words of mine are needed to make its meaning clear. We have assembled to perform a patriotic duty, irrespective of persons, irrespective of party if necessary, and can not hesitate, whatever there may be of difficulty, of sacrifice, personal or political, in the position we assume. Those who promoted the Indianapolis Convention will not only do all in their power to prevent the election of Mr. Bryan, which is the first and chief thing to be done, but, when that has been accomplished, will endeavor to put an end to the disorder existing in our monetary and currency affairs.

THE COUNTRY CURSED WITH POLITICAL AND FINANCIAL HERESY.

The country is cursed with political as well as financial heresy, certain phases of which are entirely new, foreign to our soil and altogether un-American. They spring from and are directly imported from the hotbeds of European socialism. Let no one imagine this statement an exaggeration. Examine the socialist programs, as they are called, of Europe; their advocacy of repudiation of debt, the nationalization of industries, progressive income taxes, the fomenting of alleged class animosities, the referendum, their disregard of the validity of contract, of legislative acts, of legal forms and principles. You will find their counterparts in Populist utterances and in the Chicago and St. Louis Populistic platforms. Altgeld is their fitting representative. Mr. Bryan, perhaps innocently, but certainly, is their most effective agent in this country. We Democrats are especially called upon to firmly oppose this anti-American influence, for in the Chicago platform it directly, explicitly, violently attacks the principles of the great historic party to which we belong; principles we believe essential to the permanent welfare of the people.

REVOLUTIONISTS SEEKING REFUGE IN AMBIGUITY OF EXPRESSION.

Now that the revolutionary faction is brought face to face with the conservative strength of the nation, it is seeking refuge in ambiguity of expression, in a superficial and irresponsible campaign literature and in the emotional and inflammatory oratory of its candidate. Already it bears signs of demoralization and of a justly-earned and crushing defeat.
We are here to meet it, to call it to account, to fasten it down to facts, to speak the truth plainly, dispassionately and fearlessly. Well did one of our greatest statesmen and orators once say of those studied contrivances which shock and disgust men when what they hold most sacred hangs upon the decision of the hour: 'Then,' said he, 'rhetoric is vain and all elaborate oratory contemptible.'

A TWOFOLD PERIL.

The peril which threatens us is twofold. It is in the inauguration next March of a wrong-headed President and in the election next November of a wrong-headed Congress. Legislation at Washington in the last thirty years has imparted discretionary powers to the Secretary of the Treasury previously unknown. The President is not thereby released from his constitutional duty to take care that the laws are faithfully executed, but the Secretary of the Treasury now holds, under existing laws, discretionary power over the immediate critical point in our monetary affairs, which is the suspension of gold payments. Under the statute now in force it is primarily an executive question whether our paper dollars shall on presentation at the Treasury be redeemed in silver or in gold, and in which coined dollars the interest on our bonded debt shall be paid. If the Secretary of the Treasury shall, after next March, refuse to pay gold dollars and tender fifty-three cent silver dollars, the aggrieved creditor may or may not have the right to go to the judicial power for relief, but primarily, I repeat, it will be in the discretion of the Secretary of the Treasury, under the contention of the Chicago platform, to decide whether the National creditor shall have silver or gold. The Government would thereby instantly and by one step go to a silver basis. Nothing less than two-thirds of Congress or the intervention of the judicial power can prevent the full and complete exercise of that executive discretion. Therein can be seen the fallacy of those Democrats who fancy they can, with safety to the country and fidelity to the Democratic party, agree to vote for Mr. Bryan if they only condemn the Chicago platform and commend candidates for Congress who will stand by the Coinage Law of 1873 and resist free coinage on a ratio of 16 to 1.

THE CHICAGO NOMINEES BOUND HAND AND FOOT.

The nominees of the Chicago platform are bound hand and foot by its two planks which insist, first, that the Government has an option by law," although no such law exists, to redeem our paper dollars "in either silver or gold coin" and next denounces the issue of bonds to obtain gold
in order to avoid a silver basis. Whoever else may repudiate those planks, the Populistic Democrats and Mr. Bryan will not. What was behind those planks can be discerned from a speech of Senator Butler, who yesterday notified Mr. Watson of the Populist nomination for the Vice-Presidency, in the Senate on the 10th of last June when Mr. Gear asked him: "Would the Senator set aside the law of contracts?" Mr. Butler said: "This Congress has the power to say to-morrow that there shall not be any gold notes or a gold contract made in the country. I would make them unlawful if they call for payment in any particular or special kind of lawful moneys of the United States." The Senator's interpretation of the Constitution was eccentric. It can not be described as the States' rights interpretation of Jefferson, Madison and Taney. He carries the legal-tender power into new regions. If the Populists can secure their plan of irredeemable paper dollars made again legal tender as during the Civil War, then the Silverites can lawfully make a debt payable only in silver dollars. No one can say the Chicago Convention did not explicitly approve Senator Butler's eccentricities.

THE DUTY OF DEFEATING THE CHICAGO TICKET.

The Indianapolis Convention was right in its decision that no matter what Democrats may say or do by way of condemning and utterly repudiating the Chicago platform, the ticket presented by the Chicago Convention must be defeated, because its nominees are pledged to suspend gold payments apart from any legislation to open our mints to the free and unlimited coinage of everybody's silver. If gold redemption should be stopped by Mr. Bryan's Secretary of the Treasury, or if free-silver coinage should come, the new silver dollars, and of course our greenbacks and all our paper dollars, would become fifty-three cent dollars. That is a fact important, dangerous and harmful in every way, but one which those in our country who send money to benefit and comfort members of their families in the old world should especially consider. To-day if they send $100 to France, Ireland, Germany or any other country, the full equivalent is there received, but under the free-silver coinage only the equivalent of fifty-three cent dollars will be received. If the new silver dollars should be as high as seventy-five cents, then only seventy-five cents can be realized abroad for them. If that is sought by anyone, let him vote for Mr. Bryan.

Dangerous, subversive of order and anti-Democratic as is the platform, the declarations of the candidate are worse and are becoming worse
from day to day, as the shadow of defeat darkens his pathway. They are appeals from votes which have led him to disregard well-known and established facts and to attempt to rouse industrial, commercial and sectional hatreds and prejudices among his fellow countrymen, all of whom have the same interests in common, interdependent upon each other, as is the case in civilized and orderly communities. The unwise assailant of our National and monetary integrity are daily attacking our financial independence as a nation. We know that the better established our credit, the sounder our currency, the less of a borrower will be our Government. They preach about a dearer and scarcer gold dollar, but they themselves are contributing to what they allege to be a contraction in the volume of currency. It is in reality the withdrawal of confidence and capital from our industries, produced by agitators of financial heresy who would wreck credit and prosperity altogether in an endeavor to uphold their theories of coinage and currency.

A GLANCE AT THE "CRIME" OF 1873.

It is untrue that the Coinage Law of 1873 has created an increase in the value of gold, a corresponding decrease in the price of commodities produced by the people, a heavy increase of debt, public and private, the prostration of industries and the impoverishment of the people. The law of 1873 merely upholds the gold standard, which in 1834 was the only standard. It did not even change the coinage of subsidiary silver. That remains as under the Democratic Coinage Law of 1853. What was done in 1873 was to make a gold dollar piece a twenty-five and eight-tenths grains the only unit of value, and to forbid the coinage of full legal-tender silver—a right till then long unused. If the United States had been in 1873 or for years prior to that a larger coiner of silver dollars, it would be a reasonable contention that the cessation of the coinage by our mints diminished somewhat the price relation of silver to gold by diminishing the demand for silver as money in the United States. Even in 1862, when the war of secession drove us to a greenback basis, we had not altogether fifteen millions of full legal-tender silver in the whole country. Statisticians tell us that in 1860 we had not over two hundred and fifty millions in any kind of coined money, of which not one-fifth was silver; that we used as much coined silver in the twenty years, from 1875 to 1895, as in the eighty years, from 1792 to 1873. The advocates of the silver plank of the Chicago platform endeavor to create the belief that silver is not as much now used as money, but our mint director affirms that to-day nearly as much silver as gold is used as money in the world. He also estimates that up to 1860 less than twenty-eight
millions of new silver were everywhere in any year coined, yet, in 1893, quite five times as much was made into money. We may well ask if silver has been anywhere demonetized since 1873? Under the supervision of the Senate Labor Committee, Mr. Carroll D. Wright has affirmed that taking two hundred and forty-six articles as a basis, prices rose thirty-six and one-half points during the war of secession and fell fourteen and one-half points 1866 to 1873, fell thirteen and one-half points between 1873 and 1882, but only four and one-half points between 1879 and 1891. He says the average fall of prices between 1860 and 1891 was only seven and three-quarters points, but agricultural products advanced; the only two that fell were cotton and wheat, while the others rose from eight to fifteen points. No one can truthfully say that the law of 1873 has been the cause of the rise and fall.

BRYAN'S OPINIONS IN CONGRESS.

Mr. Bryan seems to have had a better idea of this subject when in the House in 1892. Alluding to protective taxes, he said of the fall in prices: 'You must attribute it to the inventive genius that has multiplied a thousand times, in some instances, the strength of a single arm and enabled us to do to-day with one man what fifty men could not do fifty years ago. That is what brought prices down in this country and everywhere.' Such were his words before he became a Presidential candidate. The law of 1873 now in force can not be said to have caused the prostration of industries and impoverishment of the people. By nearly universal consent of experts the years from the specie resumption of a gold basis down to the Sherman Law were years of the most wonderful advancement our country has had, not even excepting the years from 1846 to 1857. The truth is that the Chicago platform utterly fails to show any connection between what it describes as a result and what it assigns as a cause, or between the law of 1873 and the fall of silver from $1.30 an ounce to sixty-eight cents.

WHAT THE MONEY POWER MEANS.

What is the money power of which so much is said? Not all the chief employers of labor and managers of our industries, whether engaged in manufacturing, farming, producing or transporting commodities, own all the money they require. They must incur debts at home or abroad. The inventions and arrangements of the last half century for disposing, collecting and storing by loan the savings of all the people, are among the wonders of the times in which we live. Such reservoirs of savings, savings banks with National banks are used instead; but those institutions must make the money earn something or no interest can be paid to each
depositor. Those reservoirs constitute an important part of the now
condemned money power. They hold and invest the savings of the
wage-earners and those to whom are paid salaries and fees, many of whom
have not the knowledge, time or opportunity to wisely and safely invest
for themselves. It is they who would most suffer by the success of the
Populists.

CRITICAL FACT SHIRKED BY THE REPUBLICAN PLATFORM.

The McKinley platform shirked the critical and perilous fact in our
monetary disorder which is the existence of some five hundred millions
of greenbacks and Sherman notes, in regard to which that platform pro-
poses no adequate treatment. How are gold payments to be upheld and
five hundred millions of greenbacks preserved? Are they to be kept un-
canceled and imprisoned in the Treasury, as Mr. Dingley of Maine inti-
mated in the House in June last? That is the statesmanship that we
are promised. It proposes by more taxes to remove the distress which so
many greenback dollars produce. Its plan is to inflict heavier taxation.
A National Democrat, a sound-money Democrat and a sincere Dem-
cocrat should not and can not approve that platform of hate of President
Cleveland’s administration. The National Democracy may not commen-
d President Cleveland’s every official act, but they do stand and will con-
tinue to stand by his resistance to National repudiation and dishonor.

A REFERENCE TO THE GOLD SYNDICATE.

And now, my friends and fellow Democrats, permit me to take this
occasion to make a personal statement called forth by constant reiteration
of references to the gold contract syndicate. I am entitled to speak of
this matter with a degree of impartiality which all fair-minded men will
appreciate. I am not and never have been a partner in the house of
August Belmont & Co. I had no part in the initiation, negotiation, exe-
cution or conclusion of the contract of February, 1895. I had no share
in its benefits, excepting as each one of my countrymen has had a share,
nor did I share in its burdens, perils and responsibilities. That contract
was fiercely condemned by the Chicago Convention, by the National
Silver party and by the People’s party. The Chicago Convention spe-
cifically declared its opposition to the policy of the Treasury under each
administration since 1870 — the policy which has given to Government
creditors the option to require either silver coin or gold coin in payment.
That Convention insisted, contrary to the truth, that the United States,
when authorizing the issue of bonds of 1870, had distinctly reserved “an
option to pay principal and interest in whichever coin was then known
and used.”
The contract has been denounced for other reasons, such as that the Specie Resumption Law authorizing the sale of bonds was enacted not to maintain specie payments, but only to provide coin with which to merely begin them in 1879; that the Specie Payment Law was repealed in 1878 by the Greenback Reissue Law; that if it or any other law was enforced in 1895, empowering the Treasury to use revenue or sell bonds in order to get coin with which to make specie payments, it was not necessary to sell bonds in 1895, because the stock of coin then in the Treasury was ample for the purpose. The very persons who insist that at that date there was an abundance of coin in the Treasury to redeem all greenbacks presented and to pay interest on the public debt, declared that after the election of Cleveland in 1892 was foreseen, the McKinley tariff failed to yield sufficient revenue and that its successor has been in like manner a deficit breeder. How, then, could there have been, in 1895, a surplus of coin to maintain coin redemption and payments either in silver or in gold. All the silver bullion then in the Treasury and purchased under the disastrous Sherman Law was set aside to be coined and only used if required to redeem the Sherman notes issued in payment for the silver at a gold price. Of course, no holder of those notes demanded fifty-three cent silver dollars. It would have been absurdly unjust to compel a holder of any of those notes who had, in exchange for them, parted with his silver at the gold price, to take in payment silver coins worth only fifty-three cents. Of none of the silver dollars in the Treasury deposited there by the holders in exchange for some three hundred and forty millions of certificates of deposit was the Treasury an owner or anything more than a pledgee as trustee or bailee. In that condition of the Treasury the country kept its attention fixed on the size of the gold redemption reserve.

A QUESTION OF PATRIOTISM.

The Populist Silverites and the Populist Democrats contend it was not good and patriotic American business men who wished to exchange greenbacks for gold and wished gold payment, but that it was a class whom Senator Peffer has described as the speculators and gold gamblers in New York and London. If Senator Peffer should ever have a thorough knowledge of the subject about which he was then addressing the Senate, he will discover that the usual gold withdrawals are automatic results of trade relations and are not caused merely by the action of individuals. He has declared that ninety-nine one-hundredths of our countrymen could not recognize gold coins if they were before their eyes, and hence, “the
great body of the people of the country" do not ask for gold, but only the banking and speculating classes, and, therefore, if the Treasury exercise an option not to pay gold the demand for it would cease.

The law up to the Sherman Act of 1890 said nothing of a Government option, and declared it then only in respect to the Sherman notes. The Government began in 1879 redeeming in gold and has never ceased. The laws of 1870, 1875 and the Revised Statutes of 1874, under which our bonds have been issued, do not permit the interpretation that they can be paid, principal or interest, in inferior silver dollars. The law of 1870 specifies "coin of the present standard value." "Coin" means coin dollars, their subdivision and multiples. "Present" means 1870. "Value" must have its statutory and usual meaning. None of the words can be discarded. The critical word is "value" and neither the word "weight," nor "fineness" nor "denomination" can be substituted. The intention of Congress must be derived from the words it used. Secretary Sherman was right December 3, 1877, when he wrote to Congress: "If the market payment in the new coin is a repudiation of a part of this debt."

The Chicago Convention and Mr. Bryan have made the interpretation of that law an issue in the pending election. Mr. Bryan announces that he will appoint a Secretary of the Treasury to reverse the previous interpretation. According to Mr. Bryan our gold standard depends solely on one man. The gold contract of 1895 has been regarded as a simple transaction of sale of bonds, that was not its character. It was an arrangement by the Treasury to buy three million five hundred thousand ounces of gold coin at the price of about $17.80 an ounce, but on the condition that one-half be obtained in Europe and delivered to the Treasury at the risk and expense of the sellers, and that the sellers by selling bills on Europe and in other ways protect the Treasury against the withdrawal of gold. Those two conditions were onerous and formidable. Few men would have undertaken them or were strong enough to execute them. They were punctually and completely executed.

Remember that the Government, with Populist approval, purchased from 1890 to 1893 silver bullion and paid for it with noninterest-bearing full legal-tender Sherman notes. The Treasury in 1895 purchased gold coins and paid for them with interest-bearing bonds. The Populists denounced the transaction because it prevented a fall, first to a silver and finally to a greenback basis. The Treasury and the business of the country immediately felt the benefit of the contract. The United States Government was rescued from the disgrace and humiliation of repudiation. The American contractors did a patriotic service which is being recognized by all thoughtful citizens of the Republic.
NOT A BANKER.

(Brooklyn Citizen, October 8, 1896.)

The following letter calls for a few words of comment:

To the Editor of the Citizen:

Dear Sir,—Allow me to correct a statement in the recent issue of the Citizen. You say my father was a "Democrat first and a banker next," but that I am "a banker first and a Democrat next." The fact is I am not and never have been a banker at all.

As to the allusion to my father that he "would not have hesitated if confronted by a like situation and that the course I have followed would not have been adopted by him," it is an insult to his memory to suppose he would have, for an instant, countenanced the financial heresy and repudiation involved in a support of Mr. Bryan and the Chicago platform. My course is dictated by his doctrines and teachings, and by my own knowledge and belief that he would have done just as I have done. As to my own Democracy, the future will decide between those who support the Democracy of Palmer and the Indianapolis platform, and those who support Mr. Bryan standing upon the Chicago and St. Louis Populist platforms.

New York, October 7, 1896.

Very truly yours,

PERRY BELMONT.

Whether Mr. Belmont is technically a banker or not can hardly be deemed material. His father was always spoken of as a banker and we had assumed that the son, who had inherited the fortune which the brave old Democrat had accumulated by honorable means, was not unwilling to be known as still engaged in the same business. The Citizen is not to be numbered among the papers that have an ill opinion of bankers, though we have no respect for any man, whether banker or merchant, who takes his political principles from his ledger. When manhood is subordinated to money-getting, patriotism and morality are alike turned out of doors. Between the dastard who betrays his country for money, and the groveling soul who votes according to his expectations of personal gain, the difference is one of degree, not of kind.

Whether Mr. Belmont is a banker or not, it is quite certain, that in so far as he is closing his eyes to the great struggle now going on between the toiling masses and the corrupt trusts and syndicates for control of the Government of
the United States, he acts in a very different manner from what his father would have done, who gave abundant proof, during the Civil War and for many years afterward, that the faith of Jefferson flamed so brightly in his heart as to render his intellect proof against any sophistical attacks upon the Democracy as a party of dishonesty and repudiation. It is far from being an insult to his memory to say that he would never have consented to any National scheme of finance designed to enrich creditors by doubling the value of money. He would have scorned to lend himself to a scheme so villainous, despite any gain, however large, that might have come to his own fortune. He was, first of all, an honest man, and, being honest, he would have resisted as stoutly any such wrong upon the borrower as he would have opposed any proposition to lessen in the slightest degree the payments due the creditor. To rob the farmers and plunder labor, under cover of the law, never could have been made tolerable in the eyes of the gentleman whom the editor of the Citizen early learned to reverence and whose memory he shall, in common with thousands of other Democrats, always keep green. It is an inexpressible mortification to find that a name so characteristic of every thing high-spirited as that of Belmont should even, for a little time, be associated with one of the most despicable proceedings known to American history.

LETTERS OF THE LATE AUGUST BELMONT.

To the Editor of the Citizen:

Dear Sir.—In justice to my father's memory, and in reply to your editorial of October 8th, in which you say among other things, that I "act in a very different manner from what my father would have done," I respectfully call your attention to the following letter, written by my father to Senator Thomas F. Bayard.

New York, October 10, 1896.

Very truly, yours,

PERRY BELMONT.


My dear Senator.—I have not been able to rejoice over the Republican defeat in Maine. The success of the greenback movement in that region bodes no good to the country, and I fear it will make the demagogues of our party more reckless in their cowardice. This is a fearful bull, but it expresses exactly what I mean. If these doctrines of dishonesty and ignorance prevail, the very foundations of our political existence are in danger, and self-government becomes a failure.

What has become of the astute intelligence and the common sense of our people? Don't they see that distrust and want of confidence are
now the only causes preventing our return to prosperity, which would
ere this have come to us, if it had not been for the wicked silver bill of
last year?

For the first time in more than twenty years, we have become a
creditor nation, notwithstanding the large amount of Federal and other
securities returned from Europe and paid for by our people. Our ex-
ports are daily increasing, while our imports have dwindled down by the
economy of our consumers and the competition of our home manu-
facturers. The agricultural interest, the most important of all, has
probably never been in sounder and more flourishing condition than it
is now. The industrial and commercial world have necessarily followed
in this onward march to sound and healthful activity, if Congress had
only let us alone.

The idea that inflation by an additional issue of irredeemable paper
money will raise prices and give better remuneration to labor is so pre-
posterous and insane that it is incomprehensible to me how the masses
can be misled by such absurdities. For four years past money has almost
been a drug, so that millions and millions of money invested in the bank-
ing business have been withdrawn, because it could not be usefully em-
ployed, or in other words, could not be loaned out at a remunerating in-
terest. To-day you can not get over two per cent. per annum on un-
doubted security, while the large subscriptions to the four per cent.
Federal bonds prove how much money there is looking in vain for safe
investment.

In the face of all this, real estate, land and all speculative property
continue to decline, because they can not find purchasers, who are
frightened away by the uncertainty of the future. Will a dishonest and
fluctuating currency render that more certain, and encourage capital to
come out from its hiding place? The man who asserts that is either a
fool or a knave.

Look at the beauties of the silver bill. The trade dollar, with four
hundred and twenty grains of silver, not being legal tender, is selling at
ninety cents in currency, while the legal-tender silver dollar, of four
hundred and twelve and one-half grains, must be taken in payment for
one hundred cents, though it has two per cent. less of intrinsic value.
Why, it is returning to barbarism to pass such laws; they are more op-
pressive than any autocrat would dare to impose. And you will see
next, Congress, instead of retracing its steps, after having seen that the
values of the world and the fundamental principles of political economy
can not be legislated away at Washington, go from bad to worse.

The silver bill having proved a failure, not only in not raising values
in general, but not even causing the silver bullion itself to appreciate in
the markets of the world (silver is to-day fifty-two and one-eighth pence an ounce in London, while it was fifty-four and one-half pence when the silver bill passed), you will see bills passed next winter for the unlimited coinage of the cheating silver dollars now worth about eighty-eight cents in gold or greenbacks, and also for the increased, if not unlimited, issue of irredeemable Government paper. And so near is the cowardice of those who misrepresent and mislead the people, that both of these abominations will most probably pass by a two-third vote, and after receiving a tardy but high-sounding veto of the Executive, will be passed over that veto to the delight of that dignitary, who will be glad to have the responsibility taken from his shoulder which an effective veto would bring to him.

I feel very gloomy at our future, and am too old to hope that I can live to see the return of brighter days. That they will return in time, and that reason will resume her sway, I fervently hope and fully believe. You are young enough to witness it, and the noble and unquavering stand which you have taken by the side of right and justice will then surely find its reward, while even now, in all this dark and hopeless struggle, you have the proud consolation of the approbation of every honest man, and — what is still better — of the approval of your own conscience and self-respect.

Ever, yours most truly,

AUGUST BELMONT.

Hon. Thos. F. Bayard,

Wilmington, Del.

The following letter was written to Hon. John Sherman, then Secretary of the Treasury.

NEW YORK, November 7, 1877.

My dear Sir,—I fear that the threatening position of the silver question will check completely any demand for the four per cent. bonds here and in Europe. The damage which the passage of this measure will do to our public credit abroad can not be overestimated. To remonetize silver upon the old standard, and make it a legal tender for all private and public debts will be considered by the whole civilized world as an act of repudiation on the part of the Federal Government, and cast a stain upon our National credit which has hitherto stood as high and bright as that of any government in the world.

It is just as much repudiation for the Federal Government to compel its bondholders to accept the payment of their interest in silver, which is at a discount of ten per cent., against the gold which the Government received for its bonds, as it would be if Congress decreed that all the
bonds of the United States should not bear a higher interest than two per cent. per annum. To do such a thing now as is contemplated by the Bland Silver bill, when the Federal finances are in a flourishing condition, when the premium on gold has been reduced two and one-half, to three per cent., and when our funded debt sells equal to that of any other public security in the world is actually as if a man of wealth and position, who had by a life-long course of strict honesty acquired the well-earned confidence and respect of his influence, and without any palliating excuse, any temptation of want or necessity, commit open theft.

I am sure I do not overestimate the damaging effect which the passage of the bill must have upon American credit. All my letters from abroad, and conversations with persons familiar with the English and Continental money markets, confirm my convictions on that point. When you look back and find in the archives of your department the proud record of a nation's faith, kept inviolate with the most punctilious and chivalrous spirit during a century amidst all the trials of foreign and civil wars, which strained the resources of our country to the very verge of ruin, the task before you is certainly a difficult and harassing one; but while the path of duty is often narrow and difficult, it is always straight and so well defined it can never be mistaken.

Sound financial policy and love of our country's fair name alike demand from those to whom the administration of its affairs has been intrusted the most uncompromising hostility to the blind and dishonest frenzy which has taken hold of Congress, and I sincerely hope that you will be seconded in the task before you by the hearty support of the President and your colleagues.

Yours very truly,

AUGUST BELMONT.

Hon. John Sherman,
Secretary of the Treasury.

NOT IN THE BANKING BUSINESS.

(New York News, October 10, 1896.)

To the Editor of the News:

The friends of Perry Belmont assert that he was never identified with any faction of the local Democracy. They make this statement because it has been charged that he has bolted from Tammany Hall. The truth is, he never was a member of that organization.
Mr. Belmont has always voted in Suffolk county. He represented the Long Island district in Congress for eight years.

Mr. Belmont has never had any connection with the banking-house of August Belmont & Co. His brother is the head of that firm. Perry Belmont is a lawyer by profession.

Mr. Belmont is opposed to the platform of the Chicago Convention, and is supporting Palmer and Buckner for President and Vice-President, and will vote for them.

McD.

**NOTHING TO DO WITH THE BOND SYNDICATE.**

*(Toledo, Ohio, News, November 1, 1896.)*

In view of the oft-repeated statement that Perry Belmont received $2,000,000 as his share from the alleged gold bond syndicate, the News prints the following clipping from a speech delivered by Mr. Belmont in Brooklyn. He said:

"My Friends and Fellow-Democrats: Permit me to take this occasion to make a personal statement called for by constant reiteration of references to the gold contract syndicate. I am entitled to speak of this matter with a degree of impartiality which all fair-minded men will appreciate.

"I am not and never have been a partner in the house of August Belmont & Co. I had no part in the initiation, negotiation, execution or conclusion of the contract of February, 1895. I had no share in its benefits except as each one of my countrymen has had a share, nor did I share in its burdens, perils and responsibilities."

**NO CONNECTION WITH THE BOND ISSUE INVESTIGATION.**

*(New York Commercial Advertiser, December 10, 1896.)*

**WASHINGTON, December 10.**

The friends of Perry Belmont feel that, through inadvertence or misunderstanding, news dispatches last night from Washington represented him as having had some interest in the recent bond sales, and as having, with J. Pierpont Morgan, declined to respond to questions of the Senate committee.

It is stated, on behalf of Mr. Belmont, that he had no share of the benefits in the bond sale, except in common with his fellow countrymen, and no part in its burdens or responsibilities.
[THE FOLLOWING IS THE NEWS DISPATCH MENTIONED.]

WASHINGTON, December 9.

The subcommittee of the Senate Committee on Finance, which was appointed prior to the adjournment of the last session of Congress to investigate the bond issues made by the present administration, held a brief session to-day, but adjourned without taking any action.

When the subcommittee adjourned after its last meeting in New York last summer, the question pending was the refusal of J. Pierpont Morgan and Perry Belmont to answer questions as to how much they had realized upon the bond transaction. It is possible that a report will be accompanied by a recommendation for prosecution.
Perry Belmont, of New York, will speak in the Opera House, this afternoon, under the auspices of the National Democratic Association. Like other well-known Democrats, the doctrines of repudiation and national dishonor were more than he could stand, and this afternoon he will point out the fallacies of the Populistic platform now posing as Democratic.

Perry Belmont, of New York, addressed the sound money Democratic meeting in the Opera House yesterday afternoon. The meeting was a great and gratifying success, both in attendance and in the manner in which Mr. Belmont presented the distinctions between Democratic and Popocratic principles.

The Opera House band played several selections before the meeting opened, and despite the disagreeable day, the Opera House was crowded.

Mr. Belmont was delayed at Harrisburg, Pa., by a wreck, but rather than disappoint his audience, he hired a special train and arrived here in time to make his address.

Henry M. Russell called the meeting to order at 2 o'clock, and Mr. Charles Horstman, who was selected to preside, promptly introduced Mr. Belmont. His speech was as follows:

In coming here I have felt very much as did all Democrats worthy of the name when the Democratic train, which had been wrecked at Chicago, was reconstructed at Indianapolis, for I am now standing here on the Indianapolis platform. And is not the cordiality of your reception to be considered rather as accorded to one who was a delegate to the Indianapolis Convention? A convention which alone in this campaign placed in nomination Democratic Presidential candidates, standing upon Democratic principles. Does not this great assembly standing here to-night mean that our great party is still alive in West Virginia? Not only in West Virginia, but throughout the country, those whose patriot-
ism controls their political action, recognized at once, upon the deplorable and dishonorable surrender to Populism at Chicago, the need of a suitable and adequate application of Democratic principles to the existing condition of our National affairs, and welcomed in the nomination of Palmer and Buckner, Presidential candidates who are faithful to those principles. But is it not equally significant that a representative, earnest and enthusiastic gathering such as this is, should so kindly welcome one who was also a delegate to the Chicago Convention, who voted against its platform and refused to participate in the nomination of its candidate?

**THE REAL DEMOCRATS.**

All who abide by the principles of the Democratic party and claim the name of Democrats have one objection to the Chicago platform, which includes all others, which is final and conclusive, and which is that it is not Democratic. That objection applies to its utterances upon constitutional law, which can not be described as defects, but are political crimes in the minds of those who profess the creed of Jefferson, Madison, Jackson and Tilden. No Democratic President, from Jefferson to our own time, not one Democratic National Convention since Democratic conventions began, has formulated such delusions. They are sufficient to drive away all Democrats who oppose paternalism or have the least regard for State rights.

As to those utterances in the Chicago platform, which are wrong in morals, involving the repudiation of public and private debts, all men, Democrats and Republicans alike, should, upon the full understanding of them, condemn them for their immorality and dishonesty.

**BRYAN'S NOMINATION.**

Let us glance for a moment at what the Populistic Chicago Convention did. In the first place as to Mr. Bryan's nomination. As the campaign develops it becomes more and more clear that the nomination of Mr. Bryan was in accordance with a settled plan, and, as a witness to it, I agree entirely with the statement made lately by our Presidential candidate, Mr. Palmer, that it was not an impulse of the moment, nor did Mr. Bryan's speech in the Convention give him the nomination.

It was announced at the meeting of the Bimetallic League in Chicago and in Washington last winter and in the silver weekly organ, the National Bimetallist, it was constantly maintained during many months up to the assembling of the Chicago Convention, that no Democratic candidate depending upon Democratic votes and Democratic principles alone,
could possibly be elected to the Presidency in this campaign. Long before the Chicago Convention was held they had found and selected Mr. Bryan. Their leaders were present and in evidence in and out of the Convention and they controlled it. It was never intended that any Democrat, even a Silver Democrat as Mr. Bland is, should be nominated. Mr. Bland never would have been able to satisfy the requirements of the Populists as Mr. Bryan does, for he never made the announcement that he was not a Democrat as Mr. Bryan was known to have done.

THE CURRENCY QUESTION.

The Chicago Convention declared for a paper currency issued exclusively and direct by the Treasury. That is an entire reversal of the Democratic doctrine from the formation of the Government. That is the Republican enactment of 1862, then resisted by nearly all, if not quite all, Democrats in Congress, and excusable only as a war measure, although some of the strongest upholders of active war condemned the measure as unconstitutional. And to-day many Republicans, adopting Democratic principles, demand the retirement of this currency as of course does the Indianapolis platform, true to all Democratic principles.

The Bryanites condemned all State banks of issue, as did the Republicans, when, against Democratic votes in Congress, they taxed the State banks out of existence.

The Bryanites now uphold a direct tax not apportioned among States according to population, and those unconstitutional taxes the Republicans first enacted as war measures, which to-day most of them discard. The Republicans created the Interstate Commerce Commission and Bryanism would even enlarge its powers, to the injury of railroads. The real cause of our present monetary disorder is the existence of some twelve hundred millions of Government credit currency, all full legal tender excepting the bank notes and silver and gold certificates, all to be kept by the Sherman Law at parity with gold through redemption in gold. That legal-tender Government-debt currency was originally a Republican invention now worshiped by the Populist. The real remedy is obviously to redeem and cancel the Government paper currency, whose redemption is now so oppressive. Bryanism will not tolerate that, and it remains to be seen whether McKinleyism will.

The movement that culminated at Chicago disregarded the fact that laboring men and women, mechanics, salary-earners and wage-earners are the creditors assailed and injured by the proposed plan of free coinage. The sum paid for salaries and wages in our country the last census year was $2,283,250,000. It was distributed thus:
Salaries to officers, firm members and clerks.............. $391,988,308
Wages of skilled and unskilled operatives................. 1,599,516,997
Wages to pieceworkers ...................................... 300,711,324

Total ....................................................... $2,283,215,529

How will the Free Silver theorists get over the fact that since the Chicago Convention the price of wheat has risen, although silver dollars have not been added to our currency? This tremendous fact disposes entirely of their arguments as to all other products as well as wheat, and which we may dismiss from our minds as among the delusions of the campaign. In other words, this argument of July will not bear the test of September and October, and will not be heard of again after the 3d of November. How little Mr. Bryan must believe himself in the truth of the argument that free silver coinage will double the price of all commodities is proved by the statement he made in the House when, speaking on the tariff and against protective taxes, he said:

"The inventive genius, which has multiplied a thousand times in some instances the strength of a single arm, has caused the fall of prices in this country and everywhere."

**CRIME OF '73.**

Driven to an extremity by the failure of their arguments, they have denounced the Act of 1873 as a crime, and maintained that the law was fraudulently and surreptitiously enacted. If crime there was, then two of the chief criminals were Mr. Bryan's political mentors—Senator Jones and Senator Stewart, of Nevada. In 1874 Mr. Stewart, then in the House, said: "There is nothing so satisfactory as the real measure of value—gold."

Again he says: "Gold is the universal standard of the world. Everyone knows what a dollar in gold is worth," and again, says Mr. Stewart: "You must come to the same conclusion that all other people have, that gold is recognized as the universal standard of value. I want the gold standard, no paper money not redeemable in gold, and by this process we shall come to a specie basis. And when the laboring man receives a dollar it will have the purchasing power of a dollar, and he will not be called upon to do what it is impossible for him to do, figure upon the exchanges, figure upon the gambling in New York, but he will know what his dollar is worth. Gold is the universal standard of the world."

What does Senator Jones say? Here it is: "I believe that the sooner we come to a purely gold standard the better it will be for the country.
Did any country accumulate wealth, achieve greatness or attain high civilization without a standard of value, and what but gold could be that standard? Gold is so exact a measure of human effort that it is exclusively used as money. It teaches the very habit of honesty."

**CHANGED THEIR MINDS.**

But you will ask, perhaps, what possible thing could have changed the minds of Mr. Bryan's two professors of political economy? That is easily answered. Mr. Stewart was the paid attorney of the principal owners of the Comstock mines, and Mr. Jones had been the superintendent of the Crown Point mine. When Mr. Jones made the gold-standard speech, from which I have quoted, silver was worth $1.29 an ounce. But from that time silver began to fall in price, and has been falling ever since. And of the mines of the Comstock lode, including the Crown Point, which had paid over forty-seven millions in dividends, not one paid a dividend after April, 1876, and it was in that very month that Mr. Jones delivered that memorable silver speech which covers thirty pages of the Congressional Record and has been a mine of information for all his faithful free-silver followers. Senator Stewart's conversion followed exactly the course of that of his distinguished Senatorial colleague.

But let us see what the Act of 1873 was. Grant was President in 1873. Boutwell was at the head of the Treasury; the bill originated in the Treasury. Boutwell is alive and can explain what took place. Do they mean to say that Grant's administration was a party to the fraud? The fact is that England adopted the gold standard in 1816, made all its silver coins subsidiary, and never endeavored to persuade any other nation to do the same. The movement was begun spontaneously in France as early as 1867. In Prussia as early as 1870. In 1867 there was a conference in Paris to equalize weights and measures. Mr. Ruggles was our delegate and Senator Sherman was there. Senator Sherman wrote a letter commending the plan, and in the Senate proposed in 1868 a bill to that effect, which the Finance Committee of the Senate adopted. In 1870 a Treasury Department committee formulated a revision and modification of the Mint Laws and Senator Sherman presented to the Senate a bill embodying it. It was after this enactment that Senator Jones and Senator Stewart made their gold-standard speeches. The fact is that, as we were on a greenback basis in 1873, the country generally paid little attention to the revision of the Coinage Laws.

**THESE AND OTHERS.**

Mr. Bryan's main contention is on the theory that only agriculturists and miners are producers of wealth. We all recognize the fact that
agriculture is of chief importance; but why does he fail to include those who are engaged in the exchange of the products of the earth—the railway and the steamships on the ocean, on our rivers and lakes, the telegraphs, the telephones, the banks who furnish the instruments and agencies of credit? He fails to consider the manufacturers, merchants, traders and middlemen. He ignores judicial officers, clergymen, lawyers, professors in our colleges, journalists, physicians; he disregards entirely the dwellers in our cities; indeed, he seemed at Chicago to look upon them with a curious form of hostility, when he said that if our cities were burned to the ground they could be quickly rebuilt by the products of farms and mines and by the enterprise of their owners.

What would happen to our great railroads all over the country if Mr. Bryan’s contentions were embodied in the statute-book can be seen by his urgency while in Congress that the power of the Interstate Commerce Commission be enlarged, his purpose being that freight and passenger rates be so reduced that no dividends shall be declared. I quote his words: "Only on the cost of reproducing the roads and rolling stock at the present time, regardless of the original capital stock issued, whether real or fictitious." These are the words of a professional repudiator of National, public and private debts.

The State of West Virginia contains among its people every occupation, profession and business known to civilization—farmers, miners, manufacturers, common carriers, wage-earners, bankers and all else. But they are not distinctly divided into the warring classes that Mr. Bryan describes. They are not carrying on a war of hate and force against one another; and why not? It is because in this State and in every other State, as well every man and woman who has earnings and savings, however little, in a savings bank or in shares or bonds of a State or industrial company, feels that he or she is a capitalist, and has common and inseparable interests with those who manage commercial institutions that are objects of Mr. Bryan’s incessant attacks.

The money power which he assails is largely made up of these small investors. The savings banks alone hold $2,000,000,000 of deposits. The banks are merely the reservoirs of this money power, which consists of the savings and investments of all the people of our country. We all have the same general interests interdependent upon one another.

This has been a strange and unusual campaign, in which many a salutary lesson will be learned; and not the least of all will this fact be made plain: that there are no privileged classes in this country, and there never will be, as long as the Republic lasts.
SPEECH DELIVERED AT CHARLESTON, W. VA., OCTOBER 24, 1896.

(Panawha Daily Patriot, Charleston, West Virginia, October 25, 1896.)

Perry Belmont, of New York, and Z. T. Vinson, of this State, addressed a mass meeting, held at the Burlew Opera House last evening. The audience was the most attentive that has gathered in the Opera House this campaign.

Promptly at 8 o'clock, the two speakers, accompanied by J. T. Waters, Frank Woodman, James Brown and James D. Baines, came out on the stage and were loudly applauding.

Mr. Vinson, who is chairman of the Sound Money Democratic State Campaign Committee, spoke first. He referred to the condition that existed which made the formation of the National Democratic party a necessity.

Mr. Belmont, the speaker of the evening, was then introduced.

* * *

(From report published in the Charleston Star-Tribune, Charleston, West Virginia, October 26, 1896.)

The announcement that Hon. Perry Belmont, of New York, and Hon. Z. T. Vinson, of Huntington, this State, would address the people at Burlew Opera House, Saturday night, drew a large audience. A number of our most prominent citizens occupied seats on the stage. A number of ladies were present, and the audience was thoroughly representative of the solid and substantial people of Charleston. * * *

Chairman Brown introduced Mr. Vinson, who spoke about thirty minutes. Mr. Belmont was cordially received. His speech follows herewith.

In arriving into your beautiful and hospitable city of Charleston, I was reminded of the fact that as a child I was taken to that memorable National Democratic Convention, held at Charleston, South Carolina, which ended so disastrously in the disruption of the Democratic party. I was taken there by a delegate to that convention who became the Chairman of the National Democratic Committee for twelve years, and than whom there never was a better Democrat. I remember that I was
taken also to the Chicago Convention of 1864, which nominated McClellan. I was present at the convention of 1876, at St. Louis, which nominated Tilden; the convention of 1888, at Cincinnati, which nominated Hancock; the conventions of 1884, 1888; I was a delegate at the convention of 1892, which nominated Cleveland. Having been to so many Democratic conventions, I believe that I can recognize a Democratic convention when I seen one. The only Democratic National Convention known to me in 1896, was that held at Indianapolis, which nominated Palmer and Buckner.

* * * * * * * * * * *

It is susceptible of demonstration that Mr. Bryan and the Chicago platform do not intend National bimetallism any more than international bimetallism, meaning by bimetallism the coinage and use of gold and silver coin, which are commercially equivalent in bullion worth, and rated one to the other. We now use several metals for currency purposes; gold, silver, copper, lead and aluminum, according to the magnitude of payment. But we are now considering only gold and silver. Both were coined into full legal tender money at the ratio of sixteen to one, but we did not have bimetallism because all our silver coins were undervalued relatively to our gold coin. They are token coins. They are not full value. If they were they would contain nearly twice as many grains of silver. Our silver dollars are now a sort of metallic greenback. They are in effect a promise to pay a hundred cents, and the silver on which the promise is stamped is worth in gold only fifty-three cents. The remaining forty-seven cents have the same worth as the greenback promise. If it be true that the gold dollar is 200 cents, then to have bimetallism, the number of grains of gold it contains must be reduced, or else the number of grains of silver in the silver dollar must be increased till the two dollars are alike in bullion worth.

The Chicago Convention conjectured a proposition that if the free silver coinage proposed did not within a reasonable time lift four hundred and twelve and a half grains of silver to a commercial parity with twenty-five and eight-tenths grains of gold, it should be abandoned, and to Senator Hill, who moved the amendment to the platform, Mr. Bryan merely replied, "He says he also wants to amend this law and provide that if we fail to maintain a parity within a year, we will then suspend the coinage of silver. We reply that when we advocate a thing which we believe will be successful, we are not compelled to raise a doubt as to our own sincerity by trying to show what we will do if we can."

What we as a nation have been doing with silver dollars since 1878 has been to give a monopoly of the coinage to the treasury to purchase
silver bullion, fabricate silver dollars at much less cost than a hundred cents, to sell them for a dollar, thereby charging a heavy seignorage, to keep at a parity in our own country only by redemption in gold dollars the gold and silver dollars and the paper certificates issued on the latter. That is not bimetallism. We have seen that the government has kept thus far our silver coins, or rather the certificates issued thereon upon a parity with gold, by redeeming them in gold on demand. That redemption Mr. Bryan and the Chicago platform would stop. They would henceforth redeem silver certificates and greenbacks and Sherman notes in silver dollars, and would besides open our mints to everybody's silver at a ratio of sixteen to one. Silver is now only sixty-four or sixty-five cents an ounce. It must be $1.29 an ounce in order to put silver dollars of 412 1-2 grains upon a parity with our gold dollars of twenty-five and eight-tenths grains, and thus to secure bimetallism. It is incredible that free silver coinage by us alone and independently can accomplish this. If it can, what a gigantic speculation there is in silver bullion and silver mines. If Mr. Bryan believes it will come to pass, he should be able and willing to explain how, under the Sherman law, notwithstanding the purchase of a third of the world's annual silver product and all of our own, after a brief speculative rise, silver fell lower than ever.

When gold payments cease, according to the Bryan plan, when gold redemption is at an end, when the government stops buying gold for use, then the silver dollar should naturally fall to the value of the bullion therein, and then we would not have much more gold in use as a circulating medium than if it were unmined, and imprisoned in the rocks and sand of the earth. A strange sort of bimetallism would that be which expels gold.

The Chicago platform condemns monometallism, and yet it endeavors to influence Congress to adopt a policy which, if anything can now be inferred from the laws of money and our own past experience, will surely bring silver monometallism in practise.

WAGE EARNERS.

Any one who was at the Chicago Convention, could not fail to see that the majority had in mind only the producers of wheat, cotton and silver, who, in the west and south, and everywhere in our country, owed debts, but had no debts owing to themselves. If there is any one here who, having borrowed $100, thinks it decent and right to vote for a law which would enable him to repudiate the debt by payment of fifty-three cents, whatever I may have to say will not be for him. Whoever examines the Chicago platform will, if he considers existing conditions, discover
that eastern and middle state wage-earners were not in the thoughts of its framers. What are those conditions, and how have they been brought about? To present them concisely is not an easy task. It requires a preliminary exposition of much that is elementary, but is not by every one kept in mind.

Before the thirteen colonies united to achieve separation from England, the moneys in use were various. The English colonists used pounds, shillings and pence, but when the colonies united, they adopted the Spanish unit of value, which was a dollar. The first Congress enacted that dollars and cents should be the sign and language of government bookkeeping, and of the judgment and accounts of the Federal forts. The dollar was also made a standard of all values expressed in money, and an instrument for exchanging articles among the people. For that use the dollar had to be embodied in a substance, and so the first Congress embodied it in 371 1-4 grains of pure silver, and in twenty-four and six-tenths of pure gold. That was the only embodiment. As the new nation had of course no coins of its own in the beginning, Congress authorized the use of foreign gold and silver coins, at a fixed rating in our dollars and cents. That use was authorized and continued as late as the end of Pierce's administration. The men who won and established our independence of the British crown, created the Federal Constitution, and under it framed our laws, did not for seventy-three years tolerate an embodiment in paper of a legal tender government dollar. The war of secession first brought that to pass in 1862. The fact is important.

How did the first Congress bring into existence the coined dollars of the Constitution? It prescribed the weight and fineness of each coin, established a mint to receive all gold and silver brought to it, certify its weight and purity, put them each into prescribed form, stamp them as required, and then deliver the coins to the owners. Beyond that, and stamping the denominations, Congress did nothing to determine the value of the coins. The government bought no gold or silver, nor did it coin for itself. Individuals brought into existence all money, as much and as little as they desired. The government did not try to increase or diminish the number of coined dollars. It simply required the mint to coin all silver or gold brought to it. The value of the coin was that of the silver or gold therein. The government was only a verifier of weight, purity, and denomination, meaning by denomination, the dollar, its subdivisions, and multiples. Added to our own coins were, as I have said, coins certified by foreign governments rated in dollar value by Congress.

Those gold and silver coins were under the Constitution the only
money. Whatever may be its general dictionary meaning, money has in our Constitution a special meaning. The Constitution declares that Congress can “coin money,” “borrow money,” “appropriate money.” In each case, “money” is the same thing. Paper currency can not be “coined.” Emitting a greenback or a bond, is giving paper evidence of borrowing money, and of a debt. A government does not “borrow” debt. Gold and silver coin are “money,” a greenback is only an evidence of a debt.

When in the beginning Congress embodied a dollar exclusively in a prescribed number of grains of gold and silver, it endeavored to make the white coin and the yellow coin of the same denominations, to be precisely equivalent to bullion worth in every market. At first Congress failed, and therefore in 1824, it made a change by reducing a little the weight of the gold coin. A second time it failed, because Europe coined at a weight ratio of fifteen and a half to one, while our own coinage was in 1834 fixed at sixteen to one. The result was that as we undervalued silver a little, that metal left us for Europe, where it had more consideration.

Congress provided all the money our government had, and it was exclusively of gold and silver, down to 1862, when a Republican Congress endeavored to make legal tender money out of greenback, evidence of government debt.

Then our monetary troubles took on a form they now have. Soon thereafter silver bullion, which since 1792 had been comparatively steady and about $1.29 an ounce, began to fall in gold price. The fall concerned us very little from 1862 to 1875, because under our greenback period silver left us, and we scarcely coined any of it. In 1873 we had little gold or silver in use as money. Europe was beginning to distrust silver as suitable for standard money, Congress revised our mint laws, and stopped embodying our dollar in silver, but made only token coins of it such as might be needed for small transactions. I shall not now dwell upon the Bland-Allison-Sherman silver episode from 1878 to 1893. Its results were the coinage of some 424,000,000 of silver dollars, the bullion worth of which is now less than fifty-three cents each, and the purchasing of some 150,000,000 more in gold price of silver bullion, now warehoused in the treasury, and the admission of a light quantity of greenback debt, now nearly all outstanding in payment to the sellers of the silver. At the close of that unfortunate episode, there began a commercial and industrial panic caused thereby which now affects the country. The coinage statute of 1873 became operative, and is now the law of the land. While the gold dollar is our only standard of value, yet silver dollars, greenback dollars, and Sherman dollars are by legal tender laws instruments of exchanges of articles and are received in payment.
of debts. Our monetary disorders hinge on the fabrication of those silver dollars which are not full value, and upon those paper dollars. At St. Louis the Republican party refused to pledge itself not to emit any more of those disaster-creating dollars. The ruinous consequences of their existence have only been avoided by the authority given to the Secretary of the Treasury to use the revenues or to sell bonds to buy gold at his discretion, with which to redeem in gold all paper dollars presented for such redemption. That continuing power was expressly imparted by Congress in the Specie Resumption Law of 1875, and subsequently by implication. The Senate, however, on the 2d of June, last, voted by thirty-two to twenty-five to take away that power and stop the issuance of bonds unless under further authority given by Congress. The belief was that the Senate would not vote to grant new power.

Pursuing the same line of action, the Chicago Convention bound Mr. Bryan, if elected, to select a Secretary of the Treasury who will not so exercise his discretion as to sell bonds to obtain gold for redemption purposes, but who will tender silver dollars when paper dollars are presented to be redeemed, and who will also pay the interest on the public debt in silver. Mr. Bryan can, if elected President, in defiance of less than two-thirds of Congress, stop gold payments if the Senate should confirm his treasury nominee. Now, what would happen if Mr. Bryan should appoint a Secretary of the Treasury to put an end to gold payments. Will not gold disappear from circulation? In the presence of a thousand millions, more or less, of paper dollars, gold has been kept in sight during the past few years only by gold selling and the greater exertion of our financiers. Will it not go to a premium when those efforts have been withdrawn? Why will not gold then disappear as it did during the war of secession? The country now has, by the final outcome of the legislation of 1878, little else than a credit paper currency. Not many gold coins are seen, and only some 60,000,000 of silver dollars all the other silver dollars having been deposited by the owners in the treasury in exchange for paper certificates of such deposits. The 337,000,000, more or less of such certificates, the nearly 500,000,000 more of greenbacks and Sherman notes are now kept as good as gold in our territorial jurisdiction, only government bond selling and the other efforts. Take away that, and must not the silver certificates fall to the value of the four hundred and twelve and half grains of silver they represent?

But that is by no means the worst of the Chicago platform and its nominees. They are pledged to a repeal of the Coinage Law of 1873, a modification of the Specie Resumption Law of 1875, and a return to the free coinage of silver coins of every sort, including subsidiary silver coin. Can our gold coin withstand the new enemy reinforcing the old
one of silver dollars and paper dollars? Did the Chicago Convention intend that a vestige of gold should remain in the country? Did the Populist Convention intend that a vestige of silver or gold should remain? Do not the Populists mean irredeemable greenbacks, in volume $50 per capita, more than twice our existing money and currency circulation?

The beginning would be a mere pretense of actual silver dollar coinage, but as our mints can at present only coin annually forty millions of dollars, coinage would soon cease and the treasury would assay and weigh the silver bars deposited at the mints by smelters and refiners, would issue full legal tender dollar certificates therefor on the basis of $1 for each 371 1-4 grains of pure silver, or $1.29 an ounce, and would warehouse the silver. Soon the futility of buying and warehousing the silver as a security for the certificate or note holder would be apparent, and pure flat paper dollars would be our only currency. This would happen if what is irrational and false in monetary affairs shall prevail in November by the victory of Mr. Bryan.

The policy and purpose of the Chicago platform could at its best and in wise hands only result in National (local) bimetallism and not in international bimetallism. Bimetallism can not exist unless it is international. Nothing less than the concerted law of all the nations could now double the gold price of silver. Only two or three per cent. difference vanished gold from 1892 to 1834, and a like difference vanished silver from 1834 to 1853. How stupid and absurd it is to imagine if a man is sincere in declaring that with silver at sixty-four cents an ounce free coinage, at the ratio of sixteen to one, could now retain our gold in circulation and keep us from entering upon a silver basis.

WHEAT ARGUMENT.

He persistently argues that since 1873, and down to 1892, the farmers in the west who borrow dollars, have been compelled by the gold standard to give fifty per cent. for wheat and labor in order to obtain legal tender dollars of payment, than the lender of the dollars was required to give in order to obtain them. He has not produced an authenticated case to support his argument, and in my belief, he can not. We all know that since 1873, the power of gold has diminished in buying labor, and gold can not be loaned at as high rates of interest as in 1873 or 1879. I am confident that Mr. Bryan can not establish by competent evidence a case where a farmer in the west borrowing gold dollars since 1873, and repaying them before 1892, had to give more wheat and labor to get the dollars of payment than would have been required to obtain the dollars when the debt was incurred. If he can not, then his argument is based on ignorance or inspired by a purpose to mislead.
SPEECH AT HUNTINGTON, LONG ISLAND.

October 27, 1896.

(Extract from a report published in the Brooklyn Eagle, October 28, 1896.)

Huntington, L. L., October 28.—A mass meeting, under the auspices of the National Democrats of Suffolk county, was held at the Huntington Opera House last evening. Perry Belmont, Ex-Congressman from this district, and Frederic C. Hinrichs, candidate for Lieutenant-Governor, were the speakers. The hall was appropriately hung with the Stars and Stripes and pictures of Palmer and Buckner occupied conspicuous places at the side of the stage.

Among the Democrats upon the platform were Thomas Aitkin, Douglas Conklin, Brewster G. Sammis, Stephen Gould, James M. Brush, Dr. D. E. Kissam, Fleetwood Sammis, George G. Hendrickson, Dr. J. G. Hunting, Jenkins Van Schaick, William A. Rushmore, Vincent Ford, S. Lee Jarvis, Frank Rogers, Henry W. Gaines, John B. Lefferts and others.

Mr. Belmont's speech:

This great enthusiastic gathering here to-night means that our historic party is still alive in Suffolk county. Not only in Suffolk county, but throughout our whole country, those whose political action is controlled by patriotism, recognized at once, upon the disgraceful and dishonorable surrender to Populism at Chicago, the need of an adequate and suitable application of Democratic principles to the existing condition of our National affairs, and welcomed, in Palmer and Buckner, candidates faithful to those principles.

But is not your kind welcome here to-night to be considered as equally significant for another reason, and as extended to one who was also a delegate to the Chicago Convention, who voted against its platform, and who refused to participate in the nomination of its candidate?

The reasons which controlled my action, I consider it my duty, as your representative to that Convention, to give to you fully and explicitly. I trust and believe that you have given your approval to those reasons, and, had I any doubt of it, that doubt is altogether removed by your presence here to-night. And if I may be pardoned another personal allusion to myself. I believe that I have attended a sufficient number of National conventions to recognize a Democratic convention when I see one. The last Democratic meeting I had the honor to address was held at Charleston, West Virginia, on Saturday night. The name of the city reminded me of the fact that, as a child, I was present at the convention
held at Charleston, South Carolina, in 1860. I will not say that I was a delegate, nor was I a delegate to the Chicago Convention of 1864, though I was one of the youthful spectators there. I was at the convention which nominated Tilden in 1876: the convention which nominated Hancock in 1884, in 1888, in 1892. My experience of Democratic National conventions confirms me in the conviction that the only Democratic convention held this year was held in Indianapolis.

It is not, however, necessary to be a delegate to a convention to arrive at such conclusions. All who abide by Democratic principles and claim the honored name of Democrat have one conclusive objection to the Chicago platform, which precludes all others and is final. It is that the platform is not Democratic. That objection applies to its utterances upon constitutional law, utterances so wrong that they can not be described as defects. They are political crimes in the minds of those who uphold the creed of Jefferson, Madison, Jackson, Tilden, and no Democratic President from Jefferson down to Cleveland, no Democratic convention since Democratic conventions began ever formulated such delusions.

They are sufficient to drive away all Democrats who oppose paternalism, or who have the least regard for constitutional principles. As to its utterances, which are wrong in morals, involving the repudiation of private and public debts, they should be, upon a full understanding of them, condemned by all, Democrats and Republicans alike, for their dishonesty and immorality.

What I may have to say will probably not please all of you. It is utterly impossible to make a fair and impartial statement of the monetary question, without offending both Republicans and Democrats. But we have reached that point in our monetary affairs when we must consider them and the remedy to be applied to them, without reference to the sensitiveness of politicians and parties. The welfare of our country requires this of us, and we must perform that service without fear or favor.

Great and serious as are the objections to McKinleyism and the Republican platform, they are infinitely incomparably less than are those to the Chicago platform, as advocated by Mr. Bryan. It contains certain discarded Republican ideas; discarded more emphatically than ever since the Republican Convention of 1896, and in that respect the St. Louis Convention is to be commended for its wisdom. Of course, in many respects, the St. Louis platform is objectionable to Democrats, and particularly in its violent and unjust attacks upon the Cleveland administration, in that it rivaled the Populistic Chicago Convention. The Chicago platform advocates the exclusive issue of paper money direct
by the Treasury. That is an entire reversal of Democratic doctrine from the foundation of the Government. That is a Republican enactment of 1862, then resisted by nearly, if not quite, every Democrat in Congress, and excusable only as a war measure, although some of the strongest upholders of active war condemned the measure as unconstitutional, and to-day very many Republicans, adopting Democratic principles, demand the retirement of this currency, as of course does the Indianapolis platform to all Democratic principles.

The Bryanites condemn all State banks of issue, as did the Republicans, when, against Democratic votes in Congress, they taxed the State banks out of existence. In upholding this plank of their platform, they appealed to the memory of Jackson. They are always appealing either to the memory of Jackson, or to Lincoln, in an equally-absurd and superficial way. Perhaps they have given up Jefferson since some one has called him Jeffersonian Popocracy.

This declaration in the platform is as follows: "Congress alone has the power to coin and issue money." And President Jackson declares that this power could not be delegated to individuals or corporations.

Then they go on to say that they denounce, therefore, the issuance intended to circulate as money by the National banks, as unconstitutional. There never was a more crazy, illogical resolution adopted by even the craziest Populistic convention.

In the first place there is a confusion as to the power of coining money and the issue of money. No one ever denied the exclusive power of Congress to coin money or that Congress should not delegate that power. No State ever undertook to coin money to "emit letters of credit."

A bank note has never been, under our legislation, made a legal tender for private debts, but Jackson never denied that the States had the right to create banks of issue. The Supreme Court decided that question sixty years ago in a Kentucky case, in the very crisis of the war which Jackson waged against the United States banks. The Federalists and Democrats contended over the question as to whether or not the State bank issues were bills of credit, the Federalists holding that they were, the Democrats that they were not. Chief Justice Marshall held that they were. He died about that time and Jackson appointed Taney. He and four justices appointed by Jackson decided that they were not. This decision, of course, was to the effect that State bank issues were constitutional. Jackson attacked the wild-cat banks themselves, but never their constitutionality. His fight against the United States Bank was on account of its meddling in politics, the management of Mr. Biddle and various other objectionable features.
I have mentioned Mr. Bryan's speech in the Convention. As to his nomination, I agree with the statement which I see our candidate for President, Mr. Palmer, has recently made, and I do so as a witness. Mr. Palmer says that Bryan's speech did not give him the nomination; that the nomination was not the spontaneous act of the Convention. The organized demonstration, the assembling of the banners of some States about the Nebraska delegation, and all the noise and the shouting of the Bryan delegates, took place long before Mr. Bryan had an opportunity to enter the Convention. It occurred when Mr. Bryan entered the Convention, accompanied by the contesting silver delegates, who came in to take the seats of the gold Nebraska delegates who had been unseated by the committee on credentials. Those in the New York delegation, who kept tally on the votes cast for Presidential candidates, discerned at once, and spoke of it—the well-organized forces of the Bryanites in the Convention. It does not now require the testimony of the Convention itself. Much more conclusive is the evidence we have of the utterance of the strong and designing men who brought about the nomination. At the conferences, as they were called, of the Bimetallic League, which was nothing more than a monometallic silver combination, held in Chicago and Washington last winter, they declared that no Democratic candidate for the Presidency could be elected this campaign who depended only upon Democratic votes and Democratic principles. The recognized organ of the silver party, published weekly in Chicago, and called the National Bimetallist, maintained, in the most energetic way, up to the very week of the meeting of the Chicago Convention, this same idea, that no purely Democratic candidate could possibly be elected, and that the candidate should be of such character that he could accept the Silver party nomination and the Populist nomination. Mr. Bryan had been lecturing and speaking for the Silver League. He was well known to them and he was elected by them long before the Convention met. The forces which had failed to recapture the Republican Convention at St. Louis came to Chicago and nominated Mr. Bryan. They were in evidence in and out of the Convention. Their power was conspicuously shown and felt. It never was intended that a Democrat, even a Silver Democrat, such as Mr. Bland is, should be nominated.

Those who brought about Mr. Bryan's nomination denounce the law of 1873 as a crime, and declare that it was fraudulently and surreptitiously enacted.

Two of the chief criminals, if crime there was, were Mr. Bryan's present political mentors, Senator Jones, of Nevada, and Senator Stewart. In 1874 Mr. Stewart, then in the House, said: "There is nothing so satisfactory as the real measure of value—gold." Again, "Gold is the universal standard of the world; everyone knows what a dollar in gold is
worth;" and again: "You must come to the same conclusion that all other people have, that gold is recognized as the universal standard of value. I want the gold standard, and no paper money not redeemable in gold. By this process we shall come to a specie basis, and when the laboring man receives a dollar it will have the purchasing power of a dollar, and he will not be called upon to do what is impossible for him to do, figure upon the exchanges, figure upon the fluctuations, figure upon the gambling in New York, but he will know what his dollar is worth. Gold is the universal standard of the world."

What does Senator Jones say: "I believe the sooner we come down to a purely gold standard the better it will be for the country. Did any country ever accumulate wealth, achieve greatness or attain high civilization without a standard of value, and what but gold could be that standard? Gold is so exact a measure of human effort that it is exclusively used as money: it teaches the very habit of honesty."

But you will ask, perhaps, what possible thing could have changed the minds of Mr. Bryan's two professors of political economy. That is easily answered. When they were afterward elected to the Senate and declared for free silver, which they have ever since advocated so successfully, Stewart was the paid attorney of the principal owners of the Comstock mines, and Jones had been the superintendent of the Crown Point mine. When Mr. Jones made the gold-standard speech from which I have quoted, silver was worth $1.29 an ounce, but from that time silver began to fall in price, and of the mines of the Comstock lode, including the Crown Point, which had paid over forty-seven millions in dividends, not one paid a dividend after April, 1876, and it was in that very month that Senator Jones delivered his memorable silver speech, which covers thirty pages of the Congressional Record, and has been a mine of information for all his faithful free-silver followers.

Senator Stewart's conversion followed exactly the course of that of his distinguished Senatorial colleague from Nevada, but let us see what the Act of 1873 was. Grant was President in 1873; Boutwell was at the head of the Treasury; the bill originated in the Treasury. Boutwell is alive, and can explain what took place. Do they mean to say that Grant's administration was a party to the fraud? The cry of venality sounds like the old charge that British gold corrupted our ballot-boxes in the interests of free trade. The fact is that England adopted the gold standard in 1816, and made all its silver coins subsidiary, never endeavoring to persuade any other nation to do the same. The movement was begun spontaneously in France as early as 1867, and in Prussia as early as 1870. In 1867 there was a conference in Paris to equalize weights and measures. Mr. Ruggles was our delegate, and Senator Sherman was
there. The conference decided for a single gold standard. Senator Sherman wrote a letter commending the plan, and in the Senate proposed, in 1868, a bill to that effect, which the Senate Finance Committee adopted. In 1870 a Treasury Department committee formulated a revision and modification of the mint laws, and Senator Sherman presented to the Senate a bill embodying it, and, after going to and from one House to the other for five sessions, was amended and enacted as law in February, 1873. That was the law of 1873. It was after its enactment that Senator Stewart and Senator Jones made their gold-standard speeches.

I need not recall the long debates upon this bill. Those who pretend they do not know what the bill was proclaim themselves unfaithful servants of the people. It was after its enactment that Senator Stewart and Senator Jones made their gold-standard speeches.

I am not vindicating the action of France in 1867, Senator Sherman in 1868, Prussia in 1870, our own Congress in 1873, nor Germany at a later date. Far from it. What I am endeavoring to do is to defend my own Government against the charges of ignorance, carelessness, stupidity, and, worse than all, bribery by British gold in 1873, which these most reckless of all irresponsible and reckless politicians undertake to make in some of their campaign speeches. There is no theory upon which England could wish us, in 1873, to exclude a silver dollar from coinage in order to oppress American debtors.

Silver bullion was then worth $1.30 an ounce, and a silver dollar was worth in London three cents more than the gold dollar. The fact is we were on a greenback basis in 1873, and the country paid little attention to the revision of the coinage laws. Mr. Bryan and his supporters maintain that the Act of 1873 produced the fall in prices by the establishment of the gold standard. If the United States had been a large coiner of silver there might have been something in the contention that the cessation of the coinage would produce a diminished price in the value of silver on account of the diminished demand for silver. But only a little over eight millions of standard silver dollars have been coined up to 1873, and in the twenty years from 1875 to 1895 there was more silver coined than in all the eighty years from 1792 to 1873. It was coined in recent years at the rate of over $10,000,000 a year, and the price of silver was not increased for that reason. The utter absurdity of the Coinage Act of 1873 having anything at all to do with the fall of prices must be as obvious to Mr. Bryan as it is to any of his opponents, for, in a speech delivered in Congress upon the subject of the tariff and against protective taxes, he seemed to have the right idea upon the subject when he said: "The inventive genius, which in some instances has multiplied a thousand times the strength of a single arm, and enabled us to do to-day
with one man what took fifty men formerly to do, is what has caused prices to fall in this country and elsewhere." These were his exact words, but he was not then a candidate nominated by 16 to 1 Free Silver Populists.

The Senate Committee of Labor received a report from Mr. Carroll D. Wright upon the subject of prices, and his statistics conclusively show that since 1873 prices have risen and fallen independently of our coinage laws. We need not trouble ourselves with statistics with the tremendous fact staring us in the face to-day, that wheat has been constantly rising, although no free-silver coinage act has been passed, or is likely to be passed.

One of the most curious and absurd contentions of Mr. Bryan is that the first question to be decided is whether the United States shall legislate for itself upon any question. That the tariff, coinage, currency and everything else should be in abeyance until that question is decided. Whoever suggested that Congress is not supreme in the matter of legislation for tariff coinage currency? A Republican administration of recent years entered into reciprocity arrangements with several governments, and a Democratic administration thirty years ago entered into and ratified a favorable treaty with the Government of Great Britain about our trade relations with Canada. Neither of these acts involves the surrender of legislative independence.

Our Government, as well as other governments, grants certain advantages and certain advantages are granted to us. No nation, as well as no individual, in civilized communities lives for itself alone. Postal laws, international arrangements about the rules of the road at sea, international conferences about weights and measures and coinage, international arrangements for arbitration, all these are examples of the interdependence of nations. The Coinage Law of 1878, known as the Bland-Allison Act, the Sherman Law of 1890, and the proposed 16 to 1 free-silver Bryan law, are all local, absolutely; as much so as our criminal laws or police regulations.

Mr. Bryan does not know, or refuses to learn, the A B C of the theory which he pretends to maintain — bimetallism — which is impossible, and even unthinkable, unless international. It is a question of ratio. The two ratios which we adopted up to 1834, and 16 to 1 since that enactment of 1834, made bimetallism impossible in practice, and we never had it in practice, although under the law it was made possible. When we had the ratio of 15 to 1 we were upon a silver basis, because the European ratio, or rather that of France and the Latin Union, was $15\frac{1}{2}$ to 1, which made it more profitable to coin silver in those mints than our own, and, therefore, silver left us. It is absolutely untrue that we ever had bimetallism in practice, or the free coinage of gold and silver,
SPEECH AT STAPLETON, STATEN ISLAND.

October 29, 1896.

A mass meeting of the National Democratic party organization of Richmond county was held at the German Club rooms, Stapleton, Staten Island, Thursday evening, October 29, 1896. Mr. Belmont, in his speech, said:

In entering this hall and seeing so many old friends the illusion was almost complete and it seems as if I still had the honor to represent the First Congressional District. The boundaries of that district, however, have been changed. It no longer exists as it was then, but whatever changes have occurred your former representative does now, and always will, hold in grateful remembrance, all that the Democrats of Richmond county have done for him. Many of you will remember, perhaps, the joint debate which occurred in this hall between the Republican candidate for Congress, Mr. Platt, of Jamaica, and his Democratic opponent. That was in 1884. The debate was upon the tariff question, which then was uppermost in the campaign, but underlying it even then the monetary question was first in importance, although not sufficiently recognized as such. You well remember, I am sure, that letter which President Cleveland wrote to Mr. Warner, of the House of Representatives, in which the President-elect, in February, 1885, announced the fact that unless something was done about our currency "gold and silver would part company."

Secretary Manning, in his first annual report to Congress, presented an exposition of the silver question so clear and convincing that Senator Sherman refers to it in his autobiography as the best he had seen. At that date some two hundred and sixteen millions of silver dollars had been coined. But the industrial prosperity of the country was then so excellent that the danger of the enlarging mass of silver dollars daily increasing in the percentage of its departure from the gold dollar was not clearly discerned.

Secretary Manning, in his second annual report, renewed his urgent advice to Congress to stop the silver dollar coinage. He presented new and even more conclusive reasons than were in his first report, all of which have been verified. He recommended to Congress to give precedence to the coinage question over the tariff question in its entirety.
His opinion was that the tariff question should be taken up, one item at a time, beginning with free wool. Neither part of his advice was accepted by the Democratic House, which preferred to ignore the silver issue and undertook to revise in one bill the whole field of tariff rates.

President Harrison was inaugurated in March, 1889, and immediately pushed forward both the silver issues and the tariff issues. The result in 1890 was the Sherman Law, which, instead of stopping, as Manning had urged gradually, silver purchasing and coinage, doubled the quantity, and also made the McKinley tariff enactment.

Under the influence of both laws the danger to which Cleveland had invited the attention of Congress in February, 1885, soon became too apparent to be disregarded. Even before Mr. Harrison's defeat and Cleveland's second victory in 1892 the danger began to be felt. Our monetary experts perceived that if silver purchasing and the emitting of Sherman Treasury notes for the payment of silver to be redeemed in gold continued longer the Treasury could not continue gold redemption and that the panic of 1893 came, under the effects of which all our industries are now suffering. Cleveland and a Democratic Congress were chosen in 1892. The silver-purchasing clause of the Sherman Law and the McKinley Law itself were repealed. But before the repeal came the panic of 1893 was upon us. Nearly one hundred and sixty millions have been added to our greenback debt to be perpetually redeemed in gold. And I know not how many tons of useless silver bullion has been warehoused in the Treasury.

By the unrepealed and now-standing clauses of the Sherman Law only so much of that bullion can be coined as shall be demanded by the holders of the Sherman notes to redeem the same in silver dollars. And no silver dollars will be thus demanded; now, none of the silver bullion can be coined. The result is that at present the only operative Coinage Law is that of 1873, known as the "Silver Monetizing Law," under which a gold dollar piece of twenty-five and eight-tenths grains is our only unit and standard of value. The coinage of gold is free, the coinage of silver dollars is prohibited and only the Treasury can coin subsidiary silver pieces.

Our Money and Currency.

Apart from the National bank notes, of what does our money and currency now consist? How much gold is in the country no one knows. It is estimated at six hundred millions. There are now three hundred and forty-eight millions of greenbacks (nearly as many as during the Civil War) to be perpetually redeemed in gold and reissued, the reissue
continuing in disregard of the implied pledge made in 1875 to pay and cancel all. There are more than one hundred and thirty millions of Sherman notes representing the gold price of silver bullion bought and now in the Treasury warehouse. There are now nearly four hundred and twenty-five millions of silver dollars, some six-sevenths of which have been by the owners deposited in the Treasury as cumbersome, silver-certificate dollars having been taken in exchange for them.

Only our gold dollars are good for their rated value. The greenbacks are fiat and fiduciary currency of no more intrinsic value than a promissory note. The Sherman notes are evidence of debt with the unavailable silver bullion in the Treasury as a bad and unavailable collateral. The silver dollars could now be fabricated for about fifty-three cents each.

In addition to all that mass there are about $80,000,000, nominally of subsidiary silver of limited legal-tender power.

The policy of the United States, as declared by law, is to keep all those dollars at a parity in purchasing and debt-paying power. As redeeming on demand all the paper dollars, as scarcely any gold comes into the Treasury for taxes, the Treasury must buy as best it can the gold for redemption purposes.

However that may be and however all our parties have gone astray in the past, now is the time to be thorough and build up safely and solidly from the bottom. Party lines are somewhat obliterated, party ties somewhat loosened. The redemption business is now the rock on which we are in danger of running. Gold redemption of fiduciary currency is the word of banks and individuals, and, therefore, our Government should have no currency to redeem. All our present Government paper should, no doubt, be redeemed in gold. The holders paid the equivalent in gold. They gave one hundred cents in gold for every silver dollar. If they should have in return the gold, there would be no endless chain. Redeeming should cease with payment.
THE NEW ADMINISTRATION'S DUTIES.

THE RESULT OF THE ELECTION AND THE RESPONSIBILITY IT BRINGS.

(New York Herald, November 4, 1896.)

To the Editor of the Herald:

The result was a victory of the conservative and monetary ideas of New York. The Western area of those ideas has been greatly enlarged. Chicago and New York are nearer together in opinion now. The purpose of the South and West, which at first pervaded both parties, to carry the Presidential election without counting with New York and the East, was not clearly discerned last winter. It was suddenly revealed to Eastern Republicans when Mr. Hanna disclosed the fact that Mr. McKinley would control at St. Louis, and to Eastern Democrats when it was discovered that free silver coinage would have full sway at Chicago.

Western and Southern Republicans, led by Mr. Hanna, combined at the outset on Mr. McKinley's tariff ideas and a suppression of the monetary question. Western and Southern Populists entered into a fusion based on hostility to Cleveland's administration and to the gold standard, meaning by that the existing Coinage Law, which they described as "the crime of 1873."

MR. PLATT THE LEADER.

Eastern Republicans could not prevent the nomination of McKinley, but, under the leadership of Mr. Platt, they did compel an explicit commendation of the gold standard till international bimetallism had been achieved. They had, however, to pay therefor the price of a ferociously unjust platform denunciation of the administration of Cleveland, who had upheld the gold standard and enforced existing Republican laws.

The Eastern Democrats could not make any impression whatever at the Chicago Convention on the Southern and Western Populistic alliance against the monetary ideas of New York. The Eastern minority on the platform committee struggled in vain against the agrarian, socialistic and undemocratic interpretation put on the Federal Constitution, which interpretation was analyzed and exhibited to the Convention by Senator
Hill. That speech has not had the credit it so richly deserves, and chiefly, perhaps, because it produced no change on the Populist majority. The silver-dollar and greenback aberration, the opening of the mints to silver without awaiting the "concert of Europe," which initiated the closure, were bad enough, but not so alarming and intolerable as putting the Chicago Convention under the influence of Altgeld and Debs. That, to me, at least, seemed to make the path of duty clear. By the three platforms of the three parties, the free coinage of silver by the United States alone became the main issue and has been vigorously condemned by the ballot. Yet the debate and great contention finally turned on the agrarian, socialistic and centralizing interpretations of the duty of Congress proclaimed in the Chicago platform.

GRATIFYING RESULTS.

Those have been overwhelmingly condemned and the Southern and Western alliances in each of the two great parties against the monetary ideas of New York have been defeated in the great Middle and Northwestern States, where the Populists counted on victory. That is to me a most gratifying result of the contest. Another result even more gratifying, perhaps, has come in a way the Southern and Western allies did not foresee. It has come of the fifty-three cent dollars and the exclusion by Populists from their range of vision of everybody and everything excepting the commodities, wheat, cotton and silver. Their plan of campaign utterly disregarded all who had labor to sell. It also disregarded the effect on them of the diminished purchasing power of our dollar and of increased prices of food, clothing and shelter to be created by free silver coinage.

During the campaign the character, nature and uses of money, of banking, of credit, have been studied, expounded and comprehended as never before in our country. The result has been that the poor and the rich, the small capitalist and the large capitalist, they who have only labor to sell, and they who have products or transportation to sell or money to loan, the industrious wage-earners and the employers of industry and capital, finally felt that they had a common bond of union, perfect solidarity of interests, in an honest dollar. A large proportion of the labor vote has been cast in accordance with that principle. The wage-earners and salary-earners have been convinced that the inferior dollar advocated by Mr. Bryan would be a pitiless scourge for them. But has the battle been altogether won? That depends.
REFORMS TO BE ACHIEVED.

It is to be borne in mind that the contest of 1896 has been over a preposterous agrarian, centralizing and socialistic interpretation of the Constitution. It has been over the effort to tear down the gold standard, but really in the interest of a silver standard. The vigor of the onslaught was born of the depression and despair caused by the panic of 1892 and 1893. What caused that panic? If Mr. McKinley and his party legislate on the theory that the panic came solely of a foreshadowed change in 1892 of tariff schedules, and did not come of Republican patchwork silver and currency legislation in 1878 and thereafter, and if they do not replace that patchwork by well-ordered laws, do not divorce the Treasury from banking and redemption business, and do not abandon the greenback fetish, then the battle is likely to come again, although probably in somewhat modified circumstances. A Republican and not a Democratic administration will then have to bear the odium of Republican and monetary enactments in 1878 and since then, which the Cleveland administration had to execute. The battle of 1896 will then not have been one of the decisive political battles of history. The McKinley leaders have it in their power to show Bryanism to have been an aberration rising and departing like a portentous bubble, as did Know-Nothingism forty-two years ago. When our unit and standard of value dollar is recognized as permanently established it will even then remain to be decided how many and which other, if any, of Government issued dollars, coin or paper, shall exist, also if there shall be banks of issue, how these shall be constituted and supervised, and what besides the units of value shall be full legal-tender dollars. If those reforms shall not be achieved, then the new administration and its supporters will be held responsible in the Congressional elections of 1898 and in the Presidential campaign of 1900. No new tariff schedules will be sufficient to relieve them of that responsibility.

PERRY BELMONT.

New York, November 4, 1896.
SPEECH AT A DINNER TO EX-GOVERNOR ROSWELL P. FLOWER, AT THE DEMOCRATIC CLUB.

New York, November 24, 1896.

(Extract from a report in the New York Herald, November 25, 1896.)

Former Governor Roswell P. Flower was the guest of honor at a dinner given him last night by his friends in the Democratic Club in recognition of his services for sound money during the Presidential campaign. Robert B. Roosevelt presided. Among those who spoke besides Mr. Roosevelt and Mr. Flower, were Perry Belmont and William D. Bynum.

* * *

Mr. Belmont's speech:

I am glad to be here to join with you in the bestowal of praise and honor by the Democratic Club upon its president for his unceasing and efficient efforts during the recent political campaign. He nobly fought the fight and loyally kept the Democratic faith. He ought to be, and I am sure he is, conscious to-night of what in political and party affairs is the best of all rewards for an individual, which is, the feeling of a high and imperative duty well performed.

And now, what shall be said and done about the future of our Democratic party, in the State and Nation. As Democrats we should endeavor with a courage and vigor like that Governor Flower displayed in the battle from which we have just emerged, review the recent record of our great historic organization, and the causes of its decline and fall within the last four years since 1892. There is no better way of anticipating and providing for the future or for reuniting, consolidating, reviving and strengthening our party. If any issues, formulated and presented to the country by the Democracy or by a Democratic President, or by a Democratic Congress have been unwise, false, injurious and destructive, which were those issues?

Has our party suffered because of imperfect leadership or because of disobedience on the part of those who are subordinates in the ranks?

While I am on my feet in response to your call and before I take my seat will you permit me to dwell for only a moment on those inquiries con-
cerning the past and future of our party, its rise, decline and fall within the last twenty years?

In 1872 as you well remember, the National Democracy assembled in National Convention at Baltimore, ratified and adopted the platform and nominations made by the Convention of Liberal Republicans who after repudiating Grant had previously assembled at Cincinnati in May of that year. The Democratic candidate for President was Horace Greeley. The Democratic platform was. I have always understood, written by Charles Sumner. It demanded immediate removal of disabilities imposed on account of the Rebellion, and denounced the "spoils system," condemned debt, repudiation in any and every form, and urged a speedy return to specie payments; the difference with regard to protection and free-trade were declared "irreconcilable" and the Democratic platform of 1872 remitted "the discussion of the subject to the people in their Congressional districts and to the decision of the Congress wholly free from Executive interference and dictation." The advice, influence and power of the President were to be excluded. The Democracy was terribly defeated at the ballot-boxes. Figures are important here.

Seymour had been our candidate against Grant four years before. The Southern States of Mississippi, Texas and Virginia, having twenty-three electoral votes, were then under disfranchisement and could not vote. The Democracy had, nevertheless, in 1868, forty-seven and three-tenths per cent. of the popular, but only twenty-seven and two-tenths per cent. of the electoral vote. In 1872 all thirty-seven States voting, the Democracy carried only six. The percentage of the popular vote fell to forty-three and eight-tenths per cent. and the electoral vote to only eighteen per cent.

What did the New York Democracy do? It immediately set on foot a campaign within the ranks of the National Democracy in behalf of sound currency, especially directed against the then prevalent Western greenback heresy, and to promote a return to hard money by paying in coin and by exterminating the greenback debt. You know the result. Tilden was, by the honest votes of the States, chosen President in 1876, only four years after the Greeley aberration and the Democratic disaster. Even under the fraudulent eight to seven count by the electoral commission he had fifty and nine-tenths per cent. of the popular vote and forty-nine and eighty-six one-hundredths per cent. of the electoral vote. The Democracy carried the House and Randall was made Speaker. There are in that four years' work a lesson, example and inspiration for Democrats of to-day. It may be said that attempted Democratic exorcism of the greenback heresy began in 1876. The Greenback party which
gave in that year to its candidate, Peter Cooper, nearly one per cent. of
the popular vote, and in 1880 when Populists' demand for a graduated in-
come tax was first heard in our country, gave to Weaver three and one-
third per cent. of the popular vote. In the Presidential contests of 1884,
1888 and 1892, Cleveland had a plurality of votes each year over his
Republican opponent. In 1892 he had a popular plurality over Harri-
son of three hundred and eighty thousand eight hundred and ten votes,
and a plurality of electoral votes of one hundred and thirty-two. Over
Harrison and Weaver, the Populistic candidate, who had a million and
more of votes, Cleveland had an electoral plurality of one hundred and
ten. In the House whose members were elected with Cleveland, the
Democrats had a majority of ninety-two, and in the next House the
Republicans controlled by the immense majority of one hundred and
thirty-nine. In the State elections of 1894, Democratic disasters were
universal. We all know too well what happened on the third of this
month of November, 1896.

We may be certain that the sudden rise of the Democratic party be-
tween 1872 and 1876, its maintenance of reasonable prosperity from
the last-named year up to 1892, its sudden decline and fall thereafter,
did not all come of chance and blind fate. What future Gibbon will
fully describe the cause of that rise and fall? Between 1892 and 1894
the chief Democratic enactments in Washington were the repeal of the
Sherman Law and the modification of the schedules of the McKinley
Tariff Law, the unconstitutional Income Tax Law with its four thousand
dollar exemption, which of necessity limited the tax to a class. Are there
Democratic party "perfidy and dishonor" in any of these enactments?
Is not our monetary disaster the result of war legislation which the
Government has not since that war period the courage, high purpose and
strength to remove. Let us hope for better things in the future.
During the recent political campaign Mr. McKinley constantly said that he believed it to be "the duty of the Government" to enact such laws as will give to "its own people the highest scale of wages." He advocated free trade between the several States of the Union, but free trade between the United States and other countries only "in products which we can not produce or which we must have in exchange for which those countries will take the products that we make and grow." Those products included, of course, silver and gold.

He urged Congress to levy duties on "those foreign products which compete with American products sufficiently, first, not only to supply revenue for the uses of the Government, but, second, sufficient to protect the American people in their own occupations against the products of the cheaper and underpaid labor of the world." The Republican National platform was to the same effect.

The demand goes, at present, far beyond duties for revenue. It urges additional duties solely in order to increase the wages of the "people," or a part of the "people," and to protect the "people," or a part of them, in their "own occupations."

Perry Belmont was among the very first of the delegates to the Chicago Convention who broke away from the unconstitutional part of the platform of the majority, adopted against the protests of the minority. He was a delegate from New York to the Indianapolis Convention, for whose candidates he voted on election day.

In a conversation yesterday respecting the probability of Democratic approval of tariff taxation by the Republican Congress for both the objects specified by Mr. McKinley; first, to obtain adequate revenue, and, second, to protect a part of our people "in their own occupations," Mr. Belmont said, he did not think any section of the Democracy approved of tariff taxes levied for any other purpose than to obtain money for the Treasury.
The Chicago Convention, Mr. Belmont pointed out, was in substantial conformity, regarding the tariff, with the Democratic National platform of 1892, on which Cleveland was elected and which excluded specific taxation to increase the profits of capital or the rate of wages in any special industry. It limited tariff duties to "the needs of the Government," as distinct from any part of the people. The Syracuse Convention of August 31, 1896, declared, "we are opposed to Republican protection. We recognize in protection, by which the Federal power of taxation on imports is exercised, for the benefit of a class, the mainstay of trusts, the protection of capital, and the fruitful source of the present political dangers which threaten the nation." The Indianapolis platform said: "We affirm the historic Democratic doctrine of tariff for revenue only."

Mr. Belmont, continuing, said the legal effect of that declaration is that Congress has no authority under the Constitution to levy taxes on foreign merchandise for any purpose excepting to obtain money for the uses of the Treasury. The second clause of the eighth section of the first article of the Constitution sets forth the taxing power and limits it to paying the debts and providing for the common defense and general welfare of the Government of the United States, and not of any special part of the people. Another clause empowers Congress to make any law "necessary and proper" to execute that specific power of taxation, and I assume that the Indianapolis Convention did not believe that a tax in order to increase the income of capital or the rate of wages in any special industry could be "necessary and proper" in the execution of the power to obtain money for the Treasury by tariff duties.

Of course, no tariff taxes like those existing, which levy fifty per cent. on articles of silk, thirty-five per cent. on articles of silver, fifty per cent. on woolens and worsteds, and thirty-five per cent. on manufactures of flax, can be levied without giving encouragement and protection to capital and labor employed in our country in manufacturing similar articles. That follows as a matter of course. But the protection and encouragement proposed by the Republican platform and Mr. McKinley are very unlike that. If Congress should think that the Government required one hundred and sixty, two hundred, or two hundred and fifty, or any number of millions of dollars a year from duties on imports, it has the power to tax in its own way any and every arriving import in order to obtain it, but the Democratic National platform of 1892 and the Indianapolis platform declared that Congress has not the power to levy taxes for any other purpose than revenue.
EX-Congressman Perry Belmont is one of the leaders of the Democratic party in this State, who has not thus far taken part in the recently organized movement of the National Democracy in this country. Mr. Belmont was a delegate both to the Chicago and Indianapolis National Conventions. He, with others, was invited to take part in the organization of a local branch of the National Democracy, but declined to do so, giving as his reason that he is a voter in Suffolk county. He was a delegate from there to the Indianapolis Convention. In a letter at that time he stated briefly his views on the pending National issues. He has since then, in an interview with a Commercial Advertiser reporter, made a more extensive statement.

The keynote of Mr. Belmont's Democracy in National politics is in the Tenth Amendment and in the eighteenth clause of the second section of the first article of the Constitution. By the express reservation of the Tenth Amendment, each and every State is, in his opinion, self-governing as to its own inhabitants, and is an absolute sovereignty in every matter in which it is not, by the Constitution, under the Federal Government at Washington. That Government has sovereignty only in the matters which the people of the several States have committed to it, he thinks. By the eighteenth clause, just alluded to, the Constitution has defined the "implied powers" of Congress as of a three-fold character, one negative and two affirmative. An implied power can not be one prohibited to Congress by the Constitution. It must be one plainly adapted to execute the specific power. It must be one necessary, as well as appropriate.

Mr. Belmont is not a partisan of either a strict or a liberal construction, but he contends for a just interpretation of the delegated and implied powers. He denies, for example, that out of the specific power to levy taxes can be derived an implied power in Congress to benefit and encourage classes of the people and exploit social problems. He denies that under the specific power to "borrow money" or "to coin money and
regulate the value," or "to raise and support armies," Congress can set up a paper dollar standard of value in place of a standard of silver or gold, or make a greenback evidence of governmental debt, a legal debt in antecedent private transactions. Nor under a specific power to regulate foreign and interstate commerce can Congress, he believes, come into a State to control its trade, business, buying, selling and transporting, that are purely local. The comprehensiveness and tenacity of Mr. Belmont's conviction, as a State's rights Democrat, are pronounced.

Mr. Belmont had just finished reading Mr. Bryan's article in the "North American Review" of the current month. "It leaves," he said, "the reader in doubt which currency plan it is that he announces or intends to advocate. He labels his paper, 'Bimetallism.' He puts it in antagonism to the 'gold standard,' but does not define it, and he arraigns the Republican platform for deception in that it professes to desire and seek 'international bimetallism.' No one can be certain whether Mr. Bryan solicits or repels European co-operation in his bimetallism. Perhaps he will say that he only seeks the opening of our own mints to both metals at the ratio of 16 to 1, and does not consider the possible or probable co-operation of any other nation."

To a question as to the suggestions Mr. Belmont was reported as having made for the reorganization of the Democratic party he replied that he had not made such suggestions. "It is too early," he said, "to begin the work of actual reorganization of the Democratic party. The fires and passions of the recent campaign have not burned out, and, besides, there is no general election near at hand. The election of a new House of Representatives at Washington is two years off. A new Governor of New York will not be chosen till 1898, or a President of the United States till 1900. A municipal election in New York city, and the affairs of Greater New York, are nearer at hand, but, although important, they will not directly concern voters in Suffolk county, and in other counties of the State. And besides, as another reason for not now agitating political issues and Democratic reorganization, the country needs a long respite from political turmoil, in order that its industries and business may recuperate. It is a pity that the meeting of our State Legislature can not be postponed for a year. Were it not for providing for possible revenue deficit, either by reducing expenditures, or laying more taxes 'for revenue only,' it would be a boon to commerce and business if Congress did not assemble at all during the next year. Our manufactures, trade and commerce can successfully adapt themselves to almost anything if they can be certain that existing laws will not be suddenly modified. The impossibility of new legislation might bring such prosperity that even the threatened annual deficit would disappear. There would re-
main, to be sure, the possible peril of another European scramble for gold to fill war chests, or for something else, and of the use of our floating greenbacks to siphon out our Treasury gold reserve. The contest between Spaniards in the Island of Cuba, now local, may overthrow the existing Ministry at Madrid, and precipitate a revolution in Spain, the end of which no one can now foresee. Of course, in our own country, the victorious Republicans must some time enter upon currency and banking reform, and must cure our financial disorder perpetuated by the existing debris of their own legislation during the War of Secession, but they need not immediately make such radical change as will again upset business."

RENEWED BUSINESS DEPRESSION.

"Then I infer, Mr. Belmont, that you now have more reason to fear the forces of disorder in the McKinley ranks, than you do in the Democratic ranks."

"I do, very much," he answered. "Within a few days, I have heard a well-known English bimetallist predict that to the Congress of the last half of his term McKinley will recommend free silver coinage on the ratio of 16 to 1. His theory seemed to be that McKinley is an international bimetallist who will come to the conclusion that our independent free coinage of both metals is the route by which to compel a European concert with the United States on coinage."

"There need be no fears of a recrudescence of the propositions in the Chicago platform against which you turned your back?"

"Not if industrial prosperity should speedily come, and remains with us," was the reply.

"Will not the more than six and a third millions, who, in the nation, and the nearly five and a half hundred thousand who, in the State of New York, voted for Bryan, persist?"

Mr. Belmont replied that he did not believe the Democrats of New York, Queens and Suffolk counties, who voted for Mr. Bryan, will here-after countenance the Populist features of the Chicago platform.

POPULISM IN THE CHICAGO PLATFORM.

"To which features do you especially refer as the worst?"

"When I arrived at Chicago as a delegate to the Convention, I was sorry to see the large following the ideas of Mr. Altgeld and Mr. Debs seemed to have, and later on by the preposterous propositions put in the platform by their inspiration and insistence. Probably a majority of the Convention did not all realize their full import, or the interpretation the country would fasten on the references to the Chicago riots, the
conduct of the Federal magistrates and of the Federal Executive who interposed to aid in executing judicial writs. That Altgeld-Debs plank came in the end, and it seems to me to be the most serious phase of the battle, for it presented the question whether or not there is a constitutional power residing at Washington, and capable of enforcing the National laws in a city whose Mayor and whose police power are either aiding or are on the side of those violently resisting the execution of a National statute, and when the Governor of the State does not ask the aid of the President. It is akin to the question decided by the War of Secession, which was whether or not a State could revoke at will its consent to join and remain in the Union, and obey its laws. I think the Democracy will not tolerate the proposition that if a mob in this city should obstruct wagons in Broadway carrying the mails from the Post-Office to the Grand Central Station, if the city officials of all grades sympathize more or less with the ring-leaders of the mob, and if the mails can not by reason of the mob be conveyed through the city, that the Federal judges have not, and ought not to have, power to issue a writ to the marshal commanding him to enjoin the leaders of the mob from further resistance to a law of Congress. Nor do I think the New York Democracy will say, when the marshal can not execute the writ of the Federal judges because the bystanders are hostile, that he can not call on the Federal soldiery to aid as a posse, and that the President can not put soldiery within the area of the jurisdiction of the court and the marshal to be used as a posse under the marshal's orders.

"It is the same with merchandise to be transported through New York from Boston to Philadelphia. If the Populists insist on regulating by Congress interstate commerce carried on by railways, the Populists ought to concede the power and right of the judicial and executive power to control a mob endeavoring, in any State, to stop or obstruct that interstate commerce."

**BETTER BANKING FACILITIES.**

"Are there any other planks of the Chicago platform which you think the New York Democrats who voted for Mr. Bryan will not consent to uphold?"

"Yes, there are," Mr. Belmont quickly replied. "I think the New York Democracy will not deny power to New York State banks to issue notes to circulate as money, and will not insist that the Treasury Department at Washington shall have exclusive authority to emit paper currency. Greenbacks and bank notes and bank checks are currency, but they are neither of them 'money' in the sense of the Constitution. Democratic doctrine is that the 'money' Congress can authorize is that coined from
silver and gold. The Supreme Court of the United States decided sixty years ago that Kentucky could incorporate a bank with power to issue notes circulating as money, and that the notes thus issued by State authority were not the 'bills of credit' forbidden by the Federal Constitution to a State. The power was vigorously denied at the time by President Jackson's political enemies and as vigorously vindicated by his friends. In the zeal of opposition to the existing National banking system, the Chicago Convention ran afoul of the Federal Constitution as interpreted by a Supreme Court then in the hands of a Democratic majority, led by Chief Justice Taney. It is quite true, as the Chicago platform declared, that 'Congress alone has the power to coin and issue money.' The Constitution recognizes only gold and silver as possible legal-tender money. Only a coined dollar can be a constitutional standard of value, but it is not true that the Constitution has forbidden, or the Democracy has denounced, the voluntary circulation of bank notes as supplementary to coined money, and even redeemable in it on demand; or that because a creditor should always be able to demand and insist on coined dollars as legal tender in payment of a debt he ought not to be able to accept bank notes where he prefers them. Perhaps it was the need of capable banks of issue and discount in the South and West which chiefly produced and is now producing the agrarian discontent of the kind that culminated at Chicago."

**TAXATION FOR REVENUE ONLY.**

To the inquiry regarding the tariff plank of the Chicago Convention, Mr. Belmont replied: "It was in harmony with the annual platforms of New York Democratic Conventions since the enactment of the McKinley Law, and with the Syracuse and Indianapolis platforms, so that on one great National question all Democratic opinions are now united. 'Taxation for revenue only' is a rule which, if faithfully applied by Congress, will destroy a multitude of prevalent and dangerous 'fads,' such as the Constitution permits Congress to correct by the taxing power, inequalities in the pecuniary conditions of individuals, and redistribute property by a graduated income tax with a huge exemption, and by death taxes not solely for revenue. It will destroy taxes like the ten per cent. tax enacted in 1866 and yet unrepealed on the amount of notes a State bank used for circulation and paid out. That tax was not for revenue, but was enacted to 'protect' National banks and destroy State banks, which, under the Constitution, the States had power to create for providing currency. It is difficult to see how that tax can stand under the recent Supreme Court income tax decision. It is a direct tax on the instrumentality of a State
and on a franchise granted by it. Mr. Justice Nelson of New York
and Mr. Justice Davis of Illinois made that perfectly clear in their Dem-
ocatic opinions of dissent from the opinion of the majority. The judg-
ment against the Veazie Bank was entered in 1870, and had it been
against the tax there are many who now believe the silver question would
never have assumed the form and urgency it did assume twenty-six years
afterward.

"We are just now hearing much of monopolies for the sole making and
selling of articles, and of combinations to restrain and injure lawful
trade, and to raise prices higher than they would otherwise be. If such
things, either done or attempted, in any State of our Union, do not inflict
injuries outside of that State, then Congress has not, and should not
have, power over them. Each State must deal with them. But if the
monopolies or combinations restrain trade or commerce among the States,
or of our citizens with foreigners, as did the McKinley Tariff Law, then
Congress ought to deal very sharply with those who thus attempt to
restrain and injure the lawful trade of others and put up prices beyond
what is imperatively necessary, in order to get revenue for the public
Treasury."

"Do you believe that the Democracy now so dissevered on the silver
question can be again united?"

"I am confident the groups into which the New York Democracy has
been split by the Chicago Convention can, when the time is ripe for
concerted effort, be reunitet. A large portion of the utterances at Chicago
on the silver question seemed to me unwise and certain to be in every
way disastrous, but yet they did not alarm me as much as that denial
of National power to execute Federal laws which Mr. Altgeld put so
successfully into the platform. The Federal Union can survive under
silver monometallism, or even under a paper standard of value, but
can not long live if the judicial and executive power can not enforce con-
stitutional laws enacted by Congress.

"I did not think while in attendance on the Convention at Chicago,
and do not now think, that the majority saw the illogical character of
their declarations regarding silver. For example: The coinage plank
began by affirming unalterable opposition to 'monometallism,' which,
of course, included silver monometallism, and by affirming the obviously
legal truth that the Constitution 'names silver and gold together as the
money metals of the United States.' But, in the next paragraph, the
platform demanded what, under popular debate, soon came to be seen
by the country as silver monometallism.

"I thought at Chicago that the larger part of the majority of the
Convention probably wished and intended free bimetallic coinage, on an
international ratio, lifting silver up to a market bullion parity with gold. We all of us know more of coinage, the laws of money, and the scientific aspect of both, than we did six months ago. Possibly some members of the majority thought that even if we had silver monometallism it would only be for a brief period and that free bimetallic coinage by the United States would constrain England to open her mints to both metals, and then France and Germany would do likewise, and the international bimetallism (which the Republican platform had professed to seek) would be achieved. The fifty-three cents argument, and its effect on wage-earners, were probably not clearly foreseen by all the delegates at Chicago, nor did all the majority discern how powerfully the silver plank would appeal to the fears of the country without raising any compensating hopes whatever. Nor did the majority anticipate the fright which came of the platform denial of freedom of contract to promise gold dollars if one wished to do so and especially if thereby a lower rate of interest could be secured. A good many of the majority may have aimed at a 'monometallism' which the platform condemned, but not all.

"A majority, if it aimed at international bimetallism, did not, I think, sufficiently realize that even if Europe came to an assent to the bimetallic theory, the ratio would be the critical point. The ratio of coinage in France, the Latin Union, Netherlands, Russia and Spain has been fifteen and one-half. In British India it has been fifteen, and in Great Britain fourteen and twenty-nine one-hundredths. The first five governments are not likely, should they adopt international bimetallism, to change to sixteen; that if we began and persisted in coining on that ratio we must abandon hope of European concert; that if we had free coinage on sixteen, but Europe on fifteen and one-half, silver would leave us as it did after 1834, and we be left with only subsidiary silver, coined as under the old law of 1853, and no bimetallism at all.

"I also think the majority did not realize how prejudicial to international bimetallism would be a great popular and National debate over the silver plank of the platform — prejudicial by inspiring popular belief that even international bimetallism is advocated in order to reduce the purchasing power of gold, injure creditors, and scale down the income of wage-earners, although by a greatly less percentage than would the fifty-cent dollar. Whether international bimetallism, or National bimetallism, or silver monometallism, was Mr. Bryan's goal, I know not. I could not by his speeches during the campaign discover which was his ultimate aim. Confusion in regard to the meaning, description and definition of 'bimetallism' was general six months ago. Here, for example," said Mr. Belmont, taking from the table Senator Sherman's "Autobiography,"
"on page 1190 of the second volume, is what Mr. Sherman reports himself as having said three years ago:

"'We are all bimetallists. But there are many kinds of bimetallists.'

"Mr. Sherman then goes on to describe the kind he is, and says:

"'The two metals, as metals, never have been, are not now, and never can be, kept at par with each other for any considerable time at any fixed ratio. This necessarily imposes upon the Government the duty of buying the cheaper metal and coining it into money. If the bullion falls in price the Government must make good; if it rises in value the Government gains. That is the kind of bimetallism I believe in.'

"If Mr. Sherman took that in 1893 as 'bimetallism,' how can one wonder over the confusion when the Convention met?"

"Is that using as money both the silver and the gold out of which alone, as you say, the money of the Constitution — legal-tender money — can be made?"

"Certainly not," replied Mr. Belmont. "It is the plan begun in 1853 with minor silver, extended in 1878 by the Allison Law, again extended in 1890 by the Sherman Law, so as to embrace full legal-tender silver coin. Both of the two last-named enactments were Republican in inception, and not Democratic. Government purchasing of silver, coining and selling the coins at a price greater than the cost of fabrication, do not constitute bimetallism, the essence of which is bimetallic coinage, on a fixed ratio, open and free for every one bringing the metals to the mint. In bimetallism, the Government does not buy either metal, or coin for itself. It only coins what others may bring. Mr. Sherman's bimetallism fell with the repeal in 1893 of his law, and also of the earlier one of Mr. Allison's.

"Under the true bimetallic theory silver coins, when melted, will not lose value, any more than gold coins. Under true bimetallism our silver coins would have as much purchasing power abroad as at home. Did the Chicago platform and Mr. Bryan during his campaign intend that? No 'enlarged use' of silver as money, no quantity of coinage on the Sherman plan, can achieve, or be, bimetallism, and for the reason that neither can lift silver out of the category of price, and of commodities, as gold is now lifted by free coinage. Nobody asks the price of an ounce of gold, as we do daily of silver. There can not be bimetallism unless both metals are, by free coinage, on a fixed ratio, joined into one mass of possible money. It is not enough that the ratio be merely National; it must be international. That is the bimetallic theory! That is, as I understand, what the New York Democracy urged up to the meeting of the Chicago Convention. It is the theory that all the twelve members of the British
Gold and Silver Commission recognized, but only six advised Great Britain to join other governments in putting it in execution. Bimetallism can not exist without the consent of the nations, any more than can exist international law, or mutual extradition, or general arbitration, or postal arrangements between foreign countries. Whether or not bimetallism can be had by us is, therefore, a question of fact, and of foreign consent. How is a party issue to be formulated on that? When Great Britain and Europe shall inform us that they consent, I am sure the New York Democracy will give the information very friendly consideration, but, meanwhile, will say that arrogant dictation to us by British bimetallists is as unwelcome as that by British gold monometallists.

"Silver monometallism is out of the question! Under existing laws, our condition as to gold and silver coins would be precisely the English condition — gold coins our only full legal coins, but silver coins subsidiary in every way, and only coined by the Treasury with Government purchased silver — were it not for the over four hundred millions of legal-tender silver dollars coined under the Allison Law of 1878 and the Sherman Law of 1890. Silver purchasing for coinage under those enactments was stopped by the law of 1893; but neither Mr. Hanna nor the Republican leaders have yet promised not to revive it again as a sop to silver mine-owners by buying all their product. The last Republican National Convention pledged a Republican President and Congress to exert unceasingly every effort for international bimetallism. If the Chicago Convention intended the same bimetallism, then there is no difference, or issue, between them respecting coinage. Should those now representing the Chicago platform contend that free coinage by us alone, on a ratio of sixteen, will promote international bimetallism, and the McKinley administration and Congress shall deny it, then will rise an issue, but it will be only one of method. Indeed, it will be one of fact, because the inquiry will be whether or not Great Britain will open her mints to gold and silver alike, on a ratio of sixteen, if the United States shall begin. Bimetallism by us alone will be silver monometallism so long as we are alone, and that the voters won't tolerate."

"But if all who voted for Mr. McKinley and all those who voted for Mr. Bryan on November 3d are running now for international bimetallism as the goal, how is there to be a prevailing coinage issue on which the two great parties are to divide?"

"Silver monometallism is, as all agree, out of the question.

"Why, under those circumstances, shall not New York Democrats reunite? The truth is that, excepting bimetallism, which was not a
novelty in 1896, the new Populism in the Chicago platform is old Republicanism, for which Democrats have only hostility.

THE NEW POPULISM IS OLD REPUBLICANISM.

"Mr. Altgeld's theories, greenback currency, an income tax, packing the Supreme Court, and making legal tender out of something else than the coined standard of value, as formulated in the Chicago platform, are all Republican inventions. Take them up, one by one, and look at them!"

"1. Forty-five years ago the President authorized the use in Boston of the army to aid the judicial power in executing the laws of Congress precisely as President Cleveland authorized the use in Chicago. The published documents of the Thirty-first Congress show it. Fillmore was President. Everett was Secretary of State, Conrad was Secretary of War, Crittenden was Attorney-General. The budding Republican party, in the form then of the free soil leaders, criticised that use, but the Senate Judiciary Committee said, on March 3, 1851, the law of 1837 had empowered the President to permit the army to be used as a posse comitatus. The next administration followed in Boston the same precedent. Marcy was the Secretary of State, Jefferson Davis was Secretary of War. Cushing was Attorney-General. The Republicans condemned that use, as later on they did the use of the army to enforce the laws of Congress in Kansas. Our Southern fellow Democrats will find in the Congressional publications of 1855 or 1856 a very learned exposition by one of their former leaders, Secretary of War Jefferson Davis, vindicating the right of the President to thus use the National soldiery.

"2. The making of the greenback dollar a legal tender for antecedent debts was a Republican invention in 1862, and was resisted by the Democratic force in Congress. That legal-tender greenback has been for the United States a costly invention. Mr. Horace White has estimated that it increased by $870,000,000 the price for taxpayers of what the Government purchased during the Civil War. It initiated fiat money. It taught the trick of the fiat legal-tender dollar of the Bland-Allison Law of 1878, and of the Sherman Law of 1890. It was the cause of the cruel panic of 1893. By Mr. Sherman's influence the greenback was not paid and exterminated in 1879. The greenback 'endless chain' compelled the bond syndicate transactions which did so much to increase the Populist vote last November. It has made possible the pending debate whether or not the $128,000,000 in the Treasury are a surplus derived from income or are the result of bond selling.

"3. An unapportioned income tax was a Republican invention. From Jackson to Lincoln, an internal revenue tax was unknown. The Dem-
ocratic National platform of 1884 said 'the system of direct taxation, known as 'the internal revenue' 'is a war tax,' the proceeds of which should go to pay pensions, but that from the foundation of the Government, taxes collected at the custom-house have been the chief source of Federal revenue. Such they must continue to be.'

"4. Every one knows the Grant administration selected and commissioned two new Supreme Court judges and then moved a reargument before them of the greenback legal-tender controversy which had been, under the lead of Chief Justice Chase, decided against the Republican contention.

"5. When the new Populism of the Chicago Convention demanded that all paper currency be 'issued directly by the Treasury Department, and receivable for all debts, public and private;' it listened to old Republicanism.

"I do not expect," added Mr. Belmont, "when the time has arrived for the New York Democracy to take up the matter, that any of that new Populism and old Republicanism will be commended."

THE POPULAR VOTE OF 1896.

To the inquiry how the popular vote of over six million three hundred thousand for Mr. Bryan, which is within six hundred thousand or seven hundred thousand as many as McKinley had, and of over five hundred and forty thousand for Mr. Bryan in New York, are to be explained, Mr. Belmont replied:

"The vote in 1892 for the Populist, Mr. Weaver, was one million, forty-one thousand and twenty-eight. He had in 1892, by Democratic aid, twenty-two electoral votes in Colorado, Idaho, Kansas, Nevada, North Dakota and Oregon, in each of which the Democrats had not an electoral ticket. Assume a largely increased Populist vote in 1896 by Republican defection west of the Mississippi river, and the two hundred and eighty thousand for Bryan in the five silver mining camp States against fifty-three thousand one hundred and thirty-three for McKinley are accounted for, as well as the six thousand plurality of Bryan over McKinley in combined Washington, Oregon and California. Perhaps the Republican Democratic defection to McKinley was as large as the whole Populist vote, with its accession from Republicans. I know not the causes of Bryan's great vote outside of New York, in the face of the Populism in the Chicago platform, but I think that in this State it came largely from the Democratic name, associations, comradeship, regularity. I know well enough, by my own recent experience, how painful are the wrenching and detachment from party regularity, even during the little period of
five months. Whether ten or eighteen hundred thousand Democrats voted for McKinley, I do not think they will be long in Republican traces, unless McKinleyism shall, under Mr. Hanna, be born again, nor do I think the New York Democracy will reaffirm the Populism of the Chicago platform.

"The voters have, since 1892, seen much in Washington to discontent them. To execute the currency laws put on the statute book by Republicans would have imperiled any President. The greenback debt has, under those laws, been redeemed, but not paid. Under the 'endless chain' the Treasury was compelled, in order to get redeeming gold, to call on outsiders for help. European governments have banks to redeem in gold the paper credit currency. It could not have been intended twenty years ago by Congress that the power to sell bonds, dangerous in the uncontrolled hand of any Secretary of the Treasury, should endure till to-day. The intention in 1875 must have been to pay and cancel all the greenbacks in 1879, or soon thereafter."

**COMMISSIONS OF BUSINESS MEN.**

"What do you say to the suggestion to put tariff reform and currency reform in the hands of separate commissions of competent business men?"

"Great good ought to come of it if the boundaries of the jurisdiction of the commissions shall be limited. The plan would postpone legislative tampering and give to business needed respite and rest from politics. The tariff is a mixed affair of law and fact. Taxes can not constitutionally be laid excepting to put money in the Treasury. They can not lawfully be laid for any other economic purpose, or to exploit social problems. As to currency, legal-tender greenbacks are forbidden by the Constitution, and so are taxes to destroy State banks. Those limitations must be preserved.

"Postpone awhile politics and political legislation! The future can thus be Democratic. After the Greeley fiasco in 1872 came the Tilden victory in 1876. McKinley, Sherman and Reed gave the Democracy the victory in 1890 and 1892. They can, if let alone, be implicitly relied upon to repeat the achievement in 1898 or 1900."
GOVERNMENT BY THE SENATE.

THE CUBAN STRUGGLE.

(New York Herald, December 23, 1896.)

To the Editor of the Herald:

The action of the Senate Foreign Relations Committee in reporting favorably the Cameron resolution should not be conclusive even upon the Senate, and I do not believe that any one who realizes the meaning of the words used in the resolution will advocate it. Those in the Senate or in the House who may vote for it and urge its enactment into a law will be unacquainted with the significance of its language in public law and international intercourse. The two sections of the resolution are illogical and inconsistent with one another. The first acknowledges the independence of the Republic of Cuba, but the second by its proposal to persuade Spain to cease the war waged to retain its colony, recognizes the fact that Cuba is not now independent. In the present case "acknowledgment" is intended as recognition of the independence of Cuba in the sense of public law and diplomacy. That Cuba is to-day independent of Spain we all know is untrue as a fact. Why should the Senate affirm that which is false? The recognition of the independence of a new State has a distinct meaning in the law of nations. The rules of international law, which bind all nations, have a peculiar significance to us. The Government of the United States has always been foremost in establishing and formulating the principles of international law. American writers and authorities, such as Wheaton and Dana, are held in the highest respect. The record and history of our State Department are characterized by the same civilizing influence. But the Senate, although part of the treaty-making power, is, as at present constituted, untrue to its own honorable traditions. Not long ago Mr. Harrison said with reference to the Senators from the new States, that it was not so much the free coinage of silver as what he called "the free coinage of Senators" the country had to fear. A few of the Senators from the new States may not be open to such criticism, but some of them are.
WHAT RECOGNITION MEANS.

What is the recognition of the independence of a new State? It can not be a mere act of courtesy, comity, good-will, sympathy. The independent existence must be a fact. If the new State is born of rebellion from a parent State, the independence must, in the opinion of the recognizing State, have been accomplished. Each recognizing State decides for itself the requirements of National existence, and whether the claimant possesses the requirements. Cuba may be to-day an inchoate State, a belligerent State, but no one can truthfully affirm that Cuba is an independent State. The United States could not to-day make a treaty with Cuba, or send a Minister to Cuba, unless intending to create an independence in Cuba not now existing. It is incredible, or, rather, it ought to be incredible, that the Senate intends, by indirection, to bring about a war with Spain. Shall we remain silent about the action of a Senatorial clique, which, on account of partisanship or mere opposition to the Executive, would place your Government, Mr. Editor, my Government, the Government of our pride and affection, in so false and untenable a position? France pursued in 1778 a more creditable course than some of the Senators would have us adopt, when the French Government made the treaty with the United States for which England declared war against France. In that treaty all the branches of the French Government were united, but now our Executive and one branch of Congress are assumed to be at variance with the Senate. In a few weeks the Republican President and House, recently chosen, will be in power. Why not await March 4th in a question so critical?

What can be the explanation of this extraordinary conduct of a majority of the Senate Foreign Relations Committee? The case with which a mere sensational resolution can be introduced in order to stir up excitement and bring its author into prominence explains the great success in that line of the Cameron resolution. I have referred to certain Senators from the new States. It is fortunate for one of the oldest and greatest of States that Senator Cameron's term ends on March 4th, whatever may be his personal popularity among his colleagues. The Foreign Relations Committee has not the standing that it should have, or that it used to have, as a conservative body. To-day, as well as during all my experience in Congress, the House Foreign Affairs Committee and the House itself have been called upon to check the youthful impetuosity of certain Senators. The Congressional Record shows that in the matter of the Fisheries, the Nicaragua canal, and the Congo Conference such was the case, and at this moment the country is again de-
pending upon the House of Representatives to apply to the action of the Senate what good sense and conservatism it may possess. Cubans are by race Spanish, and the insults so often and so thoughtlessly heaped upon the Spanish people are insults to Cubans themselves, which every one who sympathizes, as I do, with the legitimate aspirations of Cuba must condemn. Let none of the warlike gentlemen in the Senate assume that criticism of them comes from those who favor Spain or who would not be ready to support their country in time of war. Our naval and military history abundantly proves upon whom the country relies at such times. It is always difficult to measure words with those whose acts we believe to be hostile to the country's interests and to the people's welfare, but in great emergencies it is a duty to say what we think of them.

SENATORIAL USURPATION.

The just indignation against the Senate has existed for some time and has found vent in suggestions that the election of Senators be direct by the people. Whatever may be thought of that plan, if the Senate is to continue to usurp powers belonging to the House and to the Executive, the country certainly owes it to itself to bring about a change in the character and qualifications of United States Senators. Circumstances have, in recent years, given the Senate powers never contemplated by the Constitution, and mainly because the House of Representatives has greatly restricted itself by its own rules upon legislation and debate. Owing to the unwieldy mass of the business brought before it, it has surrendered to the Senate, which is a smaller and less restricted body, the practical initiation of almost all important measures. The increase of power has tempted certain Senators to encroach upon the executive functions of the Government. The country has recently been a witness to various such attempts. It is time to point out the danger and to relegate to their proper spheres, under the Constitution, the executive and legislative branches of the Federal Government.

There are, fortunately, able patriotic Senators, who have given proof both in and out of the Senate, that the country can count upon them to assist in this work. The group, or clique about which there is so much complaint has not confined its activities to Washington. The Silverite and Populistic Senators endeavored to control both political conventions this year, and at Chicago they succeeded in engrafting upon the Democratic party Populistic candidates and principles. As a Democrat, I would be sorry to see the same forces arrayed against each other in the campaign continue, to be opposed upon all questions affecting the peace and prosperity of the country.

PERRY BELMONT.


THE SITUATION.

PREVIOUS TO THE REPUBLICAN ADMINISTRATION.

(New York Herald, Interview, January 1, 1897.)

Mr. Perry Belmont said yesterday that under the conditions last autumn the majority of the voters freely gave Mr. McKinley a blank to be filled as he saw fit.

"He has begun to fill it," continued Mr. Belmont. "An extra session of Congress and a new tariff promoting trusts and monopolies are indicated. Apparently no effort to reform the currency and establish capable banks is intended. Another endeavor to persuade the British, French and German Governments to consent to international bimetallism is also indicated.

"That last indication is well enough, for no other reason than that, as to silver, it puts the friends of the President elect and Mr. Bryan almost upon the same platform. It will also enable European bimetallists, who have lately given us so much advice, to show how much they can do by way of persuading their own governments to adopt the bimetallic theory and a universal coining ratio. If our existing industrial depression, not yet alleviated by Mr. McKinley’s victory, except so far as beating back the wild fanatics led by Altgeld and Debs, has been caused by Congress, then the laws and practices invented by Republican leaders have created it.

"The McKinley tariff caused a deficiency under the Harrison administration. The Republicans are responsible for unpaid and unexterminated greenbacks, bond selling to buy gold in order to perpetually redeem unpaid greenbacks, and for creating in 1890 more greenbacks. Republican legislative devices caused the panic of 1892 and 1893.

"If by reason of industrial depression thus caused there is now a temporary deficit there are a dozen expedient ways of getting more revenue without upturning the present tariff and begetting more monopolies and trusts. Some National banks have failed because of an incapable system and an incompetent management by directors, supervision at
Washington being also inadequate. New York State banks, State trust companies and State savings banks show no such defects. The Republicans have a majority in the Senate Foreign Relations Committee, but the Cameron Cuban resolution was adopted.

"The blank so freely given them by the voters is not being filled by the Republican leaders in an encouraging manner."

**STAMP TAXES FOR REVENUE.**

(New York Herald, January 4, 1897.)

I asked Mr. Perry Belmont yesterday, in regard to Mr. Croker's interview in the Herald, about his plan to increase the Federal revenue by laying a stamp tax on bank checks.

He said he had heard Mr. Croker, before going South, advocate that form of tax in the present condition of our revenues. Probably Mr. Croker did not think it credible that the next Congress will forego its purpose to promote monopolies and trusts by its increasing protective tariff taxes.

"Stamp taxes 'for revenue only,' every dollar of which will go into the Treasury, and which will not breed monopolies and disturb business," said Mr. Belmont, "can be speedily enacted if the McKinley leaders shall so please, but we can hardly expect that of them. Rather than bring back a McKinley tariff, the country had better restore all the internal stamp taxes of 1864 — not only those on bank checks, but those on deeds of conveyance of land, on receipts and on various articles to which a stamp like a postage stamp can be attached."
SPEECH AT A JACKSON DAY DINNER, BY THE BUSINESS MEN'S DEMOCRATIC ASSOCIATION, AT THE HOTEL SAVOY, NEW YORK, JANUARY 8, 1897.

(Report published in the New York Herald, January 9, 1897.)

The anniversary of the battle of New Orleans — Jackson's Day — was celebrated last evening by the Business Men's Democratic Association of New York, at the Hotel Savoy, with good cheer and eloquence. A mammoth portrait of Old Hickory, surrounded with flags, was placed at the end of the beautiful banquet hall.


Former Comptroller Theodore W. Myers presided and introduced the speakers of the evening. The principal speech of the evening was made by former Congressman Perry Belmont. * * *

Mr. Belmont said:

The War of 1812 was a Democratic war. It was a defensive war and a just war. The victory of New Orleans which we have met to celebrate was achieved by the genius, valor and indomitable energy of a Democrat, who was subsequently as illustrious as a leader, during eight years, in executive and legislative affairs in time of peace, as he had been in command of one of the armies of the United States in time of war.

The diplomacy of Washington, John Adams, Jefferson, Madison and Monroe had been unable to exempt our vessels on the high seas from
an exercise by British cruisers of a claim to visit and search, to take away seamen from under our flag. The preposterous claim to the service of the individual, on account of indelible or perpetual allegiance, was made as a rising under English Municipal Law, but its validity was not the real issue. It was the place of enforcement that constituted the outrage. To put an end to that outrage and repel British pretensions to alter the law of nations by "orders in Council" which in their execution destroyed our innocent neutral commerce, the War of 1812 was declared.

All publicists now concede that the conduct of England against our neutral commerce was condemned by the Law of Nations.

The most complete treatise on International Law that England has produced is that written and published a quarter of a century ago by Phillimore. In it he denounces unsparingly the policy of England toward the United States during the Napoleonic wars, and approves of what our Government did as "worthy of the country which has contributed such valuable materials to the edifice of international law."

A CANADIAN INVASION.

The War of 1812 was not brilliant by land till Jackson closed it at New Orleans in a blaze of glory, but our little navy won imperishable renown. Thousands of our countrymen on sea and land have been stirred to deeds of heroic grandeur by the last words of Captain Lawrence, uttered with his dying breath, as he fell mortally wounded on the deck of the Chesapeake;

"Don't give up the ship! Fight her till she sinks."

An invasion of Canada was an early feature in the Government's plan, but on the lakes we had not in 1813 free for use a vessel of war of any kind, but in February of that year there appeared on the shores of Lake Erie a young naval officer, twenty-eight years of age from Rhode Island. He ordered and superintended the construction of five small vessels, cutting down therefor the trees of the forest, with which vessels he released from the enemy's control as many more, and then with the ten he sailed out on the 10th of the following September to meet the British fleet carrying many more guns than his own. Within a few hours he was able to send this laconic message to the General commanding the Department of the Northwest:

"Dear General.—We have met the enemy and they are ours: two ships, two brigs, one schooner and one sloop." I have not time to allude to the equally glorious conduct on the ocean of Decatur, Porter, McDonough, Hull, Banbridge and John Rodgers.
But the fortunes of the War of 1812 were on the whole against us. The defeat of Napoleon and his removal to Elba had released British ships and the Wellington veterans for use by our enemy on our Southern coast. Washington had been occupied and some of its public buildings burned. News came to President Madison that a large expeditionary force was being organized by England against Florida and Louisiana. The despair in Washington was so intense that the Secretary of State, Mr. Monroe, authorized our negotiators at Ghent "to agree to the status quo ante bellum as the basis of negotiation." There was not to be insistence either on treaty indemnity for the past, or security for the future.

The battle of New Orleans was fought after the treaty of peace had, in the depths of such despair, been signed on December 24, 1815, and when the British negotiators had reason to think New Orleans and the mouth of the Mississippi were in British possession.

They were not! Andrew Jackson, and the militiamen of Louisiana, Tennessee and Kentucky were there.

**JACKSON'S CIVIL CAREER.**

In November had been assembled in the West Indies, and there had sailed for the attack upon New Orleans, fifty British war ships of the line having on board twenty thousand men hardened to war. There was the deepest anxiety at Washington and everywhere in our country. Nearly a month was then required to convey news by land from New Orleans at Washington. Many calm men believed, as did Madison and Monroe, that the sovereignty and independence of the nation were almost at stake. When the treaty arrived from Ghent on the 13th of February, it was found to be utterly silent regarding the outrages for which the war had been declared. England would not yield the exercise of the claim to arrest our vessels on the ocean and take therefrom our seamen. But what our negotiators, John Quincy Adams, Bayard, Clay and Gallatin could not accomplish at Ghent on the day before Christmas 1814, Andrew Jackson achieved at New Orleans fifteen days later. After the killing in one engagement of quite one-third of the Wellington veterans that led the assault on the raw Southern and Western militiamen, white and black, who were inspired to be heroes by the genius, unflinching courage and patriotism of Andrew Jackson, England never again took our seamen from under our flag or impressed them into her service.

The toast and sentiment to which you have invited me to respond refers to the military side of Jackson's great career as does the event we
have met to celebrate; but the other side, the civilian side, presents considerations which have a direct bearing on political issues now confronting us.

President Jackson condemned the incorporation by Congress of a National bank because such a corporation was not “necessary” and “appropriate” for the exercise of any power vested by the Constitution in Congress.

He insisted that the word “money” as used in the Constitution meant only money coined of “silver and gold.”

The Jackson Democracy of sixty years ago insisted that the National Government was intended to be a hard-money Government, that the power to “coin money” was a power to coin metallic money and not to make full legal tender of paper money, and that Congress had no power to issue, or to authorize a corporation to issue, full legal-tender paper currency. And yet last Tuesday, Senator Peiffer, who has invented a great part of the Populistic “fads” not known when the Republicans first created full legal-tender greenbacks, declared that the Federal Government requires silver and gold only to provide for the existing interest-bearing public debt, but that all the remaining currency of the whole country should consist of irredeemable paper emitted exclusively by Congress and based only on public credit, and then National banks should be created by Congress and required to loan that currency on a collateral of commodities or real estate, at a rate of interest fixed by Congress.

CURRENCY ISSUE PREDICTED.

He foreshadowed the coining issue to be between the metallic currency of the Jackson Democracy supplemented by the modern device of silver and gold certificates, not a legal tender, on the one hand — and, on the other, a full legal-tender greenback currency as invented by the Republican party and which was for seventeen years irredeemable in silver and gold. The making legal-tender money out of anything else was unknown in his day. Legal-tender paper money was not tolerated by Washington, and the statesmen who made the Constitution what it is.

The creation of monopolies and trusts by tariff taxes would not be tolerated by Andrew Jackson. Against such a condition of public affairs in the State and city of New York as is now foreshadowed by the victorious Republican party, a condition unsatisfactory even to the better portion of these Republicans who voted for McKinley and the Republican State and local tickets, Andrew Jackson would have waged an aggressive
and persistent war. Are not we Democrats who profess fidelity and loyalty to his political faith and teaching to make a fight which they inspire?

In 1894, the last year of a Democratic administration at Albany, our State tax rate was two and eighteen one-hundredths. Under a Republican Governor and Legislature the rate has been as high as three and twenty-four one-hundredths. Our municipal tax rate followed the same upward course. Under Democratic Mayors and Democratic financial administration and responsibility from 1888 to 1895 the tax-rates have been one and ninety-five one-hundredths, one and ninety-seven one-hundredths, one and ninety one-hundredths one and eighty-five one-hundredths, one and eighty-two one-hundredths and one and seventy-nine one hundredths. In 1896, under the present Republican administration, the rate jumped up to two and fourteen one-hundredths. For 1897 it is likely to be higher.

In 1894 the city government's net expenses was $35,000,000. Last year they amounted to $43,000,000. A few days ago the board of estimate and apportionment completed the budget for 1897. The cost to our taxpayers will be more than $46,000,000. Within three years the cost of our city government has increased $10,000,000. This is the result of Republican rule at Albany and at the City Hall.

Let us begin the fight by creating union among Democrats, and in the hope and prospect of a "Greater New York" there will be a field for all our energies.
THE RELATIONS OF THE UNITED STATES WITH SPAIN, AND
THE DUTY OF THE UNITED STATES TOWARD CUBA.

ADDRESS BEFORE THE MASSACHUSETTS REFORM CLUB, BOSTON,

January 22, 1897.

Hon. Perry Belmont, formerly United States Minister to Spain, is
to visit this city on Friday evening by invitation of the Reform Club.
As the guest of honor at the meeting of the club, he will be the principal
speaker, and will take Cuba and Spain as the subject of his address,
making special reference to the American question as well. Mr. Belmont
at one time was Chairman of the Committee on Foreign Relations of the
House of Representatives.

At its meeting in Young’s Hotel last evening, the members of the Mas-
sachusetts Reform Club listened attentively to a very thoughtful address
by the Hon. Perry Belmont, of New York, on “The Relations of the
United States with Spain, and the Duty of the United States toward
Cuba.” Mr. Belmont’s opinions were regarded as of especial value, as
he was at one time Chairman of the Committee on Foreign Relations
in the United States House of Representatives, and later United States
Minister to Spain.

Vice-President Winslow Warren presided, owing to the inability of
President Hale to be present. At the head table, on either side of Vice-
President Warren, were the guests of honor, Hon. Perry Belmont, Prof.
Silas M. McVane, Hon. John E. Russell, Henry B. Thacher, Hon. Wil-
liam B. Rice, Henry W. Lamb, Charles Warren, Hon. Dana Estes, Samuel
Y. Nash, Cassten Browne and Hon. Hersey B. Goodwin. * * *

Mr. Belmont’s speech:

I am deeply sensible of the honor and the favor implied by your kind
invitation to be your guest this evening, but the topic you have set before
me is not one that readily lends itself to after-dinner comment. The subject is too serious and complex. It suggests reserve even to one not in official life.

The Cuban question has, if public rumor can be credited, passed into the realm of active diplomacy between Washington and Madrid, and if the President has tendered his good offices to one or both of the contending parties in order to bring them to a better understanding, and if such mediation is now in active progress, popular interference will certainly be out of place. Especially will that be true if one or both of the belligerents shall have asked his interference.

The expediency of a negotiation of that character is one absolutely in the discretion of the President. He may conduct it at Washington in person, or through the Secretary of State, or he may appoint agents of any diplomatic titular rank and grade to conduct it elsewhere, and without the previous consent of the Senate, or of an authority specially given by Congress. His constitutional power is as absolute therein as it is to negotiate a treaty by any agencies he may please to create and use.

While an executive negotiation is pending and culminating popular interference may be harmful, and not less so may be the unsolicited interference by Congress. Such transactions can not be with safety or advantage frequently pulled out by the roots, as children do their plants in the garden in order to discover if they are growing.

I am not in possession of Government secrets regarding either the deplorable events in Cuba, or the negotiations which may be pending between Washington and Madrid to put an end to them. A few years ago it did happen to be part of my official duty to carefully study the contents of the archives of our Legation at Madrid in relation to the previous insurrection in Cuba, brought to a close nearly a dozen years before, and it seems to me that President Cleveland and Secretary Olney have been pursuing much the same course as was pursued by President Grant and Secretary Fish from March, 1869, to March, 1877.

LESSON FROM PRESENT REVOLT.

The main features, the causes and consequences of the present insurrection in Cuba against medieval colonial tyranny resemble those of the revolt which began over twenty years ago at Yara. It was inspired by the standard of rebellion raised in Madrid by Generals Serrano and Prim against Queen Isabella II, the rebellion which compelled her flight to France, created a new Spanish Constitution promising universal suffrage, under which an hereditary King was to rule, with a Senate and a popular Chamber. It was the search by Spain for a King that excited the jealousy
of Napoleon III, and precipitated the Franco-Prussian War. The power of Spain to set on foot international disturbance is traditional.

In dealing with the previous revolt the Government at Madrid was hampered by the Cuban volunteers and the Casino Español. Relations with the United States were thereby especially complicated and endangered, and by the embargoes and seizures of estates afterward claimed to be owned by persons born in Cuba and residing there, but holding American naturalization papers. The notorious Mora claim is an example. There were also instances of exceptional acts of barbarity such as the shooting of the students by instigation of the volunteers. Apart from these acts, the present revolt has, as I have told, run much the same course as the former one, stirring profoundly the just sensibilities of our whole people, and causing for our Government great anxiety and pecuniary expenditure by the necessity of enforcing neutrality.

President Grant, after the insurrection had lasted seven years, declared in his seventh annual message to Congress that recognition of Cuban independence was impracticable; that a concession of belligerent rights was indefensible as a measure of right, and that mediation and intervention by other nations seemed to be the only alternative to be invoked for the termination of the strife. The archives of Legation, already published, disclose the persistent and unremitting pressure brought to bear to establish order in Cuba exerted on the Spanish Government by our own. The elaborate note from our State Department to our Minister, Mr. Cushing, foreshadowing ulterior measures of a grave character, was sent to our diplomatic agents at all the great European powers, with permission to communicate its contents and sound those governments. The result was afterward given publicity.

Co-operation with President Grant in putting diplomatic pressure on Spain was nowhere definitely promised. One or two powers peremptorily drew back. Perhaps a similar effort is meeting a similar result to-day. But however that may be, I think that, owing to the outcome of the effort from Washington, General Martinez Campos was enabled to establish order in Cuba.

A great part of that interesting diplomatic correspondence was made public, as I have said, in Congressional documents, but I believe that nothing could be more instructive and useful to-day than a republication of the correspondence between the State Department and our Minister in Madrid in 1875 and 1876 on the internal condition of Spain and Cuba, the attitude of Europe toward the efforts of the United States and the political causes which in Spain and in Cuba kept alive the revolt. What our Minister, Mr. Cushing, said of the striking differences between Cuba and Porto Rico is most significant and instructive now.
CLEVELAND'S POLICY APPROVED.

We shall all agree, I think, in the opinion that if President Cleveland and Secretary Olney have reason to hope their good offices promised peace in Cuba on terms honorable and acceptable to both sides, then the Executive was justified in repelling the unsolicited interference of the Senate Foreign Relations Committee, which threatened injury to the pending negotiations. If, however, the exertion by the Executive of his friendly good offices should fail to end the strife, and if the useless destruction of life and property, the cruelties and outrages continue, then forcible intervention may sooner or later be necessary. That decision will be in the exclusive jurisdiction of the law-making power.

Meanwhile, and also after the friendly mediatorial good offices of the President shall have failed—if, unfortunately, they do fail—the distinctive difference between plenary "recognition" of a new nation in Cuba and "intervention" between the warring contestants must be kept in mind. I say "plenary recognition" because there may be a sort of recognition necessary to protect our citizens or their property which will be only incidental, partial and temporary.

The law of "recognition" has now in modern law been defined as clearly as is prize law, and as is easy of application to proven facts. Recognition is a matter of law, but intervention is an affair of politics. Recognition is normal, but intervention is abnormal. Recognition is for executive, but intervention is for the legislative power.

The modern law governing recognition and the relation to it of intervention are largely American in origin and in application. The guiding modern precedents are American, and are not European. New nations born of rebellion have been chiefly American. Our Government, under Monroe, in the case of the Spanish-American States, and under Jackson, in the case of Texas, made what has since become the accepted law of nations. Europe has few, if any, precedents of its own. The record of Monroe's rule of law and right, his relation to Congress in the matter of recognizing in 1822 and 1823 the South American States, and the record of Jackson's cautious conduct in recognizing Texas in 1837, make superfluous a reference to anything Europe may under dissimilar circumstances have done about Greece and Belgium.

NOT JUSTIFIABLE IN LAW.

I do not understand how a lawyer who reads Mr. Dana's note numbered 16, in his edition of Wheaton's International Law, wherein he considers those precedents set by Monroe and Jackson, can insist that the plenary
recognition of Cuba as a new nation is now, under present circumstances, justifiable in law.

Anybody's imagination is equal to the portrayal of what Andrew Jackson would have said, if President, to any foreign government that has served us as the Foreign Relations Committee of the Senate recently voted and reported in regard to Spain.

No course now to be pursued by us toward Spain in the matter of Cuba can be wise if it does not, till superseded by war, be rigidly and steadily held to that policy of neutrality invented, practiced and enforced in the beginning of our National life by Washington, Jefferson and Hamilton. The enforcement by Washington of that neutrality during the war declared by France against England in 1793 is the chief claim to glory and honor presented by the record of his foreign policy during two Presidential terms. The year 1794 exhibited to Europe as distinctly American the first legislative enactment in history, enforcing neutrality as between the warring foreign powers. As afterward perfected in 1818, that enactment now covers the revolt in Cuba. England and other European States imitated it.

We all remember Canning's glowing eulogy of it, and of the United States for inventing, applying and enforcing it. We have never, as a nation, been unfaithful to that great transaction of neutrality. Secretary Marcy enforced the policy against England in the case of Crampton, and the British Consuls, endeavoring, under a special British statute, to recruit soldiers in our territory, and in violation of our sovereignty, for the Crimean War against Russia. He developed it into the right of a nation to remain strictly neutral, and the duty of England during the Crimean War to respect that neutrality as a sovereign right, even in the absence of any statute law of ours enforcing the right. Our Government defended at Geneva against England the converse of the proposition, which was its duty as a neutral to use due diligence to prevent the fitting out of Confederate cruisers, even although England's Municipal Law was inadequate.

The United States have never failed to insist that a neutral must maintain an attitude of absolute impartiality between warring nations as well as between rebels and the legitimate government, and that such impartiality implies impartiality of inaction as well as of action. Help can not be given by a neutral government to either side. The neutrality must be one of absolute good faith. It can not be forcible intervention in disguise. To use Canning's phrase, a neutral must not "sneak" into a war. Until war over Cuba between the United States and Spain should have been declared by Congress, it can not, even by repealing our neu-
trality statute, relieve our country of the consequences of conduct toward Spain inconsistent with neutrality. These are days of arbitration, and from its judgment in pecuniary damages escape may not be easy.

MENACE TO PROPERTY RIGHTS.

Although under the rules regulating the conduct of nations, recognition may be said to be an affair of law, and intervention be said to be an affair of politics, yet there are fairly well-accepted international ethics regarding intervention in the affairs of foreign countries. Secretary Marcy, in a note to our Legation in London, summed up the relation of Cuba to the United States in these words:

"Cuba, whatever may be its political condition, whether a dependency or a sovereign State, is of necessity our neighbor. Intercourse with it is unavoidable. It must be to the United States no cause of annoyance in itself, nor must it be used by others as an instrument of annoyance."

The obvious inference from that argument of the vicinage is that it will be justifiable in Cuba whenever our internal security and our immediate interests shall be compromised by what is there going on. Self-defense and self-preservation will always be good reasons for forcible intervention, and so may the cause of humanity. The Holy Alliance announced the rule that European governments may and should, in the interests of legality, combine to intervene by force in behalf of any European sovereign whose people may be resisting him. The United States denounced such forcible intervention in the affairs of another nation as an open violation of public law. Would the denunciations of our countrymen have been hurled at the Holy Alliance had it interfered in Tuscany and in Greece in behalf of freedom?

Not longer ago than 1861 Great Britain, France and Spain agreed by a treaty to forcibly intervene in the affairs of Mexico in order to obtain payment of Mexican bonds held by subjects of the treaty powers and redress for other alleged injuries. The treaty contemplated an armed occupation of Mexico until it had established a government satisfactory to the allies. It has been estimated that fifty millions worth of property rights owned by our people are now imperiled in Cuba. If the time comes when the forcible protection of that property from needless destruction is the imperative duty of the United States it can not be assumed in face of that record of 1861 that France or England will object. Yet the prevention of an upsetting of money values is a far less noble motive than the promotion of civil and religious liberty, the stopping of the unnecessary shedding of blood and the encouragement on this continent of self-government and home rule.
"PEACE WITH HONOR."

It is too much the habit of European newspapers, publicists and politicians, when alluding to the unexampled growth of our country to speak of the extension of its territorial jurisdiction as indicating a greedy, grasping, land-grabbing, filibustering spirit. Not an inch of our territory has been acquired unjustly or inequitably. Louisiana came to us from France by purchase; Florida by honorable treaty with Spain. The offer to us of herself by Texas was long rejected by Jackson and Van Buren, on account of the susceptibilities of Mexico. Mexico began war with us over a boundary dispute, but, although placed at our mercy by force of arms, we paid an ample value for the extensive territories ceded to us; and for Alaska we paid Russia all that was asked.

Out of the struggle between Spain and Napoleon in 1808 emerged the revolt of the vast possessions of the former on this continent, from the Gulf of California to Cape Horn. The United States not only remained neutral throughout, but strengthened our neutrality laws in their application to Spain and Portugal. Against the several piratical expeditions from our shores against Cuba and Central America our Government has in the past exerted all its power. Our National record in the matter of acquiring new territory or new spheres of influence will bear European inspection under any standard of National morality, however high. European financiers and bankers, however deeply interested in Spanish bonds, or railways, or mines, must not fail to appreciate that the future of Cuba is chiefly an American question, and that when a Government so conservative as ours has been in regard to foreign territory declares its preferences to Spain, those financiers and bankers must not fail to appreciate, I repeat, that it will not be worth their while to conspire in Europe against manifest destiny in the New World.

Right here is touched again the distinction between recognition of a belligerent State or an independent State as an existing fact and a forcible intervention in the conflict. In the latter case necessity, as known and accepted in international politics, is the test. The decision to intervene by menace or force in the affairs of a neighboring State ought to be made under the reasons and conditions which, in good morals and high policy, will, in any case, justify war. Neutrality would disappear, if we should, as the Senate committee recently contemplated, make use of a falsified recognition of the independence of Cuba as an instrument and a part of the scheme of forcible intervention against Spain. It is, I think, the general wish and desire of our people "to throw the moral weight of the United States, into the scale of the revolutionary movement"—(using a phrase of President Monroe respecting
the revolt of the South American provinces of Spain)—if that can be done consistently with the absolute and perfect neutrality of the Government. We do not desire war. We seek peace and cherish it. President Cleveland has recently put on record his solemn opinion of how sincerely his countrymen seek and cherish it, but yet Cuba is our neighbor, and must not, as Secretary Marcy said, be an annoyance and injury to the United States.

Let us continue in the confident hope that, veiling the use of force, competent and adequate diplomacy in the hands even for a few weeks more of President Cleveland and your distinguished fellow-townsman, Mr. Olney, to whom so much credit and praise is due, will offer an example of the highest achievement of diplomatic effort by obtaining for Cuba "peace with honor."
Perry Belmont, ex-Minister to Spain, talked with a reporter yesterday before he left Boston for New York, upon the financial outlook.

Mr. Belmont said he hoped the surface newspaper indications of difficulties that Major McKinley was experiencing in selecting his Cabinet were not a fact, for it would be unfortunate for the country if the new administration were to be discredited in that way in advance. There is, perhaps, reason for a difference now, growing out of the issues of the recent campaign, the new subdivision of parties, the condition of the country and rumored near meeting of Congress in extra session. One can hardly see the sound-money Republicans may hesitate to go into the Cabinet if the President-elect shall have decided that out of the agony of last summer and the defeat of the fifty-cent dollar there is to come a revival of the chronic tariff controversy, and no whole-hearted, immediate Republican effort to decide what our future dollar is to be.

Said Mr. Belmont:

"My own conviction is that doubt as to the character and quality of our permanent future dollar and the want of capable banks, are at the bottom of continued business depression and so much unemployed labor, which will continue till the doubt shall have been removed. I hope the mission of Senator Walcott may result in something which will remove or mitigate that which a year ago the British House of Commons unanimously described as the evil caused by 'the constant fluctuations and the growing divergence in the relative value of gold and silver,' but probably the English bimetallic movement would only egg-on a return by our country and France to free bimetallic coinage, while England itself will make no modification in her coinage laws.

"Only Republicans and those Democrats who voted for McKinley electors (which I did not, having voted for Palmer) can now exert much direct influence on the President-elect to postpone for awhile his tariff fads and by new laws to fix what our dollar is to be, put elasticity and mobility into our currency, and really endeavor to prevent more gold
buying, bond selling, bond syndicates and recurrence of disasters, in the near future, like those caused by the Sherman and McKinley laws. At present it does seem as if too many far-seeing men, East and West, are taking in sail and making ready for another gale. The President-elect can, by a dozen sentences in his inaugural address, change that, if he is really the leader of the Republicans in Congress."

THE NEXT SECRETARY OF THE TREASURY.

(Albany Argus, Interview, February 3, 1897.)

New York. February 2.—The Argus correspondent had a conversation to-day with Mr. Perry Belmont about the opinions of the next Secretary of the Treasury, Mr. Gage, as reported in the World of Monday. He said that Mr. Gage spoke like a business man and well-equipped banker, familiar with the literature and actual practice of banking.

"His knowledge of our confused and confusing statute law regulating coinage, money and currency, and his faculty for giving a true interpretation of those laws and their relation to the Constitution, remains to be seen," said Mr. Belmont. "That true interpretation requires logical perceptions and the training of a lawyer accustomed to deal with statutes, rather than the perceptions and training of a business man.

"It is to be regretted that Mr. Gage speaks of greenbacks, bank notes and silver certificates as 'money,' which they are not by our Constitution, whatever they may be in dictionaries. They are nothing but 'currency.' To speak of them as 'money' is misleading in law and fact. It is true, as Mr. Gage says, that the Treasury was not intended to be a warehouse for silver and gold, excepting as a holder of the 'money' owned by the Government. The plan invented by Republicans to coin so many silver dollars compelled the warehousing device and the issue of paper evidence of the deposit and warehousing. The silver certificate is, however, harmless in the same sense that it is not a legal tender. A Treasury note dollar may not be a source of danger to our currency if it is not a legal tender, and if individuals are not compelled to take it as 'money' in the payment of private debts.

"If you wish to realize how completely Mr. Gage has, by what he said to the World, condemned Mr. Sherman's published opinions on coinage, currency and banking, you have only to take his 'Autobiography' and
consult its index of the topics treated by Mr. Gage. Mr. Sherman declared the full legal-tender greenback to be an ideal currency, and the Treasury silver-purchasing scheme, as well as our existing silver and gold coinage, an ideal bimetallism. He is quite content with the existing National Banking Law chiefly devised to float Government bonds, and with the unconstitutional ten per cent. tax on State bank issues. But into the details of that system Mr. Gage does not enter.

"The country now needs from President-elect McKinley, in his inaugural address, an assurance that there shall not be any more Treasury silver purchasing and coinage of full legal-tender silver dollars, as under the Allison-Sherman plans; that hereafter nothing but silver and gold coins of the Constitution shall be legal tender, until after a constitutional amendment permits it; that every form of noninterest-bearing Government debt shall be paid and evidence of it exterminated, and that the Government will remit banking business and note-issuing business under proper supervision to those of our citizens who own or can obtain the capital with which to carry on such business—men like Mr. Gage and his associates in Chicago."

THE MCKINLEY TARIFF AND THE HARRISON ADMINISTRATION.

(St. Joseph, Mo., Herald, February 24, 1897.)

To the Editor of the Herald, St. Joseph:

Dear Sir.—I have your publication of the 4th inst. of comments on the following statement attributed to me by the American Economist:

"The McKinley tariff caused a deficit under the Harrison administration."

That language was inaccurately attributed to me. The declaration should have been that the McKinley tariff enacted during the Harrison administration caused a deficit. The figures you publish refer to the total income of the Federal Treasury, from every source, during 1891, 1892 and 1893, and not to customs duties alone. They do not cover the whole period of the McKinley Law, which went into operation in 1890, and continued until August, 1891. For the fiscal year 1894 there was a deficit of $69,803,261. The previous year there were $2,341,674 excess of income over expenditure.
The income from the tariff during the fiscal years named below was:

<table>
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<tr>
<th>Year</th>
<th>Income</th>
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<tr>
<td>1891</td>
<td>$219,522,205</td>
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<td>1892</td>
<td>177,452,964</td>
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<tr>
<td>1893</td>
<td>203,355,017</td>
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<tr>
<td>1894</td>
<td>131,818,531</td>
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<tr>
<td>1895</td>
<td>152,158,617</td>
</tr>
<tr>
<td>1896</td>
<td>160,021,752</td>
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The customs revenue decreased under the McKinley Law, and has steadily increased under the Wilson Law.

The avowed purpose of the McKinley enactment was to diminish the surplus and reduce tariff taxes. It was done, as I think, in a way to promote the protective theory by reducing such taxes on foreign articles, not competing with similar articles made in our own country, and by increasing such taxes on foreign articles competing with our own. I do not defend all the schedules of the Wilson bill. Far from it. Least of all do I uphold its unconstitutional tax on incomes from the rents of lands and other incomes. The decision of the Supreme Court necessarily diminished the total income from the Wilson enactment. As it came from the House, it purported to be a tariff bill with an income-tax rider, its object only being to obtain revenue for the Treasury. In the Senate it was, however, as we all remember, so attired that for a long time the modifications were rejected by the Democratic House, and the President refused to approve or to veto the final outcome.

I can not think you really believe me in ignorance of the fact that, on the 1st of July, 1893, the revenues had fallen under the McKinley Law so as to yield a surplus of only $2,341,074 during the previous year, and that soon after there was under that law, as Senator Sherman has said, "a large deficiency in the revenue and the Treasury was compelled either to refuse to pay appropriations made by law in excess of receipts, or to borrow money to meet the deficiencies." I do not fail to anticipate your contention that the Democratic platform of 1892 and the complete Democratic victory upon that platform diminished revenue from the McKinley tariff, and that such diminution was the primary, if not the sole, cause of the suddenly-increased use of greenbacks to withdraw gold from the Treasury and to export it. That when income shall again be equal to expenditure, all such peril from the unpaid and unexterminated greenback debt will cease. I do not think Senator Sherman was, in January, 1893, when urging a new three per cent. bond, under that illusion in regard to the perilous influence of his own Silver Law of 1890,
and its $150,000,000 more or less of new greenbacks to be redeemed in gold.

But however that may be, Congress should — let us all agree — immediately put an end to the existing deficit. If that is to be done by new taxes instead of by new economies and retrenchments, then those new taxes should be only for the purpose of putting an end to the deficit. They should not be for the purpose of exploiting capitalistic reform in the interest of those who would invest capital in manufactures or in any other industries, or to exploit the future relation of labor to such capital.

In view of the severity of your publication, commenting on what I have been reported as saying, may I not ask you to make public the full text of my reply?

Truly yours,

PERRY BELMONT.
TAXATION: ITS SUM, JUSTIFICATION AND METHODS.

(The Forum, March, 1897.)

Discussion over the sum, justification and methods of taxation is increasing in volume and intensity.

We, in the United States, are always under the political dominion of two governments at once, one National, and one State; but in regard to taxation, each individual may, if his property is widely dispersed, be subject to many more than two governments. If he has property in each State of the Union, he is subject to the taxing powers of forty-five States, and also of the Government at Washington. There are, besides, territorial governments and minor divisions of States possessing the power of taxation in one form or another.

A great deal of deserved criticism of the rather antiquated "General Property Tax Law" of New York has grown out of the exceptions which the courts have imposed on the early rule that while reality must be taxed in the State in which it is situated, personalty follows the owner, and must be taxed where he has his domicile. A failure by New York farmers to fully appreciate how much of New York personalty is exempt from taxation, because in Federal or city bonds, or situated outside the State, underlies some of, but not all, their complaints that personalty escapes full taxation.

Exemptions from taxation need revision, and will before long receive attention; but plans for using such exemptions in order to inflict unequal and unjust taxation on a class will be scrutinized. A McKinley tariff which puts sixty per cent. of imports on the free list in order to furnish an excuse for higher protective taxes on the remainder, or an income tax beginning with a $4,000 exemption, will be stripped of disguises.

The amount of annual Federal and State taxation is readily ascertained; but there has been difficulty in the way of census compilers who have endeavored to obtain accurate knowledge of the sum of all taxes and assessments by counties, and by taxing agencies inferior to counties. Assuming $365,000,000 to be now the average annual sum raised by Federal taxes, that vast amount is far below the total sum raised by
other taxation and assessments in the United States. In the Congressional Record of July 18, 1894, there is a tabular statement, by Mr. Wheeler, of Alabama, showing expenditure for 1890 in the several States to have been more than $569,000,000, and the total disbursements for public purposes in that year by New York and its minor divisions to have been nearly $91,250,000.

It is strange that it should be so; but probably the voters and taxpayers of New York are more familiar with the sum, methods, and the annual increase of Federal taxation than of taxation by their own State, its counties, cities and towns.

The total ordinary expenditures of the Federal Government in 1861 were only sixty-six and a half millions; but twenty years later they had risen to more than two hundred and fifty-nine and a half millions; and the recent average has been some three hundred and sixty-five millions. For the Government of the State of New York, omitting minor divisions of the State, the aggregate appropriations at Albany were less than ten millions in 1881, but more than twice that sum in 1896. They were only $13,000,000 in 1890, but over twenty million six years later. What has happened at Washington and Albany in regard to the increase of the yearly amount of expenditure and taxation has probably happened in the capital of each of our States and Territories.

The causes of the great increase of the yearly exactions by governments from the rents, wages, profits and savings of the country have been many. Some have been necessary, others unnecessary. One cause has been the recent tendency to enlarge the functions of the State by placing in the hands of Government agencies the conduct of certain classes of business, which was heretofore in the hands of individuals, partnerships or private corporations.

This process of transferring to municipalities what was formerly done by individuals, and of regulating by law the relation to wage-earners of the owners of the instruments of production, seems to be going on rapidly in England. The same tendency in our own country is to be seen in the platform of doctrine erected July 24, 1896, by the People's party. Such an extension of the functions of the State, such a transit from individualism to socialism, are, of course, expensive for the State. The bills of socialism for State interference with enterprises heretofore regarded as individual enterprises, but now looked upon as "affected with a public use," must be paid. Only by taxes can the State now obtain the needed money.

If the socialistic State advocated by Populists shall (if ever) be established, will taxation be less? Officeholders may possibly then be found
who will conduct telegraphs, railways and banks more effectively, wisely, and with more commercial economy and commercial liberality, than do now their owners — but that day has not yet come. If such occupations as farming, mining, transporting merchandise, transmitting news, exchanging products and banking are to be taken out of the hands of those who own or can borrow the capital therein invested, they must fall into the hands of the State within whose jurisdiction they are conducted. Either organized capital, or organized political government, will manage those enterprises. Either banks, or the Federal Government, will receive deposits, make discounts and issue circulating notes. As matters now stand there are: First, those who own or can obtain the capital for our industries; second, those who do mental and manual work therefor; and finally, the consumers. Those three component elements have in this country been generally left to manage their own affairs in their own way, subject to the law that each person must so use what is his own as not to injure a right belonging to someone else. The Democracy, as distinct from the Populists, prefer, I think, that such condition of affairs shall continue, subject to such special legislation as may from time to time be found imperatively necessary to protect the rights of the State as well as the rights of each of the three elements to which I have referred.

Everyone will concede that our National and State Governments are not yet competent to successfully conduct those industrial enterprises of the country now in the hands of organized capital. Even the Comptroller of the State of New York will probably not contend that officials, of the class selected by the present Governor of New York, or those likely to be appointed by the next President of the United States, could superintend and conduct with advantage the farming, mining, transporting, exchanging and banking of the country.

An increasing disposition to levy taxes for other purposes than revenue has created a tendency to consider the sum of taxation as secondary to the reasons which justify the infliction of taxes. Of course the advocacy of a protective tariff, either as an indemnification of manufacturers for prospective losses, or as an inducement to put capital in manufactures, is chronic. The taxpayers are never told what sum, plus the money required for Government expenditure, will be needed and exacted for such purposes. Importers and consumers of imported articles can not read in the Tariff Law what rate of duty is laid for revenue and what additional rate is laid to enable capital invested in manufactures to secure exceptional profits which may or may not be used to increase the wages of workingmen already in the country. I do not need to enumerate
the examples — more recent than the tariff — of taxation for other purposes than revenue, as, for instance, the ten per cent. bank tax.

The power of the majority to take away property from the minority by a tax is a tremendous manifestation of sovereignty. The American colonists went to war for the principle that the taxing power must coincide with representation, and it is not credible when they formed a State that they put no restraints on the taxing power either as to the yearly sum or as to the justice and equality of the levy. It must have been that the yearly sum required for the maintenance of the Government was to be the test of legislative power. In many of the States either the Bill of Rights, or the Constitution, proclaimed that each inhabitant should only be bound to contribute "his share," and the legislative power was limited to "proportional reasonable assessments, rates and taxes." In Maryland, the phrase was "his proportion of public taxes for the support of the Government, according to his actual worth in real or personal property." Virginia said: "Taxation shall be equal and uniform * * * in proportion to its value." The courts of New Hampshire, Wisconsin, Minnesota and other States have given most exhaustive judgments in regard to the limitations of the taxing power in American jurisprudence. The total sum is to be limited to an amount that is reasonable in the opinion of the law-making power. If the New York Legislature deems twenty millions necessary and reasonable, that sum must be raised; but not for any other purpose than Government expenses.

Inhabitants of New York are not to have all their property swept into the possession of the State, under the taxing power, if the State does not require the property to pay reasonable expenses. If it be not so, of what avail is the injunction in the Federal Constitution and that of New York also, that no person "shall be deprived of life, liberty or property without due process of law," which New York courts interpret as covering a deprivation by executive, or legislative, or judicial power, or all three combined, in derogation of the Constitution. And what of the injunction of the Fourteenth Amendment, which declares that no State shall "deny to any person within its jurisdiction the equal protection of the laws?" Under the pretext of taxes there must not be that taking of private property "for public use without just compensation," which the Constitution forbids. The word "property" in the constitutional phrase, "life, liberty or property," may not have been interpreted by the courts as often as the word "liberty;" but the power assigned to the latter as used in the sentence is significant in many ways. Nearly ten years ago the late Professor Dwight, of Columbia College
Law School, published an elaborate paper on "The Legality of Trusts," in which he said of the word "liberty," as employed in association with the word "property:"

"The word 'liberty,' as here used, has been construed by the highest State authorities to include 'the right of a person to adopt such lawful industrial pursuits not injurious to the community as he may see fit.' It includes the right of one to use his faculties in all lawful ways, to live and work where he will, to earn his livelihood in any lawful calling, and to pursue any lawful trade or avocation. It is judicially declared (100 N. Y. Reports) that a liberty to adopt or to follow lawful industrial pursuits, in a manner not injurious to the community, is not to be infringed upon, limited, weakened or destroyed by legislation."

That bears distinctly on associations formed by wage-earners to increase their wages. He adds:

"The right of association is the child of freedom of trade. It is too late to banish it. As mercantile concerns under freedom of trade have tended to be more and more vast and comprehensive and have absorbed the smaller ones, so it is reasonable to suppose that the right of association will be made more and more available in manufacturing. In fact the two tendencies are, in substance, the same. If association is prevented by law, different manufactories may be molded into one. The only way out of the difficulty, if there be one, is to invade the right of property, namely, production by law, cut down the employment of large capitals, and perhaps, in the end, hand over production to the State."

The Constitution of the State of New York offers to the legislative power a large discretion by unreservedly committing to its hands every-thing which the judicial power declares shall concern police or health, subject to the single qualification that no one's life, liberty or property shall be interfered with unless by "due process of law," which phrase the courts are to limit and define. It is that existing constitutional qualification, and especially in regard to taxation, which socialism is endeavoring to invade.

New York law denounces as a crime every contract, arrangement, agreement or conspiracy to prevent the exercise of a lawful calling, to injure the public health, morals, trade or commerce, to prevent or restrain competition, in order to increase prices of articles in common use for purposes of life and health (wages are not included), but subject always to the power of the courts to decide whether or not such laws and their interpretation are forbidden by the Constitution of the State. So long as our existing Constitution stands, liberty and property will be secure in New York, if prosecuting officers shall be faithful and our magistrates shall be upright and fearless, as now.

A startling example of the tendency to employ the taxing power for
other objects than revenue can be seen in the reasons recently assigned by the Comptroller of the State of New York for his advice to the Legislature, that our Inheritance Tax Laws be so amended as to lay the tax as follows on estates of $1,000,000 or more:

"Five per cent. on estates of one million, and less than two millions; ten per cent. on estates of two millions, and less than three millions; fifteen per cent. on estates of three millions and over." Comptroller Roberts has not explained why he stopped the progressive rate precisely at the point where the theory he urges on the Legislature requires an application of the whole rigor of that theory in respect to the colossal estate he deals with.

Less than a year ago, an inhabitant of Suffolk county in New York State devised and bequeathed all his property to the United States Government. An inheritance tax of nearly $4,000 was levied upon it, and the levy was upheld by the New York Court of Appeals. But the United States, denying that the property which had been given to the Federal Government was liable to the tax, carried the question to the Supreme Court, which sustained the exaction. In its opinion that court is reported to have said:

"The so-called 'Inheritance Tax' of the State of New York is, in reality, a limitation upon the power of a testator to bequeath his property to whom he pleases; a declaration that in the exercise of that power he shall contribute a certain percentage to the public use; in other words, that the right to dispose of his property by will shall remain, but subject to the conditions that the State has a right to impose. Certainly, if it be true that the right of testamentary disposition is purely statutory, the State has a right to require a contribution to the public treasury before the bequest shall take effect. Thus, the tax is not upon 'property,' in the ordinary sense of the term, but upon the right to dispose of it; and it is not until it has yielded its contribution to the State that it becomes the property of the legatee. It is not a tax upon persons. In re Hoffman's Estate, 143 N. Y. 327; 38 N. E. Rep. 311; Schoolfield's Exr. v. Lynchburg, 78 Va. 366; Strode v. Comm., 52 Pa. St. 181; In re Cullum's Will, 145 N. Y. 593; 40 N. E. Rep. 163. In this case, as well as in Wallach v. Miers, 38 Fed. Rep. 184, it was held that although the property of the decedent included United States bonds, the tax might be assessed upon the basis of their value, because the tax was not imposed upon the bonds themselves, but upon the estate of the decedent, or the privilege of acquiring property by inheritance. We think that it follows from this that the act in question is not one open to the objection that it is an attempt to tax the property of the United States, if the tax is imposed on the legatee before it reaches the hands of the Government. The legacy becomes the property of the United States only after it has suffered a diminution to the amount of the tax; and it is only upon this condition that the Legislature assents to a bequest of it."

In another part of the opinion the court refers to the taxing power as limited to the taxpayers' "share for public expenses," and also alludes to the right of a man or of a woman to dispose of his or her property after death. This is its language:

"While the laws of all civilized States recognize in every citizen the absolute right to his own earnings, and to the enjoyment of his own property, and the
increase thereon during his life, except so far as the State may require him to contribute his share for public expenses, the right to dispose of his property by will has always been considered purely a creature of statute, and within legislative control. * * * Though the general consent of the most enlightened nations has from the earliest historical period recognized a natural right in children to inherit the property of their parents, we know of no legal principle to prevent the Legislature from taking away or limiting the right of testamentary disposition or imposing such conditions upon its exercise as it may deem conducive to the public good."

I have introduced these extracts from the opinion of the court in order to exhibit the character of the New York Inheritance Law, and also its real relation to the right to make a last will and testament.

It will be seen that the tax is not on property, but on a privilege; that it is not upon a specific estate, as bonds or merchandise, but on the money realized, or to be realized, therefrom; that it is upon money in the hands of the court before distribution either to lineals or collaterals. It was not decided whether or not one rate of tax can be constitutionally levied on one part, and another rate on a different part of the same fund.

The existing New York Inheritance Law is not progressive in its rates. It does, however, make a difference in the rate between lineals and collaterals, and does exempt personality bequeathed to a lineal, if under $10,000 in value. Commenting on that, the Comptroller of the State of New York asked the Legislature: "If an estate of less than $10,000 should be exempt, why should not one, millions greater, pay a higher rate than a $10,000 estate? A large estate would certainly be less burdened by the payment of a higher rate than a small estate would be by the payment of a lesser one."

A question presented by the chief financial officer of New York is, whether a sum of money can, under the Constitution, be divided into several parts, and a different tax-rate laid on the several parts. But there is another more serious question, which concerns the reason and justification of taxation. Of the latter, the Comptroller says:

"It has been maintained by eminent authorities that it would be wiser and less demoralizing if Government should forego all attempts to tax personal property during the life of the owner, await a transfer following death, and then levy an assessment large enough to make up for the previous years of exemption. The tax, then, would be no hardship to anyone. The decedent would have been allowed the use and enjoyment of his fortune during life, and the beneficiary would simply pay a fee for the privilege of receiving an estate, in the creation of which he had little or no hand. Against the payment of such a fee or tax he would have no reason to complain, as his right to receive it comes from the State, is by the grace of the State. Another reason why large estates, particularly the
personal property of such estates, should be made to pay liberally toward the support of Government in the way of an inheritance tax is, because many of them owe their very existence to favors conferred by Government in one form and another. The Government throws its strong arm around the capitalist in the shape of a protective tariff; it gives the inventor exclusive rights in the way of a patent covering a long series of years; it gives him and his friends special privileges in the shape of a corporation charter, whereby they combine large amounts of capital, and thus conduct a vastly more successful business than they could if acting individually; it gives them the right of eminent domain, by which they overrun the interests of the individual, whether he likes it or not; it grants them limited liability as members of a corporation; it permits them to issue bonds and borrow money on them for long periods, something an individual can not do; it protects them in their corporate rights by the strong arm of the civil and military law; it protects the lawyer, the doctor and other professional men from uneducated and unskilled competition, by requiring a thorough course of study and a qualifying examination. In these special privileges conferred by Government lie the foundation of most of the great fortunes of the country to-day."

Fresh, novel and unexpected as were those justifications of taxes under our American system of jurisprudence, they were not so surprising and innovating as the following, inspired, as it is to be inferred, by what happened in the case of the estate of the late Mr. Gould:

"The estate that would have contributed a large part of this increased tax was rated upon the local assessor's rolls as being worth $500,000, and upon that amount a personal tax had been paid. But when the great equalizer—death—appeared upon the scene and forced a settlement, the estate was found to be worth $80,934,580, instead of $500,000, with only $6,553,520 debts charged up against it; and upon these figures the inheritance tax was levied. If the above amendment had been in force at the time of decedent's death, and this estate had been required to pay its fair share of tax (in view of the evasion) into the Treasury, it might have prevented a transfer to Europe of several millions of good American money. And who will say that any law that will divert to the people's treasury a part of the millions upon millions of American money now going to Europe to bolster up an effete and decaying nobility, is not a wise and judicious one?"

If the local assessors found that only half a million had a situs in New York for taxation, under the law, then obviously the rate should have been levied only on that sum; but this question is very unlike that raised by the new progressive rate.

The income tax enacted by the last Congress did not lay progressing rates; but advancing rates were proposed in the House, on behalf of the Populists—by Mr. Pence, and in the Senate by Mr. Peffer.

Mr. Henry George has a plan which is not intended to abolish private property in land, but to tax it up to its full rental value; thereby relieving the community from all other taxation, and using the excess of revenue, not merely to pay reasonable and needed Government ex-
penses, under our American plan, but — and this is the critical point — for the purposes of socialistic utility.*

It is undisputed that the Legislature has authority to decide what sum of money is reasonable and necessary for public expenditure, and to compel each person to contribute his or her equal and proportionate share; but the object of the tax must be solely to obtain the money to defray those expenditures, which is another way of saying that the tax shall be levied "for revenue only." When that line of taxation is passed the constitutional injunction against taking "private property for public use without just compensation" will be encountered.

All agree that the New York Legislature has not the right, or power, to tax merely in order to prevent marriages of New York women to European men; and if that be true, why or how has the Legislature the power to tax merely in order to create a sort of escheat of realty or personality to the State, or to diffuse wealth, or to make the State a co-partner in the profits of one's business as well as a coheir with one's children? Since the decision of the Supreme Court to which I have referred, it is too late to contend that the Legislature of New York has not the power, by taxing such privilege at the rate of one hundred per cent., to destroy the existing right of making a last will and testament. But will the voters ever choose a Legislature that shall exercise the power? A tax should not be discriminating and disproportionate, nor for other purposes than revenue to pay Government expenses. No purpose can be so good as to justify inequality in the rate and subject the taxpayers to exceptional and invidious exactions and to extortions in the name of taxation. It may be said that those who advocate an enlarged tax upon the right of the citizen to control the distribution of his property after his death, and an increasing rate of tax as the hundreds, or thousands, or millions increase, do not propose to take away altogether the right of bequest and inheritance, but to limit it in certain cases for wise reasons. The fact remains nevertheless that the right is to be limited, and limited for social reasons chiefly, and in the interest of a socialistic State. To place children in a better condition than that

* "A tax is called proportional when the relation between a man's property and the amount which he pays is invariable for all contributors, so that the individual quotas increase in perfect correspondence with the increase of wealth. On the other hand, a tax is called progressive where its rate varies with the variation of the wealth itself: so that the quotas increase more rapidly than the wealth itself. The adherents of progressive taxes * * * start from the idea that taxation should, above all other considerations, perform a social function." ["Taxation," etc., by Luigi Cossa, Professor in the University of Pavia, Italy, p. 35.]
in which their fathers and mothers began life is the most powerful motive which induces parents of every condition, in this country, to toil and save. No motive for industry and sobriety can be more powerful. That motive would be weakened if it should be felt or feared that the right of the citizen to bequeath his property to his children is to be taxed out of existence.

A few years ago the present Pope sent forth from St. Peter's an encyclical letter on "The Condition of Labor," full of sound doctrine and clear discernment from the point of view of economic facts collected in Rome by reports of ecclesiastical agents in every part of the worldwide jurisdiction of the Roman Catholic Church. It began with the following terse description of the conditions then existing—conditions which exist to-day:

"It is not surprising that the spirit of revolutionary change, which has so long been predominant in the nations of the world, should have passed beyond politics and made its influence felt in the cognate field of practical economy. The elements of a conflict are unmistakable: the growth of industry, and the surprising discoveries of science; the changed relations of masters and workmen; the enormous fortunes of individuals, and the poverty of the masses; the increased self-reliance and the closer mutual combination of the working population; and, finally, a general moral deterioration. The momentous seriousness of the present state of things just now fills every mind with painful apprehension; wise men discuss it; practical men propose schemes; popular meetings, Legislatures and sovereign princes are all occupied with it—and there is nothing which has a deeper hold on the public attention."

It then made these comments on certain remedies proposed:

"To remedy these evils the Socialists, working on the poor man's envy of the rich, endeavor to destroy private property, and maintain that individual possessions should become the common property of all, to be administered by the State or by municipal bodies. They hold that, by thus transferring property from private persons to the community, the present evil state of things will be set to rights, because each citizen will then have his equal share of whatever there is to enjoy. But their proposals are so clearly futile for all practical purposes that if they were carried out the workingman himself would be among the first to suffer. Moreover, they are emphatically unjust, because they would rob the lawful possessor, bring the State into a sphere that is not its own, and cause complete confusion in the community.

"It is surely undeniable that when a man engages in remunerative labor, the very reason and motive of his work is to obtain property, and to hold it as his own private possession. If one man hires out to another his strength or his industry, he does this for the purpose of receiving in return what is necessary for food and living; he thereby expressly proposes to acquire a full and real right, not only to the remuneration, but also to the disposal of that remuneration as he pleases."
In the encyclical were these expressions alluding to private property, excessive taxation, and the right of bequest and inheritance.

"It is a most sacred law of nature that a father must provide food and all necessaries for those whom he has begotten; and, similarly, nature dictates that man's children, who carry on, as it were, and continue his own personality, should be provided by him with all that is needful to enable them honorably to keep themselves from want and misery in the uncertainties of this mortal life. Now in no other way can a father effect this except by the ownership of profitable property, which he can transmit to his children by inheritance. * * * Since the domestic household is anterior both in idea and in fact to the gathering of men into a commonwealth, the former must necessarily have rights and duties which are prior to those of the latter, and which rest more immediately on nature. * * * Paternal authority can neither be abolished by the State nor absorbed; for it has the same source as human life itself. The child belongs to the father, and is, as it were, the continuation of the father's personality; and, to speak with strictness, the child takes its place in civil society not in its own right, but in its quality as a member of the family in which it is begotten. * * * The socialists, therefore, in setting aside the parent and introducing the providence of the State, act against natural justice, and threaten the very existence of family life. Our first and most fundamental principle, therefore, when we undertake to alleviate the condition of the masses must be the inviolability of private property. * * * This is the proper office of wise statesmanship and the work of the heads of the State. Now a State chiefly prospers and flourishes by morality, by well-regulated family life, by respect for religion and justice, by the moderation and equal distribution of public burdens, by the progress of the arts and of trade, by the abundant yield of the land—by everything which makes the citizens better and happier. * * * The State is, therefore, unjust and cruel if, in the name of taxation, it deprives the private owner of more than is just."

It may be that such a change in taxation as will lay the highest rate on money invested or loaned, as those terms are usually employed, the next lower rate on other forms of personality, the next lower on land, and the lowest of all on wage-earning, is not always advocated in the hope that the change will lead to placing in the hands of the State the management of production and distribution, the abolishment of contract, the fixing of the rate of wages by the State, the issuing of all paper currency by the nation, and that such a change will also lead up to all the other ideals of a socialistic State. Probably such a change in taxation can be so guarded as to be consistent with the security of private property, and not to interfere with the freedom of inheritance and alienation, provided a definite rule of taxation be made and enforced—a rule prescribing that taxes shall be equal and uniform on each class of property, or its product, and shall never be laid except to obtain money for the needed current expenses of the State, or minor divisions of the State.

The earliest Constitutions of some of the original thirteen States declared "that every member of society hath a right to be protected in the
enjoyment of life, liberty, and property, and, therefore, is bound to contribute his proportion to the expenses of that protection." The rule was "proportion," and not progression. "Proportion" was based on ability, of which property or its product was the test; but in our day equality of ability, tested by property or income, has, by socialists and communists, been interpreted to mean equality of sacrifice, which means, they say, that taxes must be so adjusted that each taxpayer, the rich and the not rich, will feel equally the deprivation of the money paid to the tax-gatherer. Among the more modern State Constitutions, that of California makes arithmetical proportion and not arithmetical progression the rule, when it declares that "all property in the State, not exempt under the laws of the United States, shall be taxed in proportion to its value to be ascertained as provided by law."

Whether or not the Republican Comptroller of the State of New York was conscious of the socialistic and communistic tendency of the theories regarding the sum, justification, and methods of taxation which he has recently urged on the Legislature, the unfortunate effect may be to increase the fear which discerning men, here and there, are heard to express—the fear that the economic State founded by the wisdom, patriotism, and courage of the statesmen of the Revolutionary epoch, can not, thus survive.

PERRY BELMONT.
STEP TOWARD SOCIALISM.

THE DECISION OF THE SUPREME COURT AGAINST RAILWAY POOLS.

(New York Herald, Interview, April 4, 1897.)

When I saw Mr. Perry Belmont last night in regard to the recent decision of the Supreme Court, he said:

The question before the court was whether or not the law of 1890 covered common carriers, and the words "every contract" excluded a reasonable and lawful contract. They were narrow questions of statute interpretation, but the reasons assigned in the two conflicting opinions were broad and comprehensive.

Opinions in regard to the tendency for good or evil of restraining legislation will probably differ according to the views taken of the relative dangers to be feared from unrestrained individual and industrial liberty, on the one hand, and unrestrained State coercion on the other hand.

If I am to choose between individualism advocated by Herbert Spencer and socialism, I greatly prefer the former. Freedom must be the rule. Government control must be kept at the minimum. Industrial control is next to individual freedom, political freedom, religious freedom, the one thing we must have.

The late Archbishop Magee of the Anglican Church when sitting in the House of Lords as Bishop of Peterboro, brought a hornet's nest about his ears because, when, resisting a scheme of restrictive temperance legislation, he said: "If I must take my choice whether England should be free or sober, I declare, strange as such a declaration may sound, coming from one of my profession, I should say that it would be better that England would be free than compulsorily sober."

AFFECTED BY A PUBLIC USE.

About twenty-five years ago Illinois enacted that grain elevators or storehouses owned and operated by individuals could be public. It prescribed prices for service therein, declared that violations of the law
should be a crime, and certain owners were found guilty and sentenced. They appealed to the Supreme Court at Washington affirming the Illinois law unconstitutional. The country was surprised by an upholding of the statute. It had been generally thought that by the law of the land the owner of such private property could exact such prices as he pleased of anybody wishing the service of the warehouse, but the Supreme Court declared that Illinois could amend the common law unless (which it did not) the Illinois Constitution prevented.

"The State," said the court, "can fix maximum prices for milkmen, common carriers, bakers, millers, etc., and, therefore, prices can thus be fixed for warehousemen." The court then invented the phrase "affected by a public use," as when an owner devotes his property to a use in which the public has an interest. Until he withdraws his property from such use the State can fix maximum prices therefor.

In the same year the Supreme Court also decided that, although a State, in giving a charter to a railway, had generally empowered its directors to prescribe freight and passenger rates, yet the State could, by its law-making power, subsequently enact maximum rates. That decision also startled the country, because it regulated and restrained competition among railways in getting the highest rate they could. From the conclusion in both cases, two of the Justices—Field and Strong—dissented.

In 1890 this question came before the Supreme Court—can a State, by a railway and warehouse commission, decide finally what rates are equal and reasonable and exclude the judicial power from revision of the rates? The court stated that the State could not, but Bradley, Gray and Lamar dissented, insisting that the court had repeatedly decided that the regulation of the fares of railways and other public accommodations is a legislative and not a judicial prerogative, unless the Legislature says nothing or declares the charges shall be reasonable, in which case reason-ability becomes a judicial question.

**EFFECT UPON RAILWAYS.**

The Interstate Commerce Railway Law, to aid in the better administration of railways, came in 1887. Three years later, came the law entitled "to protect trade and commerce against unlawful restraints and monopolies," and in 1895 was the judicial decision under it that the purchase of sugar refining shares in order to control sugar refining and the selling of such sugar in our county is not a restraint of interstate and foreign trade or commerce. Mr. Justice Harlan dissented. The court declared that mere manufacturing is not interstate commerce.
It is clear that a railway is dedicated to a public use, that it is bound to receive goods from all persons alike—without injustice or unreasonable advantages to any shipper; that under like circumstances the same rate shall be charged to all; that the directors should not make contracts with anybody to the prejudice of other share owners or the public; that the directors of railway corporations, and they alone, have been empowered by the State to prescribe rates and should be held to strict accountability for their responsibility in that important matter and for controlling the subordinate traffic managers and freight agents.

Apart from the narrow question whether or not the law of 1890 so modified the prior interstate laws as to cover common carriers, the recent differences between the members of the court were over the legal meaning of the words, "in restraint of trade and commerce." The majority affirm that Congress intended to punish "every restraint," but the minority maintained that the preamble of the statute should control and its word "unlawfully" be inserted in the text of the law between "every" and "contract."

**LAWFUL OR UNLAWFUL RESTRAINTS.**

In the judgment of the majority the lawfulness of the restraint mattered not, because the statute forbade every restraint. The minority contention that Congress intended to prevent only such restraint as is unlawful by American common law and judge-made law, required a description of the restraint of trade by railways that are and the restraints that are not lawful. The minority did undertake this description. That interesting and learned disquisition by the minority ought to be illumined for Congress and the country.

Although the court has, by the narrow margin of only one, decided that the law of 1890 covers common carriers, and has adjudged the comprehensiveness of the word "every" before the word "contract," yet the published conflicting opinions have exhibited such evidence of exhaustive debate in the consultation, if not of animated feeling, between the judicial disputants, that there seems little hope of a change of vote on reargument, and another consultation— the members of the court divided on a question of law, not of fact. Therefore the question now at issue is one for Congress. There are two new and important considerations confronting the country. On a first superficial view, it is not easy to discover why it should be that if railway directors are really competent—if, as the law demands, they really direct in prescribing rates; if they do not abandon the work and illegally delegate it to freight agents—the railway corporations can not achieve without formal agree-
ments with each other, the thing they have heretofore done by agreements, now condemned by the court.

The other consideration is that if it shall now be seen that organized private capital is not by its boards of directors acting in corporations capable of reasonably and safely conducting interstate railway transportation, aided by such help in administration as an energetic interstate commerce commission can give, then Socialism will be heard in an attempt to show that only organized, political government can do the work, it now does in so many European countries, and as the Populists insist, must be done in the United States by Government ownership of railways, telegraphs, telephones and other agencies in public use.
DEMOCRACY AND SOCIALISM.

(The North American Review, April, 1897.)

"A government of the people, for the people, and by the people!" That was Lincoln's ideal description of a pure Democracy, but what was the character of the governments established by the men of our colonial era?

By reason of the peculiar personal characteristics, the circumstances and political conduct of the early actual settlers in the Anglo-American colonies, and the imperfect control exercised in England over the original corporations or companies, it came to pass that after the Revolution the people of each colony had a perfect and absolute right as well as an experience of independent self-government. Beginning in 1776 each of the thirteen colonies, one after another, framed and adopted a written Constitution. Thereafter the people of the States made and subsequently amended a written Constitution for the States united. None of those Constitutions, State or National, transferred all political sovereignty to the Government created. Any doubt in regard to that was removed by the Tenth Amendment, which declared that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

The new industrial problems now pushing to the front respecting individual liberty and property give importance to those divisions of political power.

Neither the Government of any State, nor that of the United States, had in the beginning, or has now, inherent sovereignty. Each has only so much as has been delegated by the people in the deed of incorporation. Very learned writers on political science have made volumes of discussion of the question, "What is a State?" The Supreme Court has, since the end of the Civil War, defined a State in our Union of States as "a political community of free citizens, occupying a territory of defined boundaries, and organized under a government sanctioned and limited by a written constitution, and established by the consent of the governed." In the same opinion, after declaring that the perpetuity and indissolubility of the Union by no means imply the loss of the right of
self-government by the States; that the preservation of the States and
the maintenance of their governments are as much within the design and
care of the Constitution as the preservation of the Union, and the main-
tenance of the National Government, the court made an utterance as
felicitous and striking as was that by Lincoln describing Democracy. It
said:

"The Constitution in all its provisions looks to an indestructible
Union, composed of indestructible States."

When the War of Secession had been closed, there were adopted by the
States certain amendments of the Constitution, intended, by additional
powers given to the United States, to afford enlarged protection of the
liberty and property of each one of the people. The Supreme Court has
told us that those amendments "did not destroy the main features of
the system." One of the most far-reaching was the fourteenth. The
fifth had declared that "no person shall be deprived of life, liberty, or
property without due process of law; nor shall private property be taken
for public use without just compensation." That restraint had refer-
ence only to Congress, and did not limit the power of any State. The
Constitution of New York has had, since 1821, a similar injunction, and
the protection of the rights of individuals to liberty and property in
New York has always been the duty of New York. The Fourteenth
Amendment of the Federal Constitution gave to New Yorkers an ad-
ditional guaranty that those rights of liberty and property shall not
be invaded, but yet protecting an equality of rights in New York re-
mains, as before, the duty of New York. The United States are now
bound to take care that New York does not deny that equality. When
the Fourteenth Amendment had been adopted there were men who hoped
and believed that the former sovereignty of each State in the Union
was at an end, and that thenceforth the nation alone was to be the
only real State. Happily the Supreme Court destroyed that hope and
belief wherever it existed. Only two years ago last January it decided
that the relief of the citizens of each State from the burden of "monop-
oly," and the evils resulting from the restraint of trade among such
citizens, had by the Constitution been left with the States, and left with
them exclusively, subject always to the restriction that, in dealing with
even such evils, the State could not interfere in disregard of "due
process of law." The Legislature of a State can not make a monopoly
unconstitutional by merely declaring that certain acts will constitute
it. The new amendment did not, said the court, add new rights; it only
provided new guaranties for such right as already existed.

The Fourteenth Amendment, since its adoption by the States, has
been often invoked at Washington by corporations, companies, or in-
individuals, complaining of unconstitutional exactions under the laws of one of the States, either as taxes, or for services rendered, which were, in modern judicial language, "clothed with, or affected by, a public use." The tendency of the decisions has been that the phrase, "due process of law," must have judicial application, "under the form and with the machinery provided by the wisdom of successive ages for ascertaining the truth of a matter in controversy." When, in railway administration, a State has empowered commissioners to establish rates (a task not feasible in regard to prices of all articles) and a railway has complained of the unreasonableness of a rate, and the State court has adjudged that, under the State law, the unreasonableness can not be investigated, then such State law is forbidden by the Fourteenth Amendment, because a deprivation of property "without due process of law." The judicial and not the legislative power is the final arbiter of the reasonableness of prices for services "affected by a public use."

I have briefly, and very inadequately, sketched in outline one part of the system of rights and duties by which, in our country, is prevented the arbitrary deprivation of liberty to pursue a lawful calling, acquire property, enjoy and transmit it; a system by which is inhibited the despotic spoliation by a temporary majority of the property of the minority, the laying of taxes and pecuniary burdens on one portion of the community, greater than are proportionally levied upon another; a system by which every lawful contract can be judicially enforced, and by which, at the same time, there is reserved to each State the power to make all constitutional laws which, in the opinion of the Legislature, will promote the public health, secure peace and good order for all the people.

The thirteen words in the Constitution of New York and the United States, to which I have already so often alluded, are a barrier against legislative, or judicial, invasion of individual right to liberty and property. While that barrier exists it can not be evaded unless by Federal laws relating to coinage and currency and legal tender which—taking advantage of the fact that the prohibition of the Constitution against enacting any law "impairing the obligations of contracts," constrains only the separate States and not Congress—invade the inviolability of property and the security of savings.

II.

The antagonist and assailant of our American Democracy is European Socialism. The word is quite modern, unless sixty years make a name old. Collectivism is the more recent term. The economic basis of each is much the same. Authors and experts do not agree in defining it.
They prefer to describe at great length and with much qualification rather than define. Perhaps they find danger in definition. Dr. Schaffle, an esteemed German writer on economic subjects, declares that "the Alpha and the Omega of Socialism is the transformation of private, competing capitals into a united collective capital." Quite generally do Socialists profess to think that individual industrial liberty, the present organization of capital, and cut-throat competition will continually breed social, economic, and political anarchy, degrade wage-earners, increase idleness and vice among the rich, promote cheap and bad workmanship, and adulterations of food and drink.

The ills attributed to the gold standard by the advocates of free silver coinage are by Socialists assigned to unrestrained competition in production and distribution. As such competition between capitalists, between laborers, between labor and capital contending with each other for a rightful share of the product of both, goes on not only in each country, but between countries, it is apparent that schemes such as the Socialists urge must, like coinage reform in the sense of bimetallism, be international, or they will be in vain.

In what year of this century modern Socialism had its birth, and in what country, whether England, or France, or Germany, is of little consequence. It is not native to our country. It has been an importation. Within the last dozen years Germany has been the largest exporter to us of the theories on which it rests. An American reader of any one of the exhaustive and exhausting treaties which European Socialists have written may say to himself, on laying down the volume, that the political, industrial, and social evils which Socialism proposes to remedy in Europe have never existed in the United States, and that if England, or France, or Germany could have had, a century ago, a government by Democracy, a written constitution, public schools, secret ballot, an elective Legislature and Executive, an equality of all before the law, which the United States then had, European Socialism could not have existed to vex the Old World and the New.

With us, individual freedom, political and industrial, has been the rule. On the other side of the ocean, State coercion has been the rule. European Socialists tell us that when "protection" had been finally defeated in England by the elections of 1852 and the policy of "unrestricted competition," Cobdenism and Manchesterism, as they describe it, had been accepted by Englishmen as an accomplished fact, and Mr. Gladstone had become for the first time Chancellor of the Exchequer, the Liberal party which, when a Whig party, had abolished so many meddlesome and vexatious restraints on individual activity, began to return to State coercion, and to pursue a path indicated by Socialism.
Herbert Spencer, in *The Man versus the State*, published in 1884, has described some of the results of those changes, restraining Englishmen in directions where actions were previously unchecked, and compelling actions which previously might, or might not, be performed as the individual chose. Since that date socialistic legislation has been forced on one or the other of the ruling parties, and in the direction of using Parliament to remove inequalities which had originated when electoral power was in the hands of a class. Such inequality does not exist in New York. The European aim, so far as it is discernible, seems to be that State employment shall give constant employment, and State ownership of property shall give to all a common enjoyment of it. Possibly that obvious tendency of legislation in England is having an influence in the United States among those who think that England always leads the right way in finance, taxation, and industrialism, but they, thus influenced, do not always keep it in mind that British conditions are not our conditions, and that England has political, social and industrial evils yet to be remedied, which we have not and never had.

As a rule, in our country, always excepting, of course, the period of slave labor, employers and workmen have been on an equality before the law. The relation has been one of contract, not involving criminal punishment for its rupture, as in England, where till within thirty years the magistrate could imprison the workman for violation of an agreement to work, but the workman could only have a civil suit against the employer. The breach of contract of service has in New York always been regarded like the breach of any private contract, as permitting only a claim for pecuniary damages, but not an application of penal law, excepting in cases of an unlawful conspiracy by workmen to injure an employer, or by employer to injure workmen.

III.

A protective tariff has been in our country a prevailing exception to perfect freedom from government control in industrial matters. Taxes laid for protection solely are not in this relation to be confounded with taxes levied only for revenue.

The essence of a protective-tariff tax is payment of a bounty to capitalists, under such circumstances that the size of the bounty can not be ascertained by the taxpayer. Under the McKinley Tariff Law, imported raw sugar was exempt from duty, but a bounty of two cents a pound was given to domestic producers of sugar and one-half a cent a pound duty was laid on imported refined sugar. What portion of the tax on imported refined sugar was laid solely for revenue, and what portion to aid, benefit, and encourage the sugar "trust" formed in New
York in 1887? Who can and will answer? The existing tariff lays forty per cent. \textit{ad valorem}, or about one cent a pound, on raw sugar, but on refined sugar the rate is one-eighth of a cent a pound, in addition to forty per cent. \textit{ad valorem}, and an extra one-tenth per cent. on refined sugar arriving from countries, especially Germany, giving an export bounty, and whose competition the sugar "trust" naturally dreaded. Which part of that tax on imported foreign refined sugar was laid to shield the "trust" from the pressure of competition?

The advocacy of protective tariff taxes has, within the last quarter of a century, been potential in creating a "labor question" in our country. Carl Marx exploited his theory of surplus value in 1848; about that time Rodbertus taught that labor is the source and measure of value, and Lasalle, formulating "the cruel iron law of wages," employed his eloquent pen to defend his thesis that the workman, under then existing conditions in Prussia, could never rise above the standard of living required for his subsistence. He maintained that relief could only be had by voluntary associations of workingmen, with capital supplied by the State, which should merely reserve to itself the right to supervise and examine the books of account and finances of the association. But who then anticipated a "labor question" in this country? Why has it come? Must it not be that, beginning with the colossal tariff schedules of 1864, the incessant advocacy of "protection" has — by accustoming capitalists interested in manufactures and their associated workingmen, to look upon the result of each Congressional and Presidential contest as the giving or withholding from them a government bounty — extended its influence over the whole field of labor, diminished the importance and necessity of individual enterprise, energy, sagacity, and promoted the Socialist theories that now environ us? Is not "indiscriminate charity" in the street to the unemployed, the underpaid, those unwilling to work, now condemned? If so, then why should Congress lay taxes in order to indiscriminately encourage everybody, the business-like and the unbusiness-like, to embark in protected manufactures? It may be said that competition will naturally reduce prices, but what if manufacturers form "trusts" to prevent the reduction?

The laws of New York have not, in any essential particular, modified the Democratic rule of the earliest and latest Constitutions of the State which have established the legal equality of employer and workmen, the sacredness of individual rights, and prevented undue meddling therewith. If the Legislature has overstepped the limits of the rule, as in the law to prevent the manufacture of cigars and preparation of tobacco in tenement-houses, or the law punishing as a criminal the purchaser of
two pounds of coffee under the inducement of a decorated cup and saucer as a gift, the judicial power has declared that there was not "due process of law." The New York Court of Appeals has unanimously given judgments on these and other topics which ought to open the eyes of the most blind Socialist. They should lead him to see that Socialism can never prevail in this State, unless over the ruins of the system of industrial liberty under which New York has lived and prospered."

New York, popularly governed under a written Constitution, has always recognized the fact that as human life can be maintained only by producing, trading, and using the proceeds, there should not be by the State restriction of contracts, or failure by the State to enforce lawful contracts. Otherwise voluntary co-operation among individuals can not exist.

New York has confined the crime of conspiracy within fixed statutory limits; has declared that the orderly co-operation in order to increase wages of persons employed in any callings is not conspiracy; has enacted that no employer shall compel any person, in order to obtain work, to agree not to join any labor organization; has made it a crime to willfully break a contract of service with the knowledge that the effort will be to endanger human life, injure personal property. All those laws are to protect industrial freedom.

Less than three years ago the people of New York adopted a revised Constitution. Are they willing to begin now to tear in pieces the new creation? If not, then the control by the State of production and distribution can only be under such ordinary legislative enactments as the judicial power shall declare are permitted by that Constitution. Individual liberty, which is the encouragement of individual ability, and

* * * The constitutional guaranty (due process of law) would be of little worth if the Legislature could, without compensation, destroy property, or its value, deprive the owner of its use, deny him the right to live in his own house, or to work at any lawful trade therein. * * * Under it (the police power) the conduct of an individual and the use of property may be regulated so as to interfere to some extent with the freedom of the one and the enjoyment of the other * * * but the power, however broad and extensive, is not above the Constitution. * * * Under the mere guise of police regulation, personal rights and private property can not be invaded, and the determination of the Legislature is not final or conclusive. * * * Such legislation may invade one class of rights to-day and another to-morrow, and if it can be sanctioned under the Constitution, while far removed in time, we will not be far away in practical statesmanship from those ages when government prefects supervised the building of houses, the rearing of cattle, the sowing of seed and the reaping of grain, and governmental ordinances regulated the movement and labor of artisans, the rate of wages, the price of food, the diet and clothing of the people, and a large range
creator of the collective power of the State, must have the freedom guaranteed by that Constitution. The first invasion by Socialism of the rights of individuals to property is usually under the guise of taxation as in the recent Income Tax Law with its $4,000 exemption.

IV.

Ten years ago several sugar refining corporations organized under New York laws attempted in New York to combine and form a partnership or "trust," but when the effort had been presented in due form to the courts of the State, it was quietly but very effectively stamped out. The several corporations, abandoning New York, re-formed in New Jersey, and the refineries thereunder that were situated in New York continued production and distribution as before. The contrivance condemned by the New York judiciary was an attempt by the share-owners in a number of corporations, through agreements among themselves to transfer to a committee all their certificates of shares, the committee taking from each corporation new certificates of shares in the name of the committee, and then giving back to the original owners certificates issued by the committee according to the original shares. The result was that the original owners of all the shares in all the corporations empowered the committee to control all the corporations for the benefit of the former.

In 1889 Senator Sherman represented to Congress his opinion regarding the evils of such "trusts," and, during the next year, was largely instrumental in securing the enactment of an ineffective Federal law making illegal any combination injurious to interstate or international commerce, or trade in any of the Territories. He fiercely denounced improper combinations of capital to monopolize the production and distribution of articles of food and enhance the price thereof, and yet in apparent unconsciousness of the inconsistency, he advocated in the same year the McKinley tariff. In 1892, when the condemned attempt in New York was fresh in the political mind, the Democratic and Republican National platforms vigorously denounced "trusts." President Cleveland, in the address, which in March, 1893, inaugurated his second term, and also in his last annual message to Congress, reproved "trusts." Neither the excellent platform adopted in 1896 at Indianapolis by the

of other affairs long since in all civilized lands regarded as outside a governmental function. Such governmental interferences disturb the normal adjustments of the social fabric and usually derange the delicate and complicated machinery of industry and cause a score of ills while attempting the removal of one." In Matter of Jacobs, vol. 98, N. Y. Reports, p. 98.
National Democrats, nor platforms adopted in that year by the Republicans, the Populists, or the Silverites at St. Louis, mentioned "trusts." The Democratic (free silver) party at Chicago was the only one that distinctly referred to the "formation of trusts and pools." President McKinley's inauguration reference to trusts, a few days ago, although based, as he said, on Republican party "declarations in the past," referred by way of justification not to the silent Republican platform of 1896, on which he was elected President, but to the platform of 1892. The very day on which the new President condemned trusts, his competitor, Mr. Bryan, violently assailed them in a New York morning journal, not only because pernicious to industry and enhancing prices, but because he fancied "trusts" had been detected in tainting with venality the contents of the ballot-boxes.

The most lynx-eyed, penetrating and piercing political purifier, carefully studying the fifth, sixth and seventh titles of the New York Penal Code, intended to preserve the voting, the legislative and the executive integrity of the State, can not, I think, put his finger on an evil not therein provided for, which can not be reached and punished if it exist, and prosecuting officers will do their duty. If, however, corporations should be mentioned by name, if their franchises should for any offense be taken away, let it be so enacted. If it be really true that corporations do pay money to a party "boss" to manipulate caucus nominations, and an election of candidates for Governor, Senator or Assemblyman, on the understanding that the "boss" will persuade such officers, if chosen, to further the improper schemes of such corporations, then let practicable amendments of the Code be made. But it will be intolerable, if a corporation, or partnership, or individual, whose constitutional right to liberty and property is assailed by blackmailing efforts at Albany, can not employ and pay reputable members of the bar to expose and resist before a legislative committee or the Executive such an assault. What is needed most of all is putting a stop to "jamming through" legislation without an adequate examination, argument, dispute, discussion and debate.

The condemnation of "trusts" having been based by President McKinley on their exclusion of competition, which exclusion it was said they promoted, it will be illuminating to pause for a moment to observe what he officially defined in his inaugural address as the "principle" which his administration will insist upon in laying Federal taxes. Direct taxes, including income taxes, are, "for the most part," to be, he said, "avoided in every form." There is not to be needless increase of internal Federal taxation. Zealous care for "American labor" is to
control in the arrangement of tariff schedules. Obtaining sufficient money to defray Government expenditure is to be one object, but the "controlling" object is to be "ample protection and encouragement to the industries and development of our country." That implies a shielding of protected manufactures from foreign competition. The "trusts" seek freedom from competition.

Were a single individual to put into sugar-refining business capital enough to buy and operate all the refineries, he probably could not, under the existing laws of New York, be interfered with unless he violated health laws or police laws, no matter what quantity of sugar he refined, or at what price he held it for sale, or on what terms he consigned it to grocers for sale. Why should the law applicable to the business be varied if a rich man takes superintendents, or workmen, or any one else into partnership, or forms a perfectly lawful corporation? I am not now commending or condemning: I am only analyzing. The "trust" can not live in New York under our present Civil Code, but why should not a corporation be permitted to do what an individual could do if he had enough capital? A monopoly is a grant by the State, giving control over the supply of an article, or of a service, but a corporate franchise granted under the general laws of New York is not that. Any three or more persons may form an industrial corporation. Anyone may buy its shares if for sale. Each share has a vote for directors who can, by a majority of the shares, be annually changed. What can be more Democratic? A majority of the directors, acting according to law, can control the corporation. If the directors do not perform their duties properly, it will be the fault of a majority of the shareholders if that defect exists longer than a year. The New York Penal Code is very searching in punishing corporate mismanagement as a crime. In 1892 New York forbade a combination between a stock corporation and any person to create a "monopoly," or "the unlawful restraint of trade," or to prevent "competition in any necessary of life." What is such "monopoly" or such "unlawful restraint," or such "competition," is not in any New York statute clearly defined. The definition and its application have, therefore, been left to the judicial power, whenever, in a suit, the question shall be presented. The courts can then decide when private property, or its employment, has become of such public interest, and so affected by the use the public is thus compelled to make, as to subject such property to restrictions not to be applied to other private property. New York corporate franchises are given only in trust, and on the condition that they shall not be used to the detriment of the State and its people. An Attorney-General is elected every two years, with ample
powers to present an offending corporation to the courts which can take away the corporate franchise. A majority of the voters of the State can elect a vigilant Attorney-General if they will only take the trouble to vote at the primaries and on election day.

New York has so greatly improved her corporation laws and industrial laws that now only competent administration is required, unless it be that the example and experience of Massachusetts in securing from each industrial corporation compliance with the conditions of its charter, and the requirements of the public, through commissioners with carefully limited discretionary powers, are worthy of attention, in order to best utilize corporate capital and preserve individual liberty.

New York Constitutions of 1846 and 1894 authorized the Legislature to alter, or repeal, corporate charters, subject, of course, to the rule that the use of such reserved power shall not deprive a corporation of its property, or annul its contracts. The Democratic State Convention of 1874 declared: "Corporations chartered by the State always supervisable by the State in the interests of the people."

The New York Legislature, perceiving that "trusts" in other States might by sales in New York imperil healthy competition, has enacted very drastic laws of prevention.

"Competition" is the watchword, and if an Attorney-General chosen by popular vote is alert and capable, harmful combinations should under existing laws be prevented. Capital is useful to its industrial owner when its products are extensively bought and consumed. A corporation will naturally keep its selling price so low as not to tempt into the field a new competitor with new capital, new energy and new prices. We live under a government by public opinion and the ballot-boxes, and it will make extremely difficult in New York an arbitrary manipulation of industrial affairs by organized capital, even if it were possible to combine it for the effort. Capital in New York can not be united as a voting force, unless its spoliation shall be attempted by a political party.

V.

The report just now made in Albany by the legislative committee, of which Mr. Lexow was chairman, will be disappointing to New York producers and distributors of merchandise, to experts in social science, politicians and thinking men of all classes. It fails to bring forth the truth that the demand for large capital, for completeness and economy of administration, is now so exacting that churches, libraries, colleges and schools, and even social clubs, are beginning to feel the necessity of combination and consolidation. It omits, even although all the power of a legislative committee was in the hand of Mr. Lexow, to explain what
New York wishes to know, the variation of prices of articles produced by "trusts," before and after their formation in 1887, before and after their dissolution in 1890 and 1891, and, to give an accurate chart of prices each month of the years since 1883, including the influence of tariff laws and business depressions. It stigmatizes the natural reticence of witnesses who were agents of corporations under New Jersey laws in response to questions intended to convict the witnesses of crime. It confesses in one part of the report that "we can not suggest at this time a remedy," and yet in another part suggests the remedy proposed by the Socialist advocates of a Federal income tax, which is amendment of the Constitution, or a change of opinions on the Supreme bench. When it alludes to "monopoly," it does not refer to its ancient meaning in statutes, which is an exclusive right, or franchise, granted by the State. It does not define, or even describe, in terms appreciable and capable of practical application, which combinations of capital, conducted by New York corporations, it condemns. It declares that "the present agitation" grows out of hostility to a word, which is "trusts," and then defines "trusts" as doing absurdly "unnatural" things, which very things New York has already, by existing laws, made unlawful. It proposes a new law giving to the Attorney-General a power which brings to mind that twenty years and more ago the House of Representatives at Washington prosecuted an inquiry into a real estate "pool," in which Jay Cook & Co., debtors to the Government, were concerned, and that Kilburn, a member of the "pool," summoned as a witness by a House committee, refused to produce books and papers, and answer questions. By order of the House he was imprisoned. He sued the Sergeant-at-Arms and the committee. The case went to the Supreme Court, which unanimously adjudged that the House had not the power to investigate private affairs; that it had not judicial power; that investigating the real-estate "pool." was the business of a court, with which the House had no right to meddle, nor had it the right to order the arrest of Kilburn. The draftsmen of the one piece of remedial legislation originally reported by the Lexow Committee have attempted to empower the New York Executive to constrain any person, by fear of imprisonment, to reveal to the Attorney-General evidence to convict of a crime, and have also endeavored to avoid the difficulties in the Kilburn case by associating with an executive officer a judicial officer bereft of all judicial discretion, thus trying to make an investigation seem to be judicial in law, when it is executive in fact. A straightforward way would be to ask a grand jury to investigate and indict an individual, and the Attorney-General to proceed in court against a corporation, entering into
forbidden combinations to prevent competition, etc. Whether or not the individual, or the corporation, has violated the law is certainly a judicial question. Since the adoption of the Fourteenth Amendment, our New York Legislature, when it thinks of invading one's liberty, or property, has to count with the Supreme Court at Washington. There is a suspicion of a partisan purpose in Mr. Lexow's proposed remedy which any mere "worker" in politics can readily discern.

Amidst the profusion of well-rounded sentences in the report, it is not easy to discover the opinion of the committee on the main question submitted to it by the Legislature, but it is fair to infer from the report that the committee concede the right of New Yorkers to form industrial partnerships and companies, to decide what shall be the quantity of production, and, if it be not "affected by a public use," the price of the product, and that New York can not deprive them, under the existing Constitution, of that liberty, but yet the committee seem to believe that the existence of the right depends on its magnitude. Indeed, the committee affirm that a corporation can not, in the opinion of the committee, have the liberty to produce eighty per cent. of the refined sugar consumed in the country. The right to property depends, they seem to fancy, on the size of the property, and freedom of contract on the magnitude of the contract. The major premises of the reasoning of the Republican legislative report are something like this: if the intelligence, energy and savings of A interpose, in competition, a barrier against the success of B, on account of his stupidity, indolence and waste, then the Constitution of New York and the United States should be so amended as to protect B from A, and give to B that which Socialists never weary of describing as an "equal opportunity."

VI.

Even if New York shall not, in a Socialistic sense, enter new spheres of action, as it is urged to do by Socialists, there will be needed better administration in the city and State. The division line between politics and administration can not be easily drawn in theory, but it exists in practice. Insisting that administrative questions are not political questions gives little assistance. Public opinion makes majorities, and they rule under the restraint of our fundamental law. A State commission intelligent enough to interpret that public opinion, as well as the law, to directors of industrial corporations, ought to be as useful in New York as it seems to be in Massachusetts.

It is often said that a Democracy is not favorable for the highest work in administration, and that defective administration is the price we pay, and must continue to pay, for individual liberty, and yet in the
affairs of organized capital in our country are to be seen the best types of administration. Why can it not be had in organized State and city governments? Is it exclusively a foreign art, a foreign science, a foreign faculty? We have to reconcile Democracy and Bureaucracy. We can not get along with administration dislocated from the people and not responsible to public opinion. Under the head of administration may be classified good bookkeeping by corporations, a uniform system for exhibiting capital, number of shares, gross earnings, operating expenses, fixed charges, taxes, debts and net income applicable to dividends. Those things New York can require of all corporations organized and doing business in its jurisdiction as is now required of its railway corporations, and most valuable, if made public, would the fact be not only to the actual shareowners, but to those seeking safe investments. Conferring power on corporations is politics, but supervising and enforcing systematic and proper supervision of the power when conferred is administration. The rate, sum and method of taxation is politics, but assessing and collecting taxes under the law is administration. The selection of the higher grade of administrative officers is politics, and the selection must, so long as we have government by party recognized in Federal and State laws, as notably and unfortunately in the case of our New York police commissioners, be made by the Executive after due consideration of public opinion. We must and will have a government of laws, but we also need a government by men who will be responsive to public opinion. Administration should be a public-spirited instrument of just government, and nowhere is it more needed than now in corporations, municipal as well as private.

May not New York rest awhile from meddling legislation, regarding either capital or labor, excepting so far as may be needed to adequately execute the laws we have? Such abstinence in law-making and such presence of capable law-administering should give the coup de grace to Socialism.

PERRY BELMONT.
NOT A CANDIDATE FOR MAYOR OF GREATER NEW YORK.

HOME RULE THE ISSUE.

(New York Times, April 4, 1897.)

Former Congressman Belmont, who will leave to-day for Europe, was asked last night concerning the talk of nominating him for Mayor of Greater New York.

He replied that his going away at this critical time in the politics of the city ought to be a sufficient answer. No word, or act of his, he said, had ever indicated any purpose or wish on his part to be a candidate, nor, as far as he knew, had any one promoted his candidacy. If a safe plan for a Greater New York shall be carried out, he believed a united Democracy will nominate and elect the first Mayor of the new municipality.

"But the candidate will not," he added, with emphasis. "be myself.

"The issues in the campaign for the control of the greater municipal government will be, it is to be hoped, confined to the needs of the municipality and its proper legal relation to the State, and to municipal liberty, industrial liberty, individual liberty and beneficent local administration under the banner of home rule.

"That there are National difficulties and issues of supreme importance is obvious. That there have been placed in the Executive Government at Washington two Republicans, McKinley and Sherman, who more than any other two Republicans in the country, are responsible for the existence of the evils in our coinage, currency, taxation and general industry. The voters have chosen a Republican Congress to give relief, and perhaps we in New York should await the remedies to be prescribed at Washington for the existing National evils.

"But what most concerns the people of the city of New York just now is the effort, by Republican government at Albany, to take away from them, without 'due process of law,' individual freedom, industrial freedom, local freedom, and to confiscate savings by unconstitutional, progressing rates of taxation. Those may be the issues in New York till we can see the effect of Republican remedies applied at Washington to the evils inflicted by Republican currency, coinage, taxation and trust legislation."
TO TAMMANY HALL ON ITS CELEBRATION OF FOURTH OF JULY, 1897.

From Paris, June 25, 1897.

I can not be with you in Tammany Hall on our day of general jubilee. I deeply regret it. The author of that charter of our liberties whose declaration one hundred and twenty-one years ago we celebrate, was the founder of the party organization of which we are members and was the first Democratic President. Meditation is always profitable on his earliest and latest exposition of individual liberty and political equality as the foundation of our system of constitutional government. Meditation is especially needful now. Recent Republican efforts in Congress to so pervert the revenue clause of the Constitution as to promote odious monopolies in production and trade, could never have had the sanction of Thomas Jefferson.

The Democracy of New York can not consent that the political influence of our municipality shall even seem to be in the hands of the Republican party.

May the coming anniversary of Independence Day be the beginning of a reunited and henceforth inseparable Jeffersonian Democracy. It was in 1848 that the Democracy solely by dissensions encountered deplorable defeat in a Presidential contest, but only four years later, when reunited, achieved a memorable victory similar to that now promised to a reunited Democracy in the Greater New York.

May Democratic victory, wanting no element of completeness, be ours in November next and in 1900.

Yours truly,

PERRY BELMONT.

Paris, France, June 25, 1897.
TARIFF AND FINANCE.

PROPOSED TARIFF WOULD KILL TRADE WITH FOREIGN LANDS.

ATTITUDE OF EUROPE TOWARD INTERNATIONAL BIMETALLISM.

(New York Herald, Interview, July 19, 1897.)

CO-OPERATION OF THE FRENCH.

Perry Belmont returned on Saturday from a visit to London and Paris. When a reporter from the Herald saw him at the Netherland Hotel yesterday he expressed much displeasure at an alleged interview with him sent out by a press association, which appeared in the morning papers yesterday.

Mr. Belmont was represented as alluding to the "toadyism" of Americans in London during the Queen's Jubilee, and as saying that he had crossed the Channel to avoid witnessing it, and that he had with him a copy of the address delivered by Whitelaw Reid on the occasion of the dinner to the provincial Ministers, in which he said that an American had to pinch himself to find out whether he was not an Englishman."

Mr. Belmont denied absolutely that he had said what was attributed to him in the interview.

CANADA AND M'KINLEYISM.

"There have been many things recently going on in Canada and in London regarding New York's northern neighbor, with a population nearly as great as the State of New York," said Mr. Belmont, "which should induce New Yorkers to think a little over the commercial future of our own city. The Queen's Jubilee was not a mere personal function. It was the occasion of great colonial and imperial politics, in which trade was uppermost, and the free trade, liberal Canadian Premier, representing the Manchester school of economists, Mr. Laurier, now Sir Wilfrid Laurier, was the central figure.

"There is," continued Mr. Belmont, "a great deal said in Paris and London about the rebuff Mr. Laurier got from Mr. McKinley when
vaguely suggesting to him a treaty arrangement between Washington and Ottawa, somewhat like the Marcy-Elgin treaty of 1854. Sir Wilfrid Laurier's warm and even passionate allusion in England to Lord Elgin as the best friend Canada ever had has now significance as marked as were the words uttered at Liverpool by the Duke of Devonshire, president of the British Empire League, on the occasion of the banquet to the colonial Premiers.

**Prohibitory Tariff.**

"If Canada has, for the time being, thrown herself into the arms of England we must remember that we have not a Marcy at the head of our State Department, nor could we expect any other outcome of the exclusive prohibitory tariff policy of the Republican party under the McKinley administration. Many patriotic Americans are now asking themselves whether or not it would have been better for us, regarding taxation solely, had the Chicago tariff plank and Mr. Bryan prevailed last November.

"I do not know how the McKinley administration views the conduct of our special Ambassador, Mr. Reid. His instructions, whether written or verbal, must have very properly indicated to him that his presence was expected at all the ceremonies in which the personality of the sovereign was in any way concerned.

"But can there be any explanation or excuse for his having attended the banquet of July 9 to colonial Premiers, at which colonial and imperial politics alone had a place and at which no foreign government but our own was represented? Not only was there no Ambassador, excepting our own, present, but after Sir Wilfrid Laurier had responded in glowing terms to the toast, 'The British Empire,' our special Ambassador responded for the 'Visitors,' and said, as reported in the Morning Post:

Americans in this country were, no doubt, visitors, but they were compelled to constantly pinch themselves and wake themselves up to find they were not at home. The Premiers were more English than the English themselves. They were proud, and had every reason to be proud, of their British origin. Referring to Canada, he said that an American had remarked that the French Canadian did not belong to the nineteenth century, but to the period of Louis XIV. That writer was mistaken. The French Canadian belonged neither to the nineteenth century nor to the period of Louis XIV. He belonged to the twentieth century.

"The criticisms upon Mr. Bayard in Congress and elsewhere were evidently not intended for Mr. Reid, but they apply with much more justice.

**Destruction of Foreign Trade.**

"The underlying contentions of the Republican tariff bill are novel and startling," said Mr. Belmont. "If they were contained in the Republican
National platform a year ago they were somewhat veiled from the common eye. That platform did, no doubt, propose to ‘put the burden of revenue’ on the foreign articles coming into competition with American products, exempting from duty all others. It did declare ‘protection’ to be the ‘ruling and uncompromising principle.’

“The Republican tariff makers, in the present Congress, have gone far beyond that. Seeking to obtain some $150,000,000 or less from the articles made dutiable, the Republican Senate has uncompromisingly excluded all dutiable articles it could exclude, while obtaining that amount of revenue.

“As foreign trade is the result of barter, of the exchange of products, the Republican declaration is taken in Europe as meaning that we intend to import from other nations only what we can not possibly produce at home, and to export only enough to exchange therefor. The factory is to be put by the farm so that each may consume the products of the other. ‘Reciprocity’ is to be invoked only to obtain access to foreign markets for our surplus, which is to be exchanged for what is not producible in our country.

WHAT ABOUT NEW YORK?

“That is more clearly discernible in the St. Louis platform under the glare of Republican tariff debating and voting in the Senate. Foreigners see it. And in no country have they ever before beheld anything like it. Nearly one-half our imports are to be free, and then an average of some sixty per cent. on the remainder, the rates rising in special cases twice and three times as high.

“The average rate in France is, I think, only twelve per cent., and solely for revenue; and in Italy, Spain and Russia only a third or half as much more. Europeans see that in the Senate game of greed among the several States, each one having a possible interest in the production of something or other, has secured the exclusion of a similar foreign article with the object of impeding foreign trade.

“But,” Mr. Belmont went on to say, “I asked myself, when I saw the Senate scramble, who has been thinking of or looking after the great port of our Greater New York? Has Senator Platt? What is to become of our port, if our foreign trade is to languish under McKinleyism? Under the Republican plan of bounties and monopolies new business and profit may start up temporarily, but this country is to live upon itself alone, neither importing nor exporting, as formerly. How can domestic trading keep alive the port and city of New York? What a delusion it all is! Can it be possible that the voters of the Greater New York are to permit
Europeans to believe that the 'Empire City' has been given over to such economic fanaticism and self-destruction?"

Mr. Belmont was asked to give his views on the coming Greater New York campaign. In his cablegram, which was read at the Tammany Hall Fourth of July celebration, he advocated Democratic harmony and unity on city and county tickets.

"I am very sure," said Mr. Belmont, "that the Democratic party — a reunited Democracy — can elect the first Mayor of Greater New York."

"Do you think National issues should be brought into the campaign?"

"I do not think it is necessary," he replied. "The character and personal qualifications of the candidates are the important questions."

**ATTITUDE OF EUROPE TOWARD INTERNATIONAL BIMETALLISM.**

In regard to the present attitude of Europe toward international bimetallism, Mr. Belmont said:

"There are advocates of it in France, England and Germany as there were a year ago, but the advocacy has not increased in volume or intensity. Other topics have occupied Europe. The McKinley administration is actively endeavoring, as the Republican platform requires, to promote the free coinage of silver by international agreement. Its Ambassadors and special commissions are working in concert, under the law enacted by the last Congress, which Cleveland approved. The question of the ratio to be adopted is kept in abeyance. There is at present every prospect of an international conference, to be held within a short time, and probably to assemble in Paris.

"If the efforts to establish an international ratio shall be successful on all points, which seems to me almost chimerical, the silver question will have been taken out of our politics. If, on the other hand, there shall be irremediable failure all along the line, then the silver question must in our public affairs inevitably take a new aspect.

"The New York State platform of June 24, 1896, declared itself opposed as a permanent financial policy to gold monometallism on the one hand and to silver monometallism on the other hand.

"Probably a majority of those who voted for Mr. Bryan last November preferred international bimetallism and prefer it now, and wish success to the efforts of President McKinley. The Chicago platform was apparently based on the conviction that the best route to international bimetallism was a vigorous initiative by our Congress without waiting for the aid or consent of any other nation."
NEW QUESTION MAY BE RAISED.

"If the pending negotiations for European co-operation with us for free bimetallism shall fail, then will come the new question whether or not they will choose a Congress and a President to enact, independently and alone, the free and unlimited coinage of silver. That single and naked question has never been debated and voted on by the country. The Democracy have not in National convention considered and decided it.

"European bimetallists believe that if, in the failure of international bimetallism, we shall open our mints to silver on the ratio of sixteen, and subsequently Europe open hers on the ratio of fifteen and one-half, then all our gold will leave us, as it did after 1834, and only token silver coins would remain.

"We must not delude ourselves with the idea that that means an international agreement to establish bimetallism. The French Government has agreed to co-operate with our own for the holding of a conference. What France wants is not international bimetallism, but the French will require from us in return for their co-operation in bringing about an international conference tariff concessions which will be expected from the McKinley administration, under the power conferred upon the President to enter into reciprocity arrangements with foreign governments.

"The reopening of the India mints is all that can be expected from England, and that would not be done with a view of altering her own present currency and financial system."

NEW PROBLEMS IN POLITICS.

EUROPE CAN NOT UNDERSTAND THE PROPOSED TARIFF. THE COINAGE OF SILVER BY INTERNATIONAL AGREEMENT. UNITED DEMOCRACY CAN ELECT FIRST MAYOR OF GREATER NEW YORK.

(New York Times, Interview, July 19, 1897.)

Perry Belmont, who returned last Saturday from a two months' stay in Europe, expressed his views freely yesterday on several of the engrossing topics of the day as they are regarded abroad. To an inquiry regarding the attitude of Europe toward the proposed new tariff he replied that Europe, having never before seen anything like it, was naturally bewildered for the moment.
“Sixty years ago,” he said, “when Robert Peel began his work of reform, England was really taxing every import, but the motive and purpose of the taxes were chiefly revenue. The motive and purpose of our Congress in framing its new schedules, as those schedules have been publicly and privately reported in Europe, have been chiefly to prohibit importation of the articles taxed, regardless of revenue.

“England consented to accept Peel’s reform, and began the substitution of direct for indirect taxes, because revenue from consumption had been exhausted and the needed revenue could not be had from duties on imports. English consumers had not the money to buy the taxed articles. Neither France nor Germany has ever entered on such a colossal and drastic plan of exclusion as has our Congress. Therefore, European political economists have not the precedents by which to forecast the immediate consequences, in a fiscal and economic sense, of our new tariff departure. The present tariff has been recorded in Europe as more exclusive than the work of Mr. McKinley in 1890, which, breeding a deficit, was modified four years later.

“Our newspapers and business men have told Europeans that we have now mills enough to produce in two-thirds of a year all we can consume in an entire year; that the purchasing power is now diminished by insufficient revenue or by a bad and uncertain currency, or by both; that the unemployed are numerous; that the employed are underpaid, and that our mills are idle. Europeans are wondering how we can better those conditions by increased taxes, so laid as to exclude foreign articles and give our mill owners and factories a free hand to enormously increase the prices of food, fuel, clothing and shelter.

NEW TARIFF A CREATOR OF MONOPOLIES.

“I think it is believed by Europeans that investments and shares in the new monopolies created by Congress may for a time promise so well that business, profits, and wages in those monopolies may increase temporarily. But who can purchase the newly increased output? they ask. Where will the farmers get the money to buy, if the prices of their great staples are not proportionately increased, and what is to increase them?

“During the last month and more, newspapers, letters, and cables from our side have said that the Republican party intended, wherever Custom House statistics have established since 1894, large imports under the Wilson law of articles such as we can not produce, to interpose a tax sufficient to prevent similar imports in the future, excepting only enough of those articles to obtain some $200,000,000 annually on all dutiable goods.
"Frenchmen have been made to believe that we do not wish their products and intend to exclude all excepting enough to obtain the needed revenue, especially of the class of products consumed by those who are not rich. They have become convinced that tea was thought of by the Republicans as dutiable only because the purpose to exclude generally on protective lines would not, in practice, produce revenue enough.

"Europeans ask how it has happened that there have been no reports received in Europe that our great city and port of New York protested loudly in Congress against such extinction of foreign trade. I could only answer that one of our Senators, a Democrat, who otherwise would certainly have made a forcible protest, has unfortunately been ill, and his colleague, a Republican, upholds the McKinley Republican war against foreign imports, and consequently against the increase of our exports, and urges a policy of commercial isolation, to the injury of New York city.

RETRIALATION PROBABLE.

"I think," continued Mr. Belmont, "that French, British, and Germans are of two opinions regarding the new Republican departure which is to increase the taxes on the raw material, the labor, and every element of production in our country. Those who are accustomed to our markets and wish access to them in the future are exasperated against us, and will seek to retaliate. But those who seek markets elsewhere, and have dreaded our competition, are gratified because they believe that our rivalry in Central America, South America and Africa will not be felt as it is now, unless it shall be that our people intend to tax themselves by the increased prices they will have to pay in order that our protected monopolists, getting bounties at home, may be enabled to undersell Europeans in foreign markets. French journalists, bankers, and political economists ask how, in that case, Europe, Asia, and Africa can pay for our products if we are to take no merchandise in return, excepting, possibly, the few articles we can not produce.

"New York city can survive even if depending solely on the northern railways penetrating New England and beyond into Canada, and the southern railways going into and beyond New Jersey and Pennsylvania, the Hudson river and its railways on either side, and the great coastwise trade. Nevertheless it would be a great and serious loss to be deprived of the foreign trade which now enters into and departs from our unrivaled port. It is precisely that loss which the Republican party of 'Greater New York' is inviting by its policy of the ‘home market’ and commercial isolation."
In connection with Greater New York, Mr. Belmont was asked to give his opinion as to the coming campaign. "I am very sure," he said, "that the Democratic party, a reunited Democracy, can elect the first Mayor of Greater New York."

"Do you think National issues should be brought into the campaign?"

"I do not think that is at all necessary," said Mr. Belmont. "The character and personal qualifications of the candidates are the important questions."

**INTERNATIONAL BIMETALLISM.**

In regard to the present attitude of Europe toward international bimetallism, Mr. Belmont said there are advocates of it in France, England, and Germany, as there were a year ago, but the advocacy has not increased in volume or intensity.

"Other topics," he declared, "have occupied Europe. Opinions heretofore expressed that no nation can, unaided and alone, place gold and silver on a parity and maintain it there are unchanged. Neither France nor Germany will unite with us unless England leads the way. The continued increase in gold production, the surplus last year and this year of British income over expenditure, the continued supremacy of England in commerce and of London as an international money market have the effect of persuading Parliament that the present coinage, currency and financial systems are good even though there be distress in India.

"Reduction of taxation, with an enlargement of its basis, there may be if peace continues, but probably not a modification of coinage or currency laws so long as existing British industrial prosperity endures.

"The McKinley administration is actively endeavoring, as the Republican platform of 1896, requires, to promote the free coinage of silver by international agreement. Its Ambassadors and special commissions are working in concert under the law enacted by the last Congress which Mr. Cleveland approved. The question of the ratio to be adopted, however, is kept in abeyance. There is at present every prospect of an international conference being held within a short time.

"If the effort to establish an international ratio shall be successful on all points, which seems to me almost chimerical, the silver question will have been taken out of our politics. If, on the other hand, there shall be irremediable failure all along the line, then the silver question must in our public affairs inevitably take a new aspect. The New York Democratic State platform of June 24, 1896, declared itself opposed 'as a permanent financial policy, to gold monometallism on the one hand and to silver monometallism on the other hand.'
NEW PROBLEM IN POLITICS.

"Probably a majority of those who voted for Mr. Bryan last November preferred international bimetallism, and prefer it now, and wish success to the efforts of President McKinley. The Chicago platform was apparently based on the conviction that the best route to international bimetallism was a vigorous initiative by our Congress 'without waiting for the aid or consent of any other nation.'

"If the pending negotiations for European co-operation with us for bimetallism shall fail, then will come the new question whether or not they will choose a Congress and a President to enact, independently, alone, the free and unlimited coinage of silver. That single and naked question has never been debated and voted on by the country.

"Europe understands that the last National Convention assembled under circumstances in our Democratic politics which can not exist three years from now. In 1896 the relations between a Democratic President and Democrats in Congress were strained to the point of breaking. The Democracy were disrupted as they were in 1848 over the slavery question.

"It is not credible that in 1900 the Chicago platform of last year will be adopted by the Democracy without modification. Even now come from Missouri, speaking through Senator Vest, complaint that the word 'only' was dropped from the tariff plank. It is unlikely that there will be a renewed arraignment of the right of private contract, of the independence of the judiciary, and the authority of the President to enforce Federal laws. It is to be hoped that the reunited Democracy, consenting that the present silver dollars shall continue to be a full legal-tender dollar, will give to the holders of the obligations of the United States the right to demand either the silver or the gold dollar.

"We must not delude ourselves with the idea," said Mr. Belmont, in conclusion, "that an international conference means an international agreement to establish bimetallism. The French Government has agreed to co-operate with our own Government for the holding of a conference. What France wants is not international bimetallism, but she will require from us in return for its co-operation in bringing about an international conference tariff concessions which will be expected from the McKinley Administration under the power conferred upon the President to enter into reciprocity arrangements with foreign governments.

"The reopening of the India mints is all that can be expected from England, and that would not be done with a view of altering her own present currency and financial systems."
THE NEW TARIFF AS VIEWED ABROAD.

(New York Evening Post Interview, July 19, 1897.)

Perry Belmont has just returned from Europe. He was asked to-day by an Evening Post reporter about the European opinion regarding the new tariff schedule. He replied that European shippers of their products to American markets, the merchants and bankers who are middle-men in the transaction, and political economists who are critical students of tariff questions, seemed to him to have been greatly impressed by the disclosure in the Senate debates about the trusts. He added:

"Trusts and other combinations to control production and prices, which have come into operation since Mr. Sherman's tinkering with our currency years ago, and Mr. McKinley's manipulation of the tariff in 1890, have put an end to the contention of Henry Clay, Henry Cary, and Horace Greeley that protective duties, by excluding foreign competition, promote domestic production and domestic competition, which, in the end, make lower prices for consumers. Such trusts and combinations do exist here and there in free-trade England, but their prevalence in the United States, Europeans say, has come into being since low prices began in 1890. McKinleyism, out of this exaggerated hostility to foreign imports, has fallen into the clutches of domestic monopoly.

"The feeling in France, among intelligent students of our political institutions and of economic problems, is, I think, an unwillingness to predict the immediate outcome of the Republican effort in Congress to promote prosperity by new taxes. The remote result every one foresaw. It was said to me: 'You in your country are making the new industrial departure in order to obtain a thousand million of francs annually from imported articles. Would you thus exclude foreign merchandise and put an end to your foreign competition?'

"In regard to what Englishmen think and say of the new development of McKinleyism, the answer to the question will depend on the particular interest the Englishman has. If he is only an investor or speculator in our industrial enterprises, his reply will be unlike that of one of his countrymen who is seeking access to our great markets for the sake of his products. Englishmen buy our mines, Western ranches, and lumber land, they purchase stock in our 'Trust' and other new enterprises, as for
years they have in our railways, a majority of the shares of some of which they own. They speculate in enterprises in the United States of every possible sort, as they do in South African, South American, Australian, and Canadian ventures. They often ask in London about this or the other enterprise, based on a schedule in the new tariff, stock in which is from New York offered for sale in London.

"The scheming and toiling of the Republicans in the Senate to promote by tariff taxes the existence of industrial monopolies in our country, to be owned by aliens, was very curious and almost amusing. Such a policy must to everybody seem a very queer sort of way to establish what the last Republican National platform described as 'American development and prosperity' and 'the bulwark of American industrial independence.'

"It was, of course, not feasible and absurd to enact that aliens shall not own shares in the monopoly rights to exploit the resources of our country conferred by the new tariff, but it was feasible by keeping open foreign competition to protect purchasers and consumers of articles to be produced by the monopoly."
To the Editor of the Brooklyn Eagle:

Will you kindly permit me to say in your columns that the divergence of our views as to the Special Ambassador of the United States to the Queen, in the affair of the banquet given by the Cordwainers, has been caused, in all probability, by your omission to discriminate between, on the one hand, honors paid to the Queen, during the jubilee days, which were fixed and limited in duration, and, on the other hand, the diplomacy which had for its object the eleven self-governing British colonies and their colonial Premiers.

The former looks backward over the sixty years of the Queen’s reign, but the latter looked forward to a change in the relations of the British Government to its colonies. To the former the Special Ambassador was commissioned, but to the latter and its banquets he was not commissioned. On the former all the Special Ambassadors attended, but on the latter, none excepting the Ambassador from the United States.

At the beginning of the present year, it was decided by the Government in London to invite to the Jubilee the Premiers of those eleven colonies possessing a popular franchise and responsible political institutions. After indicating the reasons why their presence at the celebration of the Jubilee festival was thought desirable, the Premiers were informed that, if they were able to accept the invitation, their presence in London would afford “a most valuable opportunity for the discussion of many subjects of the greatest interest to the Empire,” and these subjects were colonial defense, commercial union, emigrant legislation, representation of the colonies and the questions of general policy which present the greatest difficulty in their respective colonies. The eleven Premiers accepted the invitation, not merely to the Jubilee functions in honor of the Queen, to which the United States were invited, but to the minutely foreshadowed conference with the Government.

The general charge of the colonial Premiers, as soon as they landed in England, was in the hands of the British Empire League, of which the Duke of Devonshire, President of Council under Lord Salisbury, is presi-
dent; the Queen is patron, and the Prince of Wales is vice-patron. It succeeded the Imperial Federation League, which expired because ambitious to make organic political changes. The league went to Liverpool, in the person of the Duke of Devonshire, to welcome the colonial Premiers on arrival. A large banquet to them was given in Liverpool on the 12th of June, at which the Mayor presided, and the Duke of Devonshire, in two long speeches, explained the political motives and aims of the league. There and everywhere else the Canadian Premier was the central figure, appealing most powerfully to British imagination, because a Frenchman by race, a Roman Catholic in religion, who had recently on free-trade issues upset the Canadian conservative Government, and made a tariff offering a large discount from the regular rates to any country treating Canada as that country was in the tariff treated by Canada.

When the colonial Premiers arrived in London, entertainments and dinners without end were given to them, which no Special Ambassador attended. The Prince of Wales, Lord Salisbury, the Duke of Devonshire and Mr. Chamberlain were unceasing in doing honor to the colonial Premiers and in carrying out the policy of the British Empire League.

On Thursday, July 8, a banquet was given to the colonial Premiers by the master and wardens of the Worshipful Company of Cordwainers, of which company Mr. Chamberlain, Colonial Secretary, is perhaps the most important member. This banquet Mr. Whitelaw Reid attended, and he responded to the toast in honor of "Our Guests." The Duke of Devonshire and Mr. Chamberlain, Secretary of State for the Colonies, were the chief speakers. The character and aim of the banquet can be discerned in those speeches. It was a "family affair." The Duke of Devonshire responded to the toast, "The Naval and Military Forces of the Empire," the last two words of which were, he said, an innovation. The speech was military throughout. He said this:

"Complaints have, I believe, been occasionally made that the recent proceedings have partaken too much of a purely military character, and that other elements—perhaps even more essential elements—of national greatness, the elements of science, of art, and of labor have found no place in the pageants which have lately taken place in this city. Ladies and gentlemen, one essential condition for a successful and a popular pageant of this description is that it should be picturesque, and I very much doubt whether it would have been possible to have combined the representatives of science—even of art and of labor—in a manner so picturesque and striking as that which has been accompanied by the display of the naval and military forces of the Crown. The object, the intention of everything which has been done on this occasion, the main idea, has been to exhibit the unity and strength of the Empire."

There was no mistaking the significance of that!
Mr. Chamberlain emphasized the same feature and purpose. He said:

"The mighty fleet, of which we exhibited a portion to our visitors the other day, those military preparations to which reference has been made to-night—these are not a threat to other nations. These constitute no danger to our neighbors; they are the pledges we give to our colonies and to our dependencies that, so long as they value their connection with us we will use all our resources in its defense. It is our interest—it is also our duty—to maintain the unity of the Empire, and it was, I think, the sense of this supreme obligation which was the dominant note which was the unique and significant expression of our recent demonstration."

Then Mr. Laurier declared:

"In Canada they had unbounded faith in their own country. When she had reached the full development of her manhood nothing would satisfy her but imperial representation. He knew that this question was not free from difficulties, but it was the part of strong men to overcome difficulties. Illustrious as had been the career of the Parliament of Great Britain, perhaps no less illustrious might be the career of the Parliament of Greater Britain."

And then spoke, in that atmosphere and presence Mr. Whitelaw Reid, who said:

"Americans in this country were no doubt visitors, but they were compelled to constantly pinch themselves and wake themselves up to find they were not at home."

That must be taken, it seems to me, as a quasi official response to the disclosed purpose of the British Empire League and the diplomacy of Lord Salisbury's Government. It was an intimation that both inspired a feeling in our Special Ambassador, the only Special Ambassador still remaining London, that he was there "at home." If not, then what was it?

New York, July 22, 1897.

PERRY BELMONT.
NOT A REPRESENTATIVE OF THE ROTHSCHILDS.

AN APOLOGY FROM THE EVANSVILLE COURIER-JOURNAL.

The Evansville Courier-Journal, Indiana, having, in its issue of July 21, 1897, published certain defamatory statements, Messrs. Benjamin Harrison and H. H. Miller, attorneys, of Indianapolis, were instructed to take proceedings against the proprietors of the paper.

These were averted by the publication of the following apology:

EVANSVILLE, Ind., August 10, 1897.

My Dear Sir.—I send you by this mail a marked copy of this morning’s Courier, containing an apology for certain statements referring to yourself and to your father, made in an editorial article in the Courier of July 21st. I wish to assure you that no disrespect to you or him was intended and that I now regret having published the gossip about your father’s change of name. In the routine of daily editorial work, a man may be excused for mistakes which proceed from inadvertence. I beg you to regard this as one of these instances, and to accept the printed apology with my personal assurance that it is cordially and sincerely intended. I am,

Very truly yours,

JOHN GILBERT SHANKLIN.

Hon. Perry Belmont, New York.

AN APOLOGY.

(Evansville Courier-Journal, August 10, 1897.)

In the Courier of July 21st, we commented upon an interview with Mr. Perry Belmont, who had just arrived in New York from a visit to England. The interview was widely published and received the editorial comment of a number of newspapers, besides the Courier, because of the following remarkable statement:
“European bimetallists believe that if, in the failure of international bimetallism, we shall open our mints to silver on the ratio of 16, and subsequently Europe opens hers on the ratio of 15½, then all our gold will leave us, as it did after 1834, and only token silver coins would remain.”

Accepting the interview in good faith, and yet with surprise, that a man of Mr. Belmont's intelligence should have fallen into such an error, we ventured the statement that it was silver and not gold that left us in 1834, pointing out that it would be absurd upon its face for gold to leave this country where it was worth sixteen times as much as silver, to go to France and Germany for investment, where it was worth fifteen and a half times as much as silver. We also spoke of Mr. Perry Belmont as the representative of the London banking-house of Rothschild in the bond transactions of President Cleveland's administration, and repeated the story about his father that has often been published that he changed his name of August Schoenberg to August Belmont, which is its French translation, when he came to New York, to become a citizen of the United States.

We have received from a most trustworthy source a private letter, in which we are informed:

First, that in the interview upon which we commented the word “silver” should have been printed where “gold” was used.

Second, that Mr. Perry Belmont did not appear as the representative of the Rothschilds in the bond transactions of the Cleveland administration or at any other time.

Third, that his father did not change his name from Schoenberg to Belmont, but that Belmont was his legitimate patronymic inherited from several generations.

We wish to say that in making the statements referred to, it was far from the Courier's intention to misrepresent Mr. Belmont or to cause him any annoyance. We do not recall the paper from which the interview was reproduced, but it was not changed in any particular as embodied in our editorial comments.

As for the other matters at issue, our apology is that Mr. Belmont's name was so frequently associated with the bond transactions as the representative of the Rothschilds, and the story of the translation of his paternal name from German to French has been so often published, that never having seen any denial of them, we supposed both were true. It seems, however, that the Courier has been under a misapprehension upon these points, and we, therefore, hasten to correct them in justice to Mr. Belmont.
and to ourselves. We also reproduce an article from the New York Press of March 3, 1897, in which the old story concerning the change of the family name is effectually set at rest by one who is in a position to speak by authority.

[THE FOLLOWING IS THE APOLOGY IN THE NEW YORK PRESS, MENTIONED.]

(New York Press, March 3, 1897.)

Recently the Press printed some paragraphs about August Belmont and his intentions to race his stable under his own name, in which we repeated a story that the original name of the Belmonts was Schoenberg, which means "Beautiful Mountain," or "Belmont." The publication of the paragraph has disclosed to the Press that the family records of Mr. Belmont show that the name never was anything but Belmont.

When it was informed of this fact by a friend of the Belmont family, the Press was referred to the following letter, which had been published shortly after the death of August Belmont, Sr.:

"Sir.—In some of the biographical notices of the late August Belmont a statement is made that at an early period of his history either he or his father changed the family name from "Schoenberg," signifying in German "Beautiful Mountain," to "Belmont." There is absolutely no truth in the statement. For centuries Mr. Belmont's paternal ancestors have borne the name of Belmont and never its German equivalent. All were born in Alzey. The family lot in the cemetery of Alzey contains the gravestones of generations of Belmonts, dating back to the seventeenth century.

"Mr. Belmont's parents had but two children, August Belmont and Elizabeth Belmont, who married and has three children living, all with large families. Anna Belmont, a daughter of his uncle, Florian Belmont, married Louis Bamberger, the successor of Lasker in the Liberal leadership of the German Reichstag.

"The official archives of the Mayor and Registrar of Vital Statistics of his native city of Alzey, certified copies of which authenticated by the United States Consul at Mayence, are accessible, record the death of his father, Simeon Belmont, in 1859; of his mother, Frederika Elsass, in 1821 (after whom his daughter was named); of his uncle, Joseph Florian Belmont, as late as 1870, and also of his grandfather, A. J. Belmont, and his grandmother, Gertrude Lorch. Father, uncle and grandfather are described as "rentiers," or landed proprietors.

"Mr. Belmont was about the last man in the world to have changed his name, and quite the last to have concealed a change.

"W. LUTTGEN,

"Of August Belmont & Co.

"New York, November 26, 1890."

Believing that the circulation of this story must have caused the Belmont family annoyance, a reporter went to August Belmont and told him that, it having come to the knowledge of the Press that the story about the change
of his family name by his father was not true, the Press desired to print a correction and also to express its regret for having spread the baseless gossip.

The Press also desires to correct any wrong impression in the article complained of in so far as it referred to the present August Belmont. Nothing was further from the intention of the Press than to reflect upon Mr. Belmont, and no one who knows what he stands for in this community ought to think that the Press would say anything concerning him which would lead any one to suppose that he was not the substantial person that New Yorkers know him to be. The paragraph was intended to be merely facetious, but having been complained of by Mr. Belmont, we desire to make this statement.

Berkeley Lodge, Old Forge P. O., N. Y.,
August 5, 1897.

Messrs. Davies, Stone & Auerbach, New York City:

Gentlemen,—I have received your letter of the 4th inst., with the inclosures, and have this day transmitted the same to Hon. H. H. Miller, of Indianapolis, with directions to proceed according to your suggestion. I can not think that there will be any difficulty in securing a suitable retraction from the Evansville Courier people. * * *

Very truly yours,

BENJ. HARRISON.
THE FIRST MAYOR OF GREATER NEW YORK.

(Interview in New York Times, August 31, 1897.)

Mr. Perry Belmont, before going to Europe in May last, declared, in a tone as peremptory as words can express, that his name will not be among those presented to the voters next November for the office of Mayor of "Greater New York." That declaration and his relation a year ago to the candidacy of Mr. Bryan should, and will, give significant importance to his present opinions regarding political parties and issues in "Greater New York." He has no aspirations that might distort his appreciation of the present party condition.

Since Mr. Belmont's return he has carefully studied the situation, and yesterday said to a reporter of The New York Times, that the contests this year over Assemblymen, the legislative and executive offices of the new municipality, county officials within the area of "Greater New York," and all varieties of the judicial offices to be voted for, will be conducted and controlled by the two old organizations. The National, State, and city patronage in "Greater New York," in the Custom House, the Post-office, the internal revenue, the execution of the Raines Law, and the "workers" in the departments of the "reform" city government, including the police, will all be used against the Democracy. That species of government aggression against the freedom of elections will unify the Republican party.

DEMOCRATIC VICTORY THIS YEAR.

"There will be Democratic victory this year in 'Greater New York,'" said Mr. Belmont. "Every expert will affirm that when the line is drawn in the area covered by the new city between the voters who follow the party flag borne by Seymour and Tilden, and those who follow the one held by Thurlow Weed and Conkling in the recent past, the former are in a great majority.

"In 1892, the Democratic vote was, as we all know, in the three counties of New York, Kings and Richmond, 281,549, but the Republican vote was only 173,573. At the same election the total Democratic plurality in those counties and towns in Queens county, now composing 'Greater New York,' was 112,900."
"Two years after the ballot-boxes in the city of New York disclosed a different result, because the peculiar detective work done by the Rev. Dr. Parkhurst, the Lexow Committee, and Mr. Goff uncovered a condition of things in the Police Department which had been created by the bi-party government of the police, devised by the Republicans to give themselves a control which a majority of voters in the city did not desire. That disclosure led up to the creation of the 'Committee of Seventy,' and a platform, not of bi-partisanship, which caused the evils, but of non-partisanship in municipal affairs. The committee presented a list of candidates to be voted for in the city on the ensuing November. It was headed by Mr. Strong for Mayor and Mr. Goff for Recorder. The former promised as a candidate 'to make all appointments without regard to party lines.' A Republican Legislature enacted a special law empowering the new Mayor to remove the heads of departments, and another empowering him to create new Police Magistrates throughout the city. Removal of Democrats from office was drastic and comprehensive. I am unable to recall the name of a Democrat who resisted the election of Mayor Strong and was thereafter appointed to office by him.

The offices were distributed by him with almost mathematical accuracy among the groups of voters who conspired to expel the Democracy for the very things which a bi-party Police Board could not or did not prevent. In The Atlantic Monthly for September, Mr. Roosevelt says: 'The Mayor and his associates had to keep in touch with the Republican party, or they could have done nothing.' He describes the police as 'the great centre' of Republican power in the city, and says that the Republicans caused the enactment of 'the so-called bi-partisan or Lexow law, under which the department is at present conducted; and a more foolish or vicious law was never enacted by any legislative body.'

In 1895 there was a deep feeling of disappointment by reason of what had been done under the deceptive cry of nonpartisanship. It was manifested in the case of that best of Magistrates, Recorder Smyth, whom Mr. Goff had previously defeated by a vote of 158,908 against 104,159. Recorder Smyth was, as a Democratic candidate pure and simple, chosen in 1895 to a higher judicial office by a vote of 126,100 against only 106,238 cast for his most competent and excellent rival, Mr. Beaman, the Fusion candidate. A year after there were in the Presidential contest exceptional party conditions not likely to exist again in New York. For the first time the Republican party ticket for National and State officers had a majority in New York city over all other tickets, yet Bryan's vote in New York city was less than Cleveland's in 1892 by 68,835 and in
Brooklyn by 23,278. McKinley in 1896 had 59,392 in New York city more than Harrison had four years before, and in Brooklyn 38,639 more than Harrison had received. While in the whole area of Greater New York there was a Democratic Presidential plurality in 1892 of 112,000, there was four years after a Republican Presidential plurality of about 59,000; nevertheless, Black, the Republican candidate for Governor, had a plurality of only 34,000, or about 10 per cent. of the whole vote. Black's vote in New York city was 9,691 less than McKinley's, and in Brooklyn 5,168 less.

CURRENCY REFORM.

"Every politician recognizes the anomalous and abnormal condition existing in 1896, which temporarily defeated the Democracy. The powder used last year can not be burned again. There is need, no doubt, that the Democracy of Greater New York consider carefully under the new situation in the country whether or not it will longer endure legal-tender money made of anything else than gold and silver, whether or not any new and inferior dollar shall pay debts contracted in the old and superior dollar, whether or not the country has more to fear from the cupidity of banks emitting circulating paper dollars, not legal tender, than from full legal-tender Governmental notes emitted in the discretion of a party majority in Congress, and whether or not the 10 per cent. tax on the issues of State banks shall be repealed. But the time between now and the beginning of the active strife of the city campaign is insufficient for formulating a Democratic plan to put constitutional order into our coinage and currency.

"Prosperity and a surplus make the time for currency reform opportune. Under a deficit it would be more difficult. The Republican party and the friends of the present Administration attribute to tariff legislation the existing conditions of prosperity which are now apparent. Bad wheat harvests abroad and good wheat harvests at home have brought about these conditions. Just as protectionists attribute to Republican legislation the apparent revival in trade, so would the free silver advocates consider such a revival a vindication of their ideas of coinage had they succeeded in the election of Mr. Bryan, and had the wheat harvest conditions been the same. In spite of the deficit-breeding Dingley tariff, there will be a surplus for a few months, thanks to the bond selling, which may turn out to be the salvation for a while of the present Administration.

USE OF OFFICES FOR THE MACHINE.

"Every politician also concedes that on the division of voters in Greater New York between Democrats and Republicans, the former are in a large
majority. Therefore on a fair vote the Republicans can not elect a Mayor unless by employing some such decoy expedient as is used, which implies the selection of a candidate who has at some time or other, on some issue or other, affiliated himself with the Democracy, and can be made this year a lure for unwary Democrats.

"The Republican device this year is nonpartisanship, as in former years it was bi-partisanship. Each is a delusion."

"But," asked the reporter, "can not the Citizens' Union make a controlling issue out of the demand that neither executive nor legislative officers of the new city shall use their official powers to build up a party or a machine?"

"The Citizens' Union," replied Mr. Belmont, "is now, and is to be hereafter, if it survives, a party organization. Its candidates, if elected to municipal offices, executive or legislative, will use their offices to benefit that organization. If its public servants are good servants, the organization will be benefited, as it should be. If the Citizens' Union candidate shall capture the city Republican organizations can he refuse to co-operate with the party that has placed him in power? The Citizens' Union does not intend to supersede government by party if the party be its own party. Everybody will this autumn favor and demand 'good' city government, 'honest' city government, faithful execution of the new city charter, and that each city officer shall be loyal to his oath of office. Nobody will advocate the contrary. Until the Mayor, Comptroller, President of the Council, and the two legislative bodies have been chosen by the voters, until the Mayor has appointed the heads of the departments, and they have done important municipal acts, how can there be parties and issues, both exclusively municipal?"

MUNICIPAL ISSUES.

"But," Mr. Belmont was asked, "can not the legislative measures proposed by the Citizens' Union become distinct issues this year?"

"Which are they?" he demanded. "Take those formulated by the Citizens' Union for the use of the Socialist Labor Party. Here they are, as given in The Evening Post of July 7:

"'(3) The Citizens' Union insists upon the realization of the following first steps of a progressive nonpartisan administration of Greater New York: (1) The honest enforcement of the Eight-Hour Law; (2) more parks; (3) more schools; (4) the adoption of the best educational methods; (5) clean streets; (6) rapid transit; (7) better tenements; (8) the best pavements in the most densely populated districts; (9) public baths and
lavatories; (10) the entire separation of municipal government from National and State politics; (11) the merit system of appointment impartially enforced; (12) public franchises to be owned and rigidly supervised by the city — for instance, those of the gas and railroad companies.

"Nobody will take issue on the first nine. All will concede the eleventh. The twelfth is not yet in the range of practical politics. It is too serious in its social, economic, financial, and constitutional aspects for settlement off-hand this Autumn by any group of citizens."

**SOCIALISTIC REFORMS.**

"Do you fancy that the Citizens' Union is co-operating with the Social Labor party?" the reporter asked Mr. Belmont.

He replied that he had no knowledge, except such as he had derived from the newspapers since he came home. "The clipping which announced the issues commended to the 'Socialist Labor party' by the 'Citizens' Union' was taken from the news columns of The Evening Post of the 7th inst. Therein it was plainly stated that the 'Citizens' Union' was working with the Socialists, who insist that the coming election upon the realization of 'Public franchises (such as gas and railway) owned and rigidly supervised by the city.' The New York Socialists demanded a year ago in their platform:

"'The municipalities to obtain possession of the local railroads, ferries, water works, gas works, electrical plants, and all industries requiring municipal franchises.'

"Such a vast municipal outlay of money and creation of debt, either to buy or to appropriate by condemnation proceedings or create anew, would require much lawmaking at Albany — an amendment of the State Constitution. In some year of the future the effort may be begun to put the city in such comprehensive business as supplying transportation and illumination for a price, as it now supplies water, and as the Federal Government transports and delivers mail matter. It may even be that in future years the city will provide transportation and illumination free of price or fee or rate, and rely on taxes to 'foot the bill.' Highways have been evolved from turnpikes exacting tolls. Nearly all roads and bridges are now free. There is much to be done by our new city, and especially in the portions crowded with workingmen, in the way of perfect roadways, perfect sidewalks and curbstones, perfect pavements, perfect cleanliness, and less noisy streets, before we get to the free transportation and illumination demanded by the Socialists. For those important preliminaries the new city charter provides. The public franchises for providing transportation and illumination will be in the hands, primarily, of
the Board of Public Improvements, and the Board of Estimates, in which two boards the elective Comptroller, the elective President of the Council, the heads of departments appointed by the Mayor, and therein associated with the Mayor, will control. The central person in such deliberations is likely to be the one who like the Comptroller 'bears the purse,' but in the preliminary details which concern health and comfort, it is to the Municipal Assembly we must look.

"The day when any party — excepting, perhaps, the Socialistic-Labor party — which demanded in July, 1896, the 'employment of the unemployed by the public authorities' can tolerate appointments or employments by the city merely to build up a party or a machine, has gone by forever."

**Populism is Republicanism.**

"I infer, then, that you do not deem it needful or proper that Democrats make an alliance in 'Greater New York' with McKinleyism in order to show that they favor 'sound' democracy and 'sound' money, and repel Populism?" said the reporter.

"Most certainly I do not." replied Mr. Belmont: "The currency disorders, financial disorders, and social disorders that now environ our country are traceable to the Republican party. Present Populist quackeries were invented and first applied by Republicans. Populist leaders came out of the Republican party. Financial dishonesty in currency began with them in 1862 or thereabout. The Republicans invented and first enacted full legal-tender fiat paper dollars, compelled creditors to accept them in payment of promises to pay gold and silver dollars and first impaired the obligations of contract. They invented and first enacted an unapportioned and unconstitutional direct tax in the form of a tax on income. They took away from State banks the issue of circulating notes and gave it to the United States. They packed, degraded, and assailed the Supreme Court because it denounced the Republican Legal-Tender Law as unconstitutional. They were born vituperating a Democratic President some forty years ago, because he used the army in Boston to execute the process of the Federal Court, and in Kansas to execute Federal laws. The relations of Mr. Sherman to the demonetization of silver in 1873 are well known. It was he and his allied Republicans who so snuffled and paltered with the specie re-sumption legislation of 1875 as to leave it in doubt whether or not redeemed greenbacks were to be exterminated, and thus Mr. Sherman led up to the 'endless chain' enactment of 1878. The Republican authorship of the Silver Law of that year, and of the Sherman Silver Law
a dozen years later can not be denied. Since Secretary Chase went upon
the Federal Supreme Bench as Chief Justice, where he made confession
and endeavored atonement, Mr. Sherman and Mr. McKinley have done
more than any two of our public men to make our money, our currency,
and our taxation unsound. It is incredible that the 19,000, more or less,
of Democrats in New York who voted for Palmer and Buckner and the
many more New York Democrats who voted for McKinley electors, can,
after four months of the McKinley Administration and of the McKinley
Congress, longer tolerate association with McKinleyism."

THE POWER OF THE MAYOR.

Mr. Belmont was asked if the Mayor has, under the new charter, as
has been so persistently represented, powers that are unusual and unpre-
cedented.

He replied that he did not think so. He said that popular attention
had been diverted from a study of the charter as a whole, by the power
conferred upon the Mayor, during only the first six months of his term,
to appoint heads of departments not elective, and remove those holding
office by the Mayor’s appointment. The Comptroller is to have control
of the finances, but he is an elective officer, and will be quite independent
of the Mayor. He can not be removed from office by the Mayor.

"If the Government of Greater New York," said Mr. Belmont, "is
hereafter to especially influence the business and the finances of the whole
country, as is often said, it will be through its Comptroller, who is to be
chosen by the ballot-boxes, and is not to be appointed by the Mayor.
After six months the heads of the administrative departments will be
quite independent of the Mayor, who can interfere with them only by
removing them from office for cause, on charges preferred, after a public
trial, and on approval by the Governor. In fact, the Mayor will always
hold his office subject to the will and pleasure of the Governor. The
Governor can any day put an end to the Mayor’s official life. He is, to
be sure, styled in the charter ‘the chief executive officer.’ It is therein
made his duty to ‘keep himself informed,’ etc., and he is required to be
‘vigilant and active in causing the ordinances of the city and laws of the
State to be enforced,’ but he has no power to accomplish the ‘causing,’
excepting by removals and by the more or less feeble instrumentality
described in the charter as ‘consultation and co-operation.’

THE POWERS BEHIND THE MAYOR.

"It is to the ‘Municipal Assembly’ that the charter has expressly im-
parted the ‘power’ and made its duty ‘to see to the faithful execution
of the laws.' The Assembly can appoint committees to inquire into the Mayor's conduct. The Commission reporting the charter to the Legislature said that the 'Municipal Assembly' can supervise all departments and officers of the city.

"The Mayor will not have as much executive power and responsibility relatively to the other branches of the Government as has the President under the Federal Constitution. The charter declares that 'the executive power of the city * * * shall be vested in the Mayor and the officers of the department.' The Federal Constitution declares that 'the executive powers shall be vested in the President.' That includes all executive power.

"A new Mayor can, within six months after his term has begun, remove, as I have said, all officers, with few exceptions, appointed by a Mayor, but why the Mayor can remove during six months, but no longer, is not obvious. That device was invented by a Republican Legislature to enable Mayor Strong to remove all Democrats.

PARTISANSHIP IN THE CHARTER.

"A lurid search-light is thrown on the demand for nonpartisanship by the clause in the charter creating a Police Board of four members, and declaring that the Mayor must not appoint so that more than two, when either is appointed, 'belong to the same political party, or be of the same political opinion on State and National politics.' The two sorts of politics must be combined! Both are imbedded in the charter!

"The virus of Republican politics injected into the charter is distinctly revealed by the power given to Governor Black to remove whenever he pleases the next Mayor from office, and even suspend him as soon as a charge against the Mayor has been made. The Mayor has thus been made an agent of the State to execute laws as Governor Black shall prescribe, and yet the 'Citizens' Union' insists there must not in city affairs be State politics, although there is in the charter a State power to meddle very peremptorily in our City Government whenever the Governor pleases.

"The Mayor is to select a Corporation Counsel who will hold office four years, will appoint his assistants, will be a member of the Board of Aldermen, the boards of Estimate and of Public Improvements, will be sole adviser of the Municipal Assembly, and all executive departments, including the Mayor, will conduct all of the law business of the city, and suits begun or defended by it. The Law Department will be most influential and controlling in making the new City Government a success — even more influential and controlling, contradictory as the proposition
may seem, than the Mayor, who is to select him, can be, for the reason that after six months the Mayor can only influence the Corporation Counsel by threat to remove him from office, and can not execute the threat excepting by the Governor's permission.

THE MAYOR NOT ALL-POWERFUL.

"The new municipality is to be too vast, its taxing power too great, its right to interfere with one's liberty and property too serious, to be in the hands of any single officer. If the office of Mayor had under the charter the powers, duties, and responsibilities which many individuals describe, the office could not be filled; no man could be competent. The power to be held and duties to be performed by the new City Government have by the State been placed in very many hands. In one sense the Mayor has priority, but in another, and in a more important sense the 'Municipal Assembly' is first, excepting as co-ordinated and held in hand by the Board of Estimate, of which the Mayor is only one. The heads of the several departments will be independent of one another, and, in a large measure, in dependent of the Mayor. It is misleading to misrepresent, as so many do, that the Mayor will have power of control in the new City Government, such as the President of the United States has, for example, in our foreign affairs, where every official, from the Secretary of State down to Ambassadors and Consuls, and even to the lowest clerk, must obey his command. Such misrepresentation will be very dangerous if it leads voters to neglect the selection of competent men for Comptroller, President of the Council, and members of the all-important Municipal Assembly."
To the Editor of the Citizen:

What, if anything, in the legislative history of the organic law of Greater New York, or the reports to the Legislature by the Commissioners, of whom Mr. Low was one, throws light on the relations of the officers of the new municipality to politics and political parties?

With the commissions of "Municipal Consolidation Inquiry," which led up to the consolidation with New York of the corporations and parts of corporations in the described area, Mr. Low had nothing to do. He was one of the nine men selected by Governor Morton, June 9, 1896, under the law, to draft a charter. A majority were Republicans. The president of the legislative commission of 1890, Mr. Green, together with two State officers and three Mayors, were also members of the commission. Six of the committee on draft, De Witt, Dillon, Gilroy, Low, Pinney and Tracy, out of the nine, reported to the greater commission December 24, 1896, at the end of only six months' work. Fourteen of the greater commission made their report at Albany, February 18, 1897. The proposed charter, with amendments, was enacted by the Legislature, over the veto of Mayor Strong, May 4, 1897.

Up to May 11, 1896, the discussion was over the expediency of consolidation. After that, it was over a working charter that would best unite the three cities, and the territory then under town and village government.

In the elaborate report by the Republican draft committee, and in the one by the Republican commission, it is made plain that the members of both were embarrassed with the fact that a majority of the voters of the proposed new city were Democrats in National and State politics. The question arose whether or not the membership of the Municipal Assembly should be entirely changed in any one year, whether or not there should be minority representation, and whether or not the Mayor should effectively control, by a permanent power of removal, the acts of the administrative departments.

Mr. Low signed the report made by the committee and the one made by the commission. He did not express dissent over any proposition
therein. One example, in the many, of the recognition by Mr. Low and his colleagues of the normal Democratic majority in Greater New York is this: "The political majority throughout this territory, whether it is considered as a whole or in detail, has been in the past so one-sided that only in occasional years the political minority have been able to gain control." Why should a minority ever have control in a government based on majority rule?

In the same sense the greater commission used this phrase: "In the Greater New York, where the political division of the citizens is so one-sided." The proof is ample that Mr. Low believed a year ago that Greater New York was a Democratic city. It is to be kept in mind that when Mr. Low and his Republican colleagues on the Republican commission to govern Democratic New York use the words "politics" and "partisan," they refer to the Nation and State.

That is the case in the following sentence from the draft committee report: "The great body of American people still go to the polls in cities on election day animated by partisan sentiments." So also in the following sentence from the report of the commission: "So far, both in the history of Great Britain and this country, the complete exclusion of politics over municipal elections has been found impossible."

The commission, however, when it urged representation in the Municipal Assembly of a minority party, recognized the existence of parties and of city politics in municipal affairs.

But does Mr. Low's contention for nonpartisanship in city nominations, voting and governing, tolerate city politics?

I can see that, excepting in time of war or great National exigencies, our city elections and city affairs can be conducted in entire severance from Federal politics, but I do not see how our city politics can always be really divorced from State politics. Changes for the better in the present city charter must depend on State politics and the attitude of the Assembly, the Senate, and the Governor.

Assuming that our city can be, and is to be, governed without regard to State politics, even though the State can, at its pleasure, modify the charter, the Governor can at will remove the Mayor. The Mayor can not remove any city official excepting by the Governor's approval. What then is to be Mr. Low's attitude, if elected Mayor, toward the Citizens' Union, which party had, he said to Mr. Clark, "acting in behalf of its own membership of 25,000," offered the nomination to him, and which he accepted from them? Here is, at the start, a large city party!

When he says "the welfare of the city, not of any party, is to be our first concern." The critical question remains unanswered. No sane
candidate, and no sane official, ever said, or ever will say, that if the welfare of the State, Nation or city should be opposed to the welfare of his party he would prefer the latter.

He said to Mr. Clark, "Political campaigns are like real battles, they are seldom fought out on the plans originally laid down." If between now and the voting day, or afterward, the political situation in the city should be radically changed, will Mr. Low, in such an emergency, consult with and defer to the opinions of the Citizens' Union organization, or will he decide to take a new departure by himself as a "savior of society?" That inquiry goes to the root of the matter.

When he accepted the Republican party nomination for Mayor of Brooklyn sixteen years ago, he said to that party: "According to my conception, a Mayor should be a man who will realize that the honor of the great party who nominaes him as its candidate is deeply concerned in the manner in which he administers his trust. Such a Mayor, if elected, I will strive to be. deriving inspiration from the desire to be worthy of the historic party which has nominated me." Will he now say less to the Citizens' Union? Will he announce a purpose to regard its leaders now otherwise than he will regard Democrats who are good citizens, but who resisted his candidacy? Does he intend to make himself the sole judge of what the public welfare of our city may demand and not be influenced by his party? If he does so conduct himself, then he will fly in the face of the preceidence of representative institutions among English-speaking people, ever since government by party began.

It is plain on the face of the report of the Greater New York commission that its members were divided over the powers to be given the Mayor. One side insisted there could not be a divorce of politics from the City Government unless the Mayor can always at will remove any administrative officer. Only in this way could he be absolutely responsible to the voters of the city for every executive act done by subordinates as well as by himself. It was implied in the commission that such power of removal, or of compelling resignations, would make every subordinate the Mayor's creature. The difference was adjusted by the six months' device, and, after that term, by bringing in the Governor to share the responsibility. That sharing of power Mr. Low is assumed to have advised. Thereby the premises of the contention that the voter ought, in a city election, to disregard all political ties were destroyed.

Mr. Low, in March, 1895, condemned the Bi-Party Police Law embodied in the charter, but how can that be changed excepting at Albany by State politics?
In 1882 he said to the Brooklyn Common Council: "The acceptance of an appointment at my hands will be evidence that the gentleman accepting it has personally given me his assurance that he will, without delay, give me his resignation whenever I ask it." But unless the city should embark in State politics or go to Albany for relief, what will Mr. Low do, if Mayor, in case one who is offered a place in the City Government refuses to give the pledge to resign, refusing to sign away his legal right to be formally tried, under the protection of the Governor, if charged with improper conduct?

PERRY BELMONT.

ABSOLUTE NON-PARTISANSHIP FALLACY.

(Brooklyn Citizen, September 11, 1897.)

II.

To the Editor of the Citizen:

SIR.—There is cropping up here and there an advocacy of absolute nonpartisanship, and a refusal to have anything to do with politicians, in the elections and the government of Greater New York. There is a tendency to point to European cities as safe examples for us. Glasgow, with a population of only 505,000; Manchester, with only 53,000; Birmingham, with 50,000. A fairer and better illustration and warning is London with several millions.

The prevailing type of the British municipality is government by the committees of a huge Council, which in London numbers 135, Manchester 107, Glasgow 78 and Liverpool 64. In Great Britain that elective Council exercises every power imparted by Parliament to the municipality. There is no distinct executive power which is not created by the Council. The British municipality must submit to the Imperial Government every project or expenditure involving a debt.

The voters create a Municipal Council which administers the city's affairs, by dividing itself into executive committees, one committee at the head of each department of public service. These Counsellors serve without pay. The government is like a church vestry, or that of the trustees of Columbia College. The trustees of Columbia College rule the administration of the finances of the college. Mr. Schermorhorn, and not Mr. Low, is chairman of the board of trustees. Mr. Low is president of the academic, or teaching board. He is the head master.
The London County Council was constituted by Parliament in 1888. Its jurisdiction defies description in a reasonable space. The city of London is unlike the Administrative Council of the county. One has, and one has not, administrative powers. Neither has control of the police. The Council has twenty-seven standing committees. Lord Rosebery, a politician and statesman, the leader of the Liberal party, was, in 1889, made the first president of the Council, and until his retirement, by resignation, he was able, by his tact, popularity and political instinct, to make the Council somewhat of a success. After him came Lubbock, Hutton and Arnold.

Affairs went on well enough until in 1893, a "Works Department" was formed to erect buildings, make sewers and pave streets without the intervention of contractors. That department expended in 1896 about a million and a quarter of dollars. The total county expenditure that year was about seventeen millions.

In November, 1896, there was a great excitement in London over "cooked" accounts in the "Works Department." Committees of investigation were established to make a searching inquiry. When I was in London, last June, the committees had reported, and the topic was so much in the public mind that I watched it with interest.

It turned out that, although there were not in the County Council parties and party divisions on parliamentary and imperial questions, there was a division into quite equal numbers on each side over municipal questions, labor questions, school questions, and, in fact, over everything else but imperial questions. The names of the parties were the "Moderates" and the "Progressives." Those two city parties were made up substantially on lines of the parliamentary parties classified as Conservatives and Liberals, the "Moderates" standing for the former, and the "Progressives" for the latter. The city party fight then was chiefly over dealings with labor and contractors. On two votes over propositions to remedy the evils there was a tie in the Council, and the chairman refused to vote to break the deadlock.

The London "Times," in an editorial of the 2d of June, so far abandoned its habitual reserve as to say that "the Council is at a deadlock," "the first division was on strict party lines, and probably the same may be said of the second tie, although the numbers voting were smaller," "upon a simple matter of business we find all the Moderates taking one side, and all the Progressives, the other;" "the works committee has been a failure," it has "failed to give us good value for our money," it "has resorted to a system of falsification of accounts," "the compact body of Progressives who vote for maintaining the Works Department are
voting for what they regard as a necessity of their political existence," "a Works Department on the present lines, maintained by a bare half of the Council, in defiance of public reasons, which they may ignore, but can not rebut, is not compatible with the permanence of any tolerable standard of municipal duty and honor."

It was not until the end of last June that the deadlock was broken by a dilatory device, sending the question to the voters at the next election. The way out was that the manager of the works committee should complete the works it ordered and be responsible to the spending committee. The Council had struck the rock of the Social Labor party. Such a condition might befall the Government of Greater New York. In view of that possible exigency it is incredible that Mr. Low, or any one else, as Mayor, should imagine that his unaided wit can be better for the welfare of the city than the wit of a great, compact, patriotic and powerful party.

The partisans (there are bitter partisans) of Mr. Low point to British cities as "uninfected by politics," but in the London Council politics prevail as in Parliament. Experience among English-speaking people in America and England has shown that politics is not to be excluded from municipal government. The effort in Greater New York should be to improve politics. There is no occupation, calling or profession more exacting, more inspiring, more useful than politics, none requiring higher standards.

PERRY BELMONT.

MR. LOW'S REFORM RECORD.

(Brooklyn Citizen, September 15, 1897.)

III.

MY DEAR SIR.—It will be profitable to analyze the prejudices that underlie the latest reform campaign and are exploited by certain newspapers, largely because they consider both of the great political organizations as inimical to the purposes of their journalism.

The logic of Mr. Low's campaign was formulated a year or so ago, by Mayor Strong and somewhat in this manner: "The Mayor and other officers of Greater New York will only be charged with the expenditure of a large amount of public money and the health and comfort of the community. These are not matters that admit proper solution through
political channels. Therefore the conduct of the Government is purely a business matter, and there will be nothing to be done by the new Government that should be viewed from a political standpoint, nor will one question arise in the administration of city affairs that requires a political opinion for its correct answer."

The fallacy of that logic is in its major premise. It inhere in the point of view of so many business men, from which point of view a political corporation is regarded as a private corporation. The charter of Greater New York declares that it creates "a body politic and corporate in fact and law," to be known as "The City of New York." About two years ago I was present at a dinner to one of our most important city officials, at which a lawyer of good standing, who practices in behalf of corporations, made a speech. He announced his opinion that a municipal corporation ought to be managed as is a private corporation, and that the heads of departments should be like the directors in a bank or railway corporation.

This sentiment was greatly applauded by many of the bank presidents and business men at the table. A railway, a bank, a club, a joint-stock dry goods firm may be a body corporate, but is not a body politic like a city. The rights, duties and methods of such business as farming, mining, trading, banking and exchanging are universally regarded as unlike those of a political government under a written constitution or charter and in deference to the wishes of the majority. Accurate definitions of such words as "business," "politics," "business men," "politicians," "political" and "partisan," are necessary to an understanding of the reform contention.

How will Mr. Low define them? He is the head master of a great teaching university. In which category will his definition of "business men," "politician" and "partisan" place him? Is he neither or is he all three at once? A candid answer by Mayor Strong, Mr. Low or Citizens' Union to the question whether the preparation of the new city charter was political or commercial work would be instructive if accompanied by reasons for the answer. If the business of conducting the Government of our new city is not political, what is it?

Were I permitted, in this connection, to refer to my father. I should say that while for half a century in New York he was active and successful in his private business, yet he was during all that period a member of the Democratic organization and was twelve years chairman of the Democratic National Committee. He was a business man, and also a politician, participating actively in public affairs. He never fancied for a moment that all the affairs of a State or city could be conducted on
the lines that he prescribed and firmly enforced in the conduct of his business. In private business there may be privacy, but in city business there must be publicity.

Mayor Strong dwelt on the expenditure of money by the city, but did not dwell on that tremendous function of sovereignty which is the creation of revenue by taxes. Is not that political? Neither a railway, a bank or dry goods house can lay and collect taxes.

To the Editor of the Citizen:

New York city can maintain policemen with power to arrest and imprison citizens, but a private corporation can not. Greater New York can arrest and confine beggars, mendicants and vagrants, remove from their homes those having infectious diseases, compel children to go to school, prevent gambling, and generally exercise what is known as the police power. Does not the exercise of due discretion in such matters, when three millions of people are concerned, involve politics and something unlike what is required to manage a private business of any kind? Public opinion, as well as public law, must be counted with in a manner not required in private business. Mayor Strong was absolutely and inexcessably wrong when he said that not one question arising in city affairs required a political opinion.

The novel and interesting feature of the new charter, taken from the experience of St. Louis, is the Board of Public Improvement. It has jurisdiction over public works. It is to safeguard the debt-creating by the city. It is to stand between the demands of the tenement-house population and the helpless poor and those whose capital will pay the taxes. Superficially the critical work of that great board may seem only the work of engineers, contractors, tradesmen and accountants, but it requires the prudence, wisdom and the fad-controlling party organization of the better type of politicians.

What is the object of the Citizens’ Union? It is to prevent the Democratic majority from equipping, as is their right, the Government of Greater New York. Mr. Low is an adept in partisanship of not the highest order. In a letter declaring for Mayor Strong in 1894, he wrote: “Tammany Hall, as is shown by the history of the city, tends naturally and inevitably to corruption. In this country or abroad it carries shame and distress to the hearts of all believers in popular government, and arms with their sharpest weapons those who disbelieve in the capacity of the people for self-government.”

Nevertheless, in a recent interview with the “World,” he is reported as pointing to the great advance during the last fifty years of the Govern-
ment of the city of New York in all that makes goodness, and during that period it has been mainly under the control of the Democracy. In 1895 he wrote the following: "You have only to examine the Tammany nominations at large in order to perceive that Tammany's attitude to-day is a reflection of Tweed's old question: 'What are you going to do about it?' It is, in substance, an appeal from the decision of the people made a year ago. Again, the nominal leader of Tammany Hall is an adventurer from Buffalo," and in that year the Democracy carried every borough in what is now Greater New York.

Mr. Low knows, or ought to know, that Tammany Hall does not assume to rule the Democracy of Kings, Queens and Richmond counties, and yet his candidacy is chiefly based on the preposterous fiction that a resolute and independent majority containing a great many men as strong, patriotic, unselfish and virtuous as Mr. Low will not control the Democratic City Convention.

PERRY BELMONT.

THE CITIZENS' UNION MOVEMENT.

(Brooklyn Citizen, September 21, 1897.)

IV.

My Dear Sir.—Was not the "Citizens' Union" movement, when it began last April, merely another effort in the interest of Republicans to disintegrate the Democracy?

The words "unification" and "unify" were first applied in municipal politics in the discussions in England which, about ten years ago, attended the formation of the "London County Council." These words have recently been much used in New York politics. It is rare that the Mugwumps ever do anything more than to attempt to reproduce on this side of the water what they imagine exists on the other. They are seldom willing to trust our independent development, but are always borrowing some English political fad which they endeavor to make applicable to our system.

The friends of Mr. Low now anxiously insist that when early last June he had been asked by the "Citizens' Union" if he would accept from that new party the Mayoralty (which rumor says Mr. Bliss refused) nomination, Mr. Low replied that he could not discard Columbia College until and unless he had more convincing evidence of a "popular desire" for him to do so, in order, of course, to be a "unifying force among the friends of good government in the city." They insist that he did not
mean either merely the "friends" of those who hated the Democracy, or the "friends" of a better form of government by party than the Democracy offered, but he intended the "friends" of a "nonpartisan" city government, and of a city government to be conducted without any regard to the wishes or welfare of any party, even of a reform party or of a "Citizens' Union" party.

We now naturally ask why, if Mr. Low intended that, he did not write it in unambiguous language, and why employ only the adjective "good" which, in that critical relation, was so vague and meaningless?

The Republican city leaders insist quite on the contrary that in its inception the "Citizens' Union" movement was like the "People's Municipal League" of 1890, and the "Committee of Seventy" of 1894 — an effort to unite on one ticket for Mayor all those who hated and cursed Tammany, which ticket should bear Mr. Low's name; that the nearly 127,000 names asking Mr. Low's nomination and election signified a wish that he be the Mayor of the Republican party.

Those city Republicans maintain that when the masses of the Republican party could not endure Mr. Low's methods, he and the "Citizens' Union" refused to confer with their fellow Republicans, and pretended that in "good government" Mr. Low meant one in which no Republican or Democrat, loyal to his party and to his party associates, could have control or influence.

That very sharp dispute between Republicans is now pending and need not concern Democrats.

The use of "nonpartisanship" in a political campaign and in behalf of a minority party is not novel. It has often been tried in the city of New York by groups of Republicans assuming an alias. When in a clear majority, nothing is heard from Republicans in advocacy of "nonpartisanship" on any political question. Republicans at Washington did not advocate "nonpartisan" treatment of duties and imports because by Populist and silver alliances they had managed to obtain a majority in the Senate. Not discovering such a majority on the currency question, President McKinley urged Congress during the closing days of the last session to create a "special commission nonpartisan in its character," to be composed of well-informed citizens of different parties. Had the President and his party felt sure of a majority in Congress, they would presumably have gone on as they did with the tariff.

Seven years ago, in the present borough of Manhattan, the "People's Municipal League" sang in vain the siren song now sung by Mr. Low. It was tried again by the "Committee of Seventy" three years ago, and then with success, as a way out of the scandals created by a Republican
“bi-partisan” Police Board. A few Democrats yielded to the allurement of Mr. Strong’s pledge that he would “make all appointments without regard to party lines.” The “Evening Post,” an expert in reform politics, conceded in an editorial, on the 14th inst., that Mayor Strong has not kept his anti-election vow and covenant. That journal said: “Mayor Strong gave offices to all sorts of people who had supported him. Some were good, some very bad. None, or next to none, could say that he was selected for his place solely for his fitness. The result was that Mayor Strong’s administration, though a great improvement on the Tammany riot, was marked by so many serious failures as to turn reform into ridicule.” That was written in connection with Mr. Low’s recent letter.

Can it be wondered that a large portion of the 127,000 signers of the Low petition, who express a “popular desire,” sincerely believed that a new Republican side-show to allure unwary Democrats had been organized in the same old familiar manner, promising the same sort of “non-partisan” pretense that had been promised by the “Committee of Seventy,” and by Mr. Strong as candidate in 1894?

PERRY BELMONT.

DEMOCRACY AND SELF-GOVERNMENT.

(Brooklyn Citizen, September 27, 1897.)

V.

To the Editor of the Citizen:

My Dear Sir,—The trials and tribulations of those who are craftily endeavoring to prevent the Democratic majority in Greater New York from electing the members of its executive and legislative departments are very great, and for Democrats, are becoming amusing. A part of the Republicans are now dissatisfied with their organization, and are trying to form another for municipal purposes. Perhaps the dissatisfaction was not so much, at first, over the organization, as over the outlook for a particular candidate for Mayor.

The effort of the Democratic many in New York against those fewer in number is, first of all, to take their own local affairs, city and State, into their own hands. Rightly or wrongly, the Democratic majority in New York are convinced that corporations, trusts and syndicates already exercise too much power in city and State, and are endeavoring, by legislation, to obtain more control. That Democratic majority of New York has, of course, no hope of help from the National Administration, which
has so recently aided monopolies by a tariff law. The special message sent by President McKinley to Congress, at the moment of its adjournment, confessed the pressing need of currency reform to restore financial confidence in the treasury, to promote mutual confidence between borrowers and lenders of capital and to check the demoralization caused by the McKinley-Sherman legislation of 1890. In that message the President failed to urge a reversal of the process by which Republican coinage, currency and banking legislation, since the Civil War ended, has brought the existing evils upon the country. Bereft of a reasonable hope of relief by speedy legislation at Washington, the Democratic majority of New York are endeavoring by the exercise of local rights at home, to protect the many against the domination of the few, and save their newborn city from the dreaded evils of giant monopolies strangling free competition as Democrats understand it.

SAFETY OF REPRESENTATIVE INSTITUTIONS.

The safety of Democratic and representative institutions depends on well-disciplined and compact party organizations, and the usefulness of the latter depends on the intelligence and fidelity with which the few, who are agents of the party, formulate and execute the behests of the many in the party. It is interesting to observe the form which the existing Republican revolt against the Republican organization has taken. Its 250 protesting last April against any party, and any party organization, forthwith organized themselves into a party, created an executive committee, established a "boss," nominated Mr. Low and solicited the writing of names on a petition asking him to accept their nomination. The "Citizens' Union" may say that they will use party organization only for a campaign and an election, and, if Mr. Low should be elected, the party will be discarded, and then all the rights, powers and duties held by a party will be united in him, and held by him. If the supporters of Mr. Low have invented and formulated a new plan of representative and Democratic government, which will have commending popularity, if the masses of our voters do not wish to maintain a political

THE AMERICAN PLAN.

party and be members of it, if they will not seek to make their ideas and purposes felt in their own Government, if they do not prefer a city made by themselves and for themselves, and always under the influence of a party representing them, then Mr. Low's plan may prevail. But, in that case, the American plan in use since the colonial days, and since the
Federal Constitution was framed, the plan of two parties, recognized in
the sixth section of the second article of the New York Constitution,
and in paragraph 250 of our new city charter, will be overthrown. The
American plan will not be overthrown.

Mr. Low's newest declarations, made on the 22d inst., pledge him
to abandon his candidacy if his "party," the Citizens' Union, shall re-
quire it, and yet he solicits nominations by any and every "party" pro-
vided that, if elected, he shall be free to defy each and every "party."
The city, "it is I!" His renewed profession of consecration to "good"
government must be regarded as cant, and for the reason that every
candidate for a city office who is not a knave, or intellectual ass, will
intend, propose, promise and endeavor "to make the welfare of New
York, at all times, his first concern."

It is noteworthy that Mr. Low has not publicly declared his acceptance,
in its entirety, of the Citizens' Union platform. He has only expressed
his sympathy with the "purposes of the union, as I understand them." But,
assuming that he has accepted, or shall unreservedly accept the
Citizens' platform, and all that its self-constituted 250, its executive sub-

MR. LOW'S POSITION.
committee, with Mr. Reynolds at its head, have proclaimed, and assuming
that both the "Citizens' Union" and Mr. Low are more sincere than
the "Committee of Seventy," and Mr. Strong, in regard to municipal
divorce ment from party politics, then let us try to discover the position
Mr. Low would occupy if he could be elected.

Mr. Reynolds wrote to Mr. Quigg, on the 30th ultimo, that the "Citizens'
Union" could not confer with the Republican organization because
the latter represented State issues. He added, in effect, that the con-
stitutional requirement for city elections be in an odd-numbered year,
and that the commitment of the union to home rule precluded the
union from a conference with representatives of any party dedicated to
any State issue.

It is not easy to treat seriously Mr. Reynolds' statement in the face
of what Mr. Low wrote in his letter of the 12th inst., wherein he dedi-
cated himself, if made Mayor, to certain reforms in city affairs turning
on State politics, which reforms can only be had at Albany, and which
neither he nor the "Citizens' Union" can accomplish in disregard of
State politics. Mr. Low demanded in that letter a larger share of home
rule for the city than has, by the State, been yielded in the charter which
he aided to frame and did commend. He demanded legislation "in
addition to the charter that will enable the city to treat every consent to a change of power by street railroads as a new franchise." This implies that the old franchise, including the right to exist as a corporation,

AN EYE ON ALBANY.

as well as the good will, all of which are property of a valuable kind, are, on application for new motive power, to be taken for public use without compensation. The most complicated political and economic problem confronting us is a just constitutional treatment of city franchises, but Mr. Low seems oblivious of the fact that the problem can only be wisely and surely solved by State politics applied at Albany, which may require a constitutional amendment. He demanded a radical and needed modification of the Raines Law, which is a State and not a city enactment.

Neither of these three things can be obtained excepting at Albany from the Legislature and the Governor, but the Citizens' Union will not permit the City Government, or its officials, to have anything to do with State politics and legislation. Mr. Low writes: "If I am elected I shall contend sturdily for the city's right in such matters to govern itself." Where will he "contend" if not at Albany, and in the Assembly districts? How will he "contend," if not by political methods?

Mr. Low must realize that, under the State Constitution, the city can only have such legislative power as the Legislature has delegated, or may delegate; that the Republican party can, if in power at Albany, next winter, repeal the present charter, and that if he would be Mayor, as a Republican pervert in defense of that party, it would be very likely to legislate against the city and in a very hostile sense. He must realize that he participated in making a charter which will enable Governor Black to remove, at any time, the Mayor from office on charges preferred by Mr. Quigg, and that, after six months, the Mayor can not remove

NO SELF-GOVERNMENT UNDER REPUBLICAN RULE.

any head of a department without permission of the Governor. And yet the Citizens' Union, Mr. Reynolds and Mr. Low declare that if they prevail next November, there will not be, if they can prevent it, any State politics in Greater New York which will rid "the home of its inhabitants," of such a Republican travesty of home rule as is the new charter, in a Democratic sense.

The truth is, both in fact and in constitutional law, that there will not be in the three islands and five boroughs which constitute Greater New York, adequate and well-secured right and power of self-government
until the State and city, the Governor and Mayor, the Legislature and the Municipal Assembly are in Democratic hands.

That beneficent result will soon be accomplished by the natural normal increase in the city population, relative to the country population, if the city Democracy, putting aside recent differences over the currency, now and here irrelevant, will come together, will fight against the common enemy and vote together. That was the way by which, in 1852, Democrats in New York, Hunkers and Barnburners, who differed over the National Democratic platform of 1848, and the candidacy of Cass, came together and won the victory four years later. An effort now by any Democrat to thrust, as does the Republican State Committee, McKinley and Bryan, gold and silver, into the pending municipal contest can not be intended to aid Democratic unity. I can say that with greater freedom and impartiality, because having been a resident voter of Suffolk county and not in Greater New York, my present eligibility for any office therein may be questioned in a partisan way.

PERRY BELMONT.
AN APPEAL FOR PARTY UNITY.

SPEECH AT A MASS MEETING HELD AT CARNEGIE HALL, OCTOBER 16, 1897.

(Extract from report published in Daily News, October 17, 1897.)

The mass meeting held in Carnegie Hall last evening under the auspices of the Democratic Union, brought together Democrats who in the past have differed on some points, but who last night clasped hands to rescue this great metropolis from Republican misrule.

Charles A. Jackson called the meeting to order. Robert B. Roosevelt was selected chairman. Among the vice-presidents were E. Ellery Anderson, George M. Van Hoesen, William R. Grace, George Hoadley, John D. Crimmins, Nathan Straus, Thomas F. Gilroy, Andrew H. Green and Roswell P. Flower.

Hon. Perry Belmont was the principal speaker. He said:

This gathering to-night under the auspices of the Democratic Union, its composition and the different elements it represents mean two things — first, that a Democratic victory is assured; it also means that the Democrats who temporarily differed are now united, not only for the election of this year, but for years to come, and, let us hope, for as many years in the future as they have stood together in the past.

"Principles rather than men!" was the old Democratic cry, but our Democratic State Committee and Democratic City Convention have been regardful of both. It will be my part to-night to say something of the former. Others will speak of the latter. That will be well, for, although this borough of Manhattan is my birthplace, yet my voting residence is in Suffolk county.

CITY PLATFORMS.

The platform adopted by the Democratic City Convention exhibits accurately and concisely the central political doctrines, the peculiar and distinctive political tenets which the New York Democracy firmly holds as true and now presents as the issues of the municipal campaign. Those doctrines, tenets and issues are not merely described in the platform; they are defined. The platform defies successful adverse criticism. It has had none. By the side of any other party platform in this municipal contest it is incomparable in its excellence. It is the work not only of
wise politicians, but of constitutional lawyers. It is something quite unlike Republican rhetoric, denunciation and rant. The clearness, force and simplicity of its language make its meaning and motive plain to all men. It contains the wishes and hopes of the many, formulated for legislation by their competent representatives, which is Democracy in party action.

In general it is limited in its application to the new city whose government it inaugurates, but in appreciation of the fact that there are to be chosen the highest judicial officer of the State and those who are to participate in exercising legislative power at Albany, the platform touches, as with a needle, issues which now intimately concern every county of the State. Therein are home rule, the Raines Law, freedom from arbitrary arrest, the sanctity of one's home and family life, resistance to such monopolies and trusts as are not private affairs, but "matters of governmental control," municipal franchises, which of course always belong to the city, perfect equality of taxation, direct employment of labor by the Government when feasible and not through sweating contractors and middle men, and, finally, a strong declaration against government by injunction.

STATE PLATFORMS.

Vast as are the consequences for our new city, depending on the contents of the ballot-boxes, when the sun goes down on the 2d of next month there are other great interests to be affected which concern the State, even although a new school of politicians calling themselves non-partisans has arisen to tell the voters they must not think of Albany in the pending contest, but keep their thoughts securely and exclusively fixed on Mr. Low.

The difference between the utterances of the two State committees presenting candidates for Chief Judge of the Court of Appeals is also significant and instructive. The Democratic was calm and forcible: the Republican was vehement, passionate and denunciatory. The Democratic State Committee presented Judge Parker in a way becoming a candidate for a high judicial office; the Republican State Committee accompanied the nomination of Judge Wallace with imprecation against Democrats which can only be fitly described as billingsgate. The city Democrats are denounced as trying to "sneak back into power," as declaring their party a "coward," and proving it a "fraud," and as committed to "communism and overthrow of the Federal judiciary." The Republican platform declares this:

"There is one great issue before the people at this time. It can not
be separated from any political contest. It is the issue created by the Chicago platform, and nothing can be more obvious than that the results of every election—National, State or municipal—until that platform has been formally abandoned by the party that made it, must count for or against its odious and destructive principles. Every intelligent voter knows that the first Mayor of Greater New York, with all his tremendous power for good or evil, will be either the candidate of this convention or a Tammany Democrat."

I wish every voter may compare those hysterical utterances with the calm tone of the Democratic declarations.

THE WHITE HOUSE IN VIEW.

Mr. Depew in a temperate speech presented to Judge Wallace the Republican nomination for a great judicial office, but he replied as a partisan. Judge Wallace said among other things:

"I fully recognize that I should not have been selected if I had not been known to be in thorough and pronounced accord with the principles and policies of the Republican party. I trust my candidacy will appeal to Republican voters because of my identification with their cause."

Which "principles and policies" and "which cause?" Excepting on the Democratic side, the present mayoralty campaign is conducted for the next presidential nomination. Mr. Low's students in politics and admirers do not conceal. I am told, that he regards the mayoralty as his stepping stone. After an unconscious tribute to the Democracy, by describing how nearly every candidate for city office claims to be a Democrat, Senator Foraker last Saturday evening made it plain that General Tracy is making the fight for McKinley's renomination. He said:

"Here in this city three free traders are running for the mayoralty, and one of them able to feel at home in the Republican party, if he tried to, two of them professed Democrats, and one of them professing to be a Republican, but always voting with the other party. President McKinley is entitled to all the approbation involved in a Republican victory in New York city. His representative in the approaching election is Benjamin F. Tracy."

VITUPERATION BY M'KINLEYISM.

The violent vituperation uttered by McKinleyism is unrelated to our municipal canvas. Hence it must have been used to excite unjust partisan prejudice against our Democratic candidate for the Court of Appeals. Confirmation is in the following up of that McKinley plat-
form invective by the contention of McKinleyism that if Judge Parker
shall be elected, he will, because he voted for Bryan electors, give im-
moral judgments impairing the obligations of contracts.

I was one of the Democrats in Suffolk county who voted for Palmer
electors. If there is force in the denunciation of Judge Parker by Mc-
Kinleyism, it would apply to us all, and Democrats who differed at the
last election should unite in repelling it.

"I am a Democrat!" I am a Jeffersonian Democrat, both by inher-
ance and by conviction! The organic law of the Democratic party was
proclaimed by Jefferson in his first inaugural address. The essential
principles laid down by him are:

"Equal and exact justice to all men, of whatever state or persuasion,
religous or political;" the "support of the State governments in all
their rights;" the "preservation of the General Government in its whole
constitutional vigor;" "a jealous care of the right of election;" "economy
in the public expenses;" "honest payment of our public debts and pres-
ervation of the public faith."

Judge Parker has had a long, fully tried and severely tested judical
career. He has, since 1885, been a member of the Supreme Court of
our State. His merit and fitness, his spotless integrity, exhibited by his
judicial conduct, no one questions.

The Federal Constitution has prohibited New York from making any
law impairing the obligation of a contract. Judge Parker can never
as a State judge have such a law to enforce, and we may be well assured
that he will never judicially uphold a Federal law working such immor-
ality and injustice. We are quite convinced that he could never have held the Legal Tender Law of 1862 a constitutional enactment by
Congress.

What is the alternative held out to those thus solicited not to vote
for Judge Parker? It is to vote for the Republican candidate — not
because he has more merit and fitness, more spotless integrity, than
Judge Parker, but because McKinleyism stands pre-eminently for judicial
maintenance of existing contracts against subsequent adverse legislation
by Congress.

It will be interesting to see how Mr. Edmunds, who is president of the
McKinley Nonpartisan Currency Commission and who so vigorously
argued to the Supreme Court and has put his contention in the report of
Juillard's case, that our existing full legal-tender greenbacks have no
warrant in the Constitution, will treat that violation of contracts in his
forthcoming currency report.
Until the Republican party has been overcome, or, unless, if in power, shall reverse its own policy, there can not be enduring industrial prosperity for us.

There is no cessation in the daily Republican clamor that the Democracy is a communistic party and Republicans are the only conservatives, but the Republican party has just enacted a tariff law based on the stupendous communism that the taxing power of Congress includes the right to tax solely for the welfare of individuals and monopolies. That theory will permit the two Republican houses of Congress and President McKinley, acting together, to divide up by taxes and distribute all our savings and property to promote what is termed the "public welfare."

I prefer to stand with the Democracy, which at heart is the party of the Constitution, equal rights under the law and of order.

DEMOCRATIC UNITY.

If my voice to-night or a report of my uttered words shall reach any New York voter with whom I stood last November for Palmer electors, or any Democrat who even voted for McKinley electors, I urge him to vote for Judge Parker to be Chief Judge of the Court of Appeals, for Judge Van Wyck for Mayor, and for the city and county ticket.

And now, with another word, I will withdraw to make way for others who will dwell more on municipal affairs than has been assigned to me to-night to do.

PROFESSIONAL "REFORM."

"Reform" comes to us at the end of three years in a new guise. In 1894 it was the nonpartisan business man. Now it is the nonpartisan university president. Three years ago, in presence of the conditions in the police force, promoted by the device of bipartisanship inflicted on the city by Republicans at Albany in the vain hope to countervail a Democratic majority in this city, the Republican minority assumed the physiognomy and plea of nonpartisanship.

The decoy can not allure a second time!

There are eloquent object lessons in the condition of our upturned streets and our police board which convince everybody that if the "reform," thus made visual, odorous and vocal is the best fruit of nonpartisan government, then Democratic rule is far preferable in the minds of an enormous majority of our citizens whatever their politics may be.

Organization is necessary in every sort of work, be it college work, charitable work, exchange, transportation or business of any kind. Organization is necessary to obtain and preserve good political government.
It is now fashionable to denounce all leaders as "bosses," but it may be doubted whether the Citizens' Union would now declare that the Republican party was under the control of a "boss" and not of a leader had Mr. Low been nominated by that party. All Democrats remember the denunciation by Republicans of Mr. Manning as a Democratic "boss" when appointed by President Cleveland as Secretary of the Treasury upon the urgency of Mr. Tilden. Mr. Manning now stands in public estimation as the equal of any Secretary of our time.

It is true that there are leaders in the reform movements who are guided by the sincerest of motives, but the majority of the mere professional reformers, as we know them, in their organizations, are men who have acted with one or the other of the great parties and have retired from co-operation with them on account of disappointed ambition. Some have been compelled to withdraw under well-merited punishment and expulsion for discreditable acts, and have joined in movements for revenge or for offices and patronage which they could not hope otherwise to obtain.

My last word to you is this: Cling to the Democracy! Make the welfare of our great city one and the same as their interests who are in the majority. Then the prosperity and glory of the city will be secure.
DIFFICULTIES OF THE MUNICIPAL PROBLEM.

(Speech at the Academy of Music, Brooklyn, N. Y., October 18, 1897.)

(From Brooklyn Citizen, October 19, 1897.)

The first great Democratic meeting of the campaign in Brooklyn was held last night in the Academy of Music, and its proportions and enthusiasm were the completest corroboration of all that has been said about the popularity of Judge Robert A. Van Wyck and the candidates associated with him on the Democratic ticket. Four thousand men and women crowded the Academy until there was not a spare foot of space on its great stage nor a seat or standing room even in its topmost gallery. It was a magnificent proof of the Democratic enthusiasm that pervades this entire borough.

A few minutes after 8 o'clock the venerable looking Judge Abram Dailey was seen walking down the stage with the Hon. Perry Belmont, escorted by Bernard J. York, James Moffett, John L. Shea and other prominent Democrats. The men on the stage rose to their feet, and the audience in the front followed suit, while from both there came a thundering welcome.

Judge Dailey introduced Mr. Belmont as the first speaker. * * *

Mr. Belmont's speech:

I thank you for your kind reception and will endeavor to repay your kindness by the pertinency and conciseness of what I have to say. My efforts shall be directed solely to the enormous difficulties of the municipal problems that confront you. Others will speak to-night of the great campaign in which we are engaged. The single proposition which I shall try to vindicate is this:

If either Mr. George or Mr. Low could be mayor, the experiment of a Greater New York, under the present half-baked charter, would crumble in their hands.

The cities, islands and villages now comprising the new city are not to return to their former condition. Far from it. Greater New York has come to remain under one or another form of charter.

General Tracy was quite right when at the Cooper Institute he described the new charter as "a gigantic experiment" and declared that "it is impossible to exaggerate the gravity and importance and the difficulties of the problems that the city will be called upon to solve."

He appreciates them. He knows how hurriedly the cities have been
hitched together by statute. He feels that the charter is not in itself complete, but is largely an application to the new city, and in a lump, of all previous statutes not hereinafter found to be inconsistent with the test of the charter. The commissioners distinctly said that to the Legislature at Albany. A lawyer, especially familiar with New York municipal jurisprudence and statutory legislation, will be needed to prevent a chaos as great as Mayor Strong's "reform" administration has made in New York police and streets.

Mere well-meaning industry — even common sense, good judgment and fair intelligence — can not put order into the existing charter. Expert knowledge and expert experience in discerning which existing laws are consistent and which are inconsistent with the charter must be had in the first mayor.

It may be said that the Legislature can amend. Yes! But who else than a mayor expert in Manhattan laws can discover and formulate for Albany the required amendments? The charter is based on the "New York city Consolidation Act of 1882." How much heed will Governor Black and a Republican Legislature be likely to pay to suggestions made by Mr. Low or Mr. George, if either should be mayor?

If the Republican party shall be in power at Albany next winter, the city will, under the State Constitution, be absolutely at their mercy.

They can in a night dissolve Greater New York into its original elements. They can, as Whigs and Republicans have done within the last half century, legislate a mayor and city government out of office. Within the last three years the Republican majority at Albany turned out by statute all your police magistrates.

But, apart from that, both Mr. George and Mr. Low are in themselves unsuitable. Mr. George is in theoretical, political economy and sociology an expert. In the learning of those branches of knowledge in mental vigor and clear exposition he has few superiors, but he has never exhibited the qualities or instincts of a lawyer and executive officer. He has recently shown himself a singularly guileless, unsuspecting and confiding man, and that were he mayor he would be in the presence of the selfishness and venality thronging the City Hall like clay in the potter's fingers. He declares himself an admirer and disciple of Jefferson, but the Jefferson to whom he refers was the theorist and crusader before our Federal and State Constitutions had been adopted. He does not realize that those Constitutions have made, so long as they are obeyed, socialism and communism impossible in our country. The scheme which gave him great publicity was the single, yearly tax on and to the full value of the bare land of our city and country, unimproved by man's labor and in an uncultivated and natural condition. The scheme, as you will see, could
not be worked in this city because no tax valuers ever could appraise the market value of city lots when the Dutch first came. He defined his scheme as "nationalization of the land," because the State was to take yearly its rental value as natural land, and out of that has emerged the socialist scheme of nationalization of all the instruments of production and exchange. Had Mr. George been a constitutional lawyer he would have discerned that his tax could not be laid till our Federal and State Constitutions had been torn in pieces. Under our New York Constitution this city can not acquire and pay for all the city franchises that have already been alienated so unprovidently. A perfect illustration of the impracticable character of the political ideas of Mr. George can be seen in one sentence which I will read from an interview with him published in a morning newspaper of the 12th inst. This is:

"That suggests the question. Are you a silver man?"

"I am no more an advocate of silver than I am of gold. Both in my opinion are relics of barbarism. Both are unnecessary. I am a greenbacker, but I do not believe in the Government issuing unlimited money. Money should be issued on the credit of the Government under restrictions and in accordance with certain regulations which would insure both stability and safety in the currency system."

When he used the word "money," he meant currency.

In that same interview Mr. George demonstrated his unfitness to be mayor. He said:

"If I am elected, I can only execute the laws as I find them. I do not know, speaking generally, what those laws are, but I know that the laws as they are must be carried into effect. No man, mayor or otherwise, is superior to the law. What will be the effect of my election? It will be this: We are working for the elevation of humanity, the betterment of mankind. The principles we advocate will tend in that direction—not only in New York, but throughout the country, in England, as well as in America. Not at once, you understand."

What we Democrats are working for just now is the prosperity and comfort of New York and not for humanity in England.

Mr. George, however, clearly perceives that a mayor can not enact laws, nor can he make new laws by interpreting old ones. That is the business of the judicial power. Therefore he can not, as mayor, promote his single tax fad by increasing valuations of unproductive lands. If Mr. George could be mayor, if he put single tax faddists in control of the tax department, if they attempted to interpret the Tax Law on a single tax sense, and if Mayor George refused to remove them, the Governor could give the mayor short shrift. Mr. George, in the interview to which I refer, added what exhibits him as high in the clouds as Andree's balloon ascended. He said:
"When the Democratic candidate was nominated, I was sore at heart. I saw that the success of the Democratic ticket meant simply the perpetuation of the power of Crokerism. It was not Democracy. Two of my most intimate and best friends came to me and urged me to become a candidate as a matter of duty which I owed to myself, my party and the principles which I have always advocated."

How childish it is to say that Mr. Croker, without an atom of Federal, State or city patronage, is a despot who controls, absolutely and finally, the Democracy of the five boroughs of Greater New York. And then, too, how laughable it is to see the confiding Mr. George run in panic fright from what he fancies is Crokerism into the arms of Johnsonism and the city railways syndicate. And then to seek the embrace of Colonel Waring and his big force of street-sweeping voters. And last of all, to solicit Mr. Dayton, who abhors, I hope, Mr. George's greenback and fiat money vagaries!

Mr. Low is unsuitable for mayor because of reasons very unlike those which disqualify Mr. George. He is not a student or a doctrinaire in the sense that Mr. George is, nor has he Mr. George's exceptional literary faculty. He has been a man of affairs first in a counting-house, doing business with East India, then as mayor of your great city of Brooklyn, next as president of the academic board of Columbia College and as one of the commissioners appointed by Governor Morton to prepare and submit to the Legislature a charter for Greater New York, but he is not and never has been a lawyer. He has expressed many opinions of late which create a doubt whether he has even a fair knowledge of the Constitution of New York and its interpretation. His proposal to destroy in the interest of his own candidacy all existing political parties would, under the existing State Constitutions, make it impossible to conduct this year in this city a lawful election.

He has not thus far in the pending city campaign displayed as much dignity and self respect in personal utterance as has Mr. George.

It is not credible that Mr. George, had he been the headmaster of Columbia College, would have set such an example to the students assembled there of false premises, bad logic, duplicity, hypocrisy, cant and utter absence of candor in dealing with the two great political parties of our country, and especially with the Democratic party, with home rule, Tammany Hall, its executive committee, Mr. Croker and Mr. Sheehan.

Suppressing the fact that a body of 250 began his candidacy as soon as Governor Black signed the city charter, Mr. Low pleads nightly and daily that his candidacy was a spontaneous and unmanaged popular demand, which quite 130,000 voters attested in writing.

The tone of perfect assurance, approaching audacity, with which he
proclaims to the voters in advocacy of himself that he can and will, if made mayor, give to them a "good government" under the charter, all alone and by himself. has created a suspicion that he does not realize the kind of a charter he commended at Albany and which was by the Republican party enacted into law.

The portions thereof relating to education he probably understands and appreciates. Perhaps he had much to do with framing those provisions for schools, but it is difficult to comprehend how he can conscientiously intimate to the voters so decidedly as he does that he can, as mayor, influence and control the municipal assembly and all the heads of departments. The management of nearly all the comparatively little things which will make comfortable or uncomfortable so much of one's life in the city is in the hands of the municipal assembly, over whose ordinances the mayor can by a veto require a two-thirds or a five-sixths vote, as the case may be, before they can become the law. Certainly that is very far from controlling the legislative body.

The very important affairs of the city involving great expenditures and taxes will not be in the mayor's hands, but in the hands of the board of estimate and the board of public improvements, four members of which the mayor, the comptroller, president of the council and presidents of the boroughs are elected. In those boards the mayor will have only one vote.

It is true that the mayor is to appoint nearly all the heads of departments and during six months can at pleasure remove any or all of them. It is, probably, that fact which has given to Mr. Low such visions of the mayor's enormous power.

He gives little importance to the other fact that after six months, he can not remove them from office without the Governor's permission, and that next July the heads of departments will be judicially independent of him if they have made terms with Governor Black. Mr. Low's friends have put it about that if mayor he will not appoint any executive officer who refuses to stipulate in writing to resign when requested by the mayor. Will a self-respecting man accept office on such terms when the law has, in effect, forbidden it by making the office his right till he has been removed according to law?

New York has prohibited any mayor from ejecting an official at the end of six months in the way Mr. Low contemplates, and if he were a lawyer he would recognize the prohibition.

I wish Mr. Low could cite the section of the charter or of any relevant existing New York statute which, besides those to which reference has been made, will empower him if made mayor to give "good government" to the city. He is made by the charter the "chief executive officer of the
city,” but no sections of any law enable him to peremptorily control the
decision or even the discretion of any head of a department.

Any elected mayor will be deemed very powerful during the first six
months, but after that and when heads of departments are well settled in
their places what real control will he have if the Governor is an enemy
to him? What can the mayor do under the very slipshod charter which
Mr. Low aided to concoct and commended at Albany if his subordinates
shall defy him? Can it be that Mr. Low is a conscious or unconscious
boaster and false pretender when he promises the voters who are his fol-
lowers that if they will make him mayor he can and will give them such
government as they wish?

Possibly Mr. Low has the qualities of Andrew Jackson and can impose
his will on members of the city government, but the inference we all
draw from the history of Jackson’s time is that even he would have failed
had he not held and exercised an unrestrained power of removal which
the mayor will not.

If Mr. Low were quite candid with the voters, he would frankly tell
them that there were two parties in the commission for framing the
charter; that one party endeavored to get for the mayor powers under
which he could be justly held responsible for the evils of bad executive
government or the blessings of good executive government; that the other
party refused to give to the mayor a permanent power to remove equal
to his power to appoint, which party prevailed, and so made it impossible
for any mayor to do what Mr. Low promises he will do if he could be
elected.

Just now we hear very much of “good government,” but what is it
and its practical test thereof if it is not such a one as the majority wish?
When there were only two parties, the winner must have a majority of the
voters, but now, thanks to Mr. Low and four parties, a plurality will con-
trol. Obviously, then, if Mr. Low gets only a plurality, a majority of the
voters will not wish Mr. Low’s sort of “good government.”

At the rate the deals and combinations in the interest of Mr. Low have
been going on what a motley crowd would throng the City Hall steps next
New Year’s day, could he get a plurality! Not having a solid and power-
ful party of adherents behind him, he would realize that controlling
Columbia College students with a body of wise trustees at his back, is a
much simpler and easier task.

He is rather new in the politics of the Bronx, Manhattan, Queens and
Richmond, and that fact, coupled with his misappreciation of the powers
of the mayor, under his own charter, is enough to explain his airy way
of promising everybody “good government.” The Democracy think that
the first and chief business in making “good government” will be for
the mayor, as Mr. George says, to execute State laws and city ordinances, and for the legislative power to first of all obey the State Constitution and thus the will of the majority of the voters, but in the hands of Mr. George or Mr. Low the present charter will not be safe a year.

Of the remaining candidates there are General Tracy and Judge Van Wyck. I enumerate last the one who is, I think, first in availability and fitness.

General Tracy's mental qualifications are indisputable. He is a lawyer and is a good one. He is a quarter of a century older than Mr. Low and has that much more of general knowledge and experience.

It is unwise in a political campaign to underestimate and misrepresent the qualities of an opponent. I have estimated our opponents as they have exhibited themselves. General Tracy, excellent lawyer and well qualified, is impossible as a successful candidate in this campaign. He is a victim of "wicked partners." He stands for President McKinley and his renomination to be President. Senator Foraker said as much in New York a few evenings ago. No man who has during the last nineteen years expressed the opinions on coinage, currency and taxation that Mr. McKinley has expressed can be elevated again by Greater New York as he was in 1896. His appointment and general official conduct since he has been President are fatal to his aspirations and to General Tracy. Greater New York will not now or ever again vote to uphold President McKinley, his Congress, his administration and all for which he stands.

Of our excellent candidate, Judge Van Wyck, I have not left myself more time than to say that the keen, penetrating searchlight of publicity thrown on him since his nomination has found him spotless. He is a lawyer and a good lawyer. He has a large library of books and lives in it and in his courtroom, making his books and his law cases his companions. He knows the jurisprudence of New York and the complicated statutes of Manhattan. He will inspire the Government under the new charter to put order under it into our new city if any man can. He is a New Yorker by a long line of honorable descent. He is proud of the city, of himself and his ancestors. His official opinions will be respected at Albany because of his repute for sound judgment, wise foresight and quick sympathies. He is certain to have a plurality of the votes in the ballot boxes at sundown two weeks from next Tuesday and to be mayor. I implore all Democrats to cast aside mere minor differences among one another, to unite and give him a majority vote. If all Democrats will do that, I confidently predict that the people will have a city government obedient to law and such as the majority of those voting for Judge Van Wyck shall wish.

The rule of the majority is the Democracy of Thomas Jefferson.
GOOD GOVERNMENT MAJORITY RULE.

(Speech at Tammany Hall, October 28, 1897.)

(Extract from a report published in the Daily News, October 29, 1897.)

The demonstration at Tammany Hall last night was the most impressive event of this or any other campaign. The big hall in the Wigwam was crowded to the doors, and Fourteenth street itself was a mass of humanity. Never was there such cheering before in Tammany Hall; never a more spontaneous display of enthusiasm. It meant just one thing — Democratic victory. No one went near the vicinity of East Fourteenth street who did not receive the indelible impression that the battle is practically over, and that Robert A. Van Wyck will take the office of first Mayor of Greater New York on January 1. There could be no mistaking the significance of such a meeting.

Charles H. Knox presided. Among those who spoke were General James B. Eustis, former Ambassador to France; Mayor Carter H. Harrison, of Chicago; Hon. Perry Belmont, former Congressman and former Minister to Spain; James W. Ridgway, of Brooklyn; Rev. Charles A. Alden.

Mr. Belmont's speech:

I take it no expert will deny that when the ballot boxes are opened, the Democratic city and county tickets will have a large plurality and Judge Van Wyck will be mayor. Why, then, the Democratic trouble of arranging for this vast assemblage and others like it? The answer is twofold — the importance of the result is too great to permit an intermission of ceaseless toil and vigilance until the desired end has been achieved; secondly, that a mere plurality of votes for the Democratic candidates will not satisfy us.

Jefferson declared in that marvelous embodiment of Democratic doctrines contained in his first annual message to Congress that we must struggle for the rule by the majority.

No political government can, in an American sense, be a perfectly good government, although conforming to the Constitution and laws, unless it has been created and is upheld by a majority of the voters who live under it. On the other hand, it is the American presumption that a government is not good, no matter how patriotic, learned, wise and
prudent are its officials, if the government they create is irritating, displeasing and unsatisfactory to the majority. That doctrine does not, I am sorry to say, have the assent of every one among us. There are those who insist that a handful of men, self created, self constituted, in a political sense, a self representing cabal, can make a better city government for the majority than such a government as the majority wish. That is not the American theory and is not Jefferson Democracy. If, then, the Democratic tenet is that only a government organized and upheld under our Federal and State Constitutions by a majority of the voters can presumably be a good government, we Democrats must strive to obtain for all our candidates a majority of the voters. There must be a majority not merely for the mayor, the comptroller and president of the council of twenty-nine members, but for each member of the municipal assembly to be composed of the council and aldermen who are to exercise legislative power in your new city.

**MAYOR HAS LITTLE EXECUTIVE POWER.**

The charter imposed on you by a Republican majority at Albany is an untried experiment. It is hybrid in its theory of executive power. Unlike the President of the United States, the mayor will not under it have executive power. The commission which framed the charter made a compromise. Some of the commissioners wished to give the mayor power to remove heads of departments equal to his power to appoint, but finally it was very illogically and absurdly agreed to give the power of removal by the mayor alone only during six months. General Tracy and Mr. Low have told us a great deal regarding the Republican organization, its rise and fall, but nothing at all in regard to how they stood on the critical question relating to the mayor's authority.

Mr. Low assures the people of the city that if he can only be mayor he will, solitary and alone, without a party or an organization behind him, and even if in a popular minority, secure to the people a good city government. How he can, under the charter, and, after six months have passed, be so positive that the heads of departments he has selected and the municipal assembly he has not selected will be obedient to his will and to his theory of goodness no one but himself is able to discern. Under the charter he helped to make he can not be certain that on charges by Mr. Quigg he will not any day be removed from office by Governor Black. What a droll sort of home rule for our great city is that power existing at Albany!

But it is not necessary now to longer pay attention to Mr. Low or his crude theories of city government suitable for a church vestry, or a college, or his personal advocacy of himself, which is so unlike the calm dignity of Judge Van Wyck. Neither General Tracy nor Mr. Low can be
chosen. When Mr. Low began many months ago publicly his own personal exaltation, some of us were deluded into the idea that he really meditated a new departure by an overthrow of government by party and by politicians. Since the recent speeches by himself and Choate and Root, we have all discovered that his objective point is the capture of the Republican machine in his own interest — first for mayor and then for the nomination of a Republican for the Governor and then presidential nomination. In that effort the trustees of Columbia College, who refused to immediately accept Mr. Low’s resignation and thereby sanctioned his political purposes, must be held as allies — that is to say, in so far as the trustees have permitted the president of the college to represent them in his undignified and unjust assaults on the personal character of others every whit as patriotic, unselfish and good as himself. The personal denunciation by Low Republicans of Platt as a boss is not the result of long conviction, when we recall the fact that Platt has been the Republican boss since the end of Governor Flower’s term. He brought about the nomination of Morton and of Black. Morton was loyal to his creator. He made Low a charter commissioner. Did Mr. Low in those days denounce Platt? Not at all.

CAPTURE OF REPUBLICAN MACHINE.

The Republican party as now organized in New York is dying as the Whig party died. An editorial of The Evening Post on the 20th inst. discloses that the Low movement is an effort to reorganize that dying Republican organization now dragged down by the weight of the McKinley administration. Let me read to you a sentence or two from your political enemy, The Evening Post: “The Republican party, like every other organism, will always provide for its own existence. The members will not run about weeping because they have no machine. They will make a new machine if they find it necessary to accomplish their ends. We admit that a machine will have to spring up in this city if the Low organization or any other organization is to be kept alive. We acknowledge that in a large Democracy machines are necessary to ‘bring out’ the voters — that is, to get the mass of the ignorant, the lazy and indifferent voters to come to the polls and cast their ballots intelligently. The Low people will need district leaders just as much as Tammany, perhaps even more than Tammany.”

There is an abandonment of the Low contention against party organizations like that of Tammany. A fatal blunder made by Mr. Low was his failure to fling aside cant and hypocrisy and frankly say that he intended to do what The Evening Post wisely suggests — that is, not to be head master of Columbia College students, but, displacing Mr. Pratt, to be head master of the Republican machine and its "boys."
DEMOCRATS BENEVOLENT NEUTRALS.

We Democrats are not now belligerents in that Republican tumult, but are benevolent neutrals. Some may prefer to see Larocque in the place of Platt at the head of the Republican machine. Between Bliss and Strong there may be no preference. As a mayor Tracy is preferable to Low, because Tracy has more political common sense, but they are all Republicans. Whoever wins or loses, whether it be Larocque or Platt, Tracy or Low, they will all be fighting the Democrats next year. You can remember, I am sure, the Republican revolt against Grant near the close of his first term. You can recall that pitiable aberration which nominated in 1872, Horace Greeley and how the New York Tribune led off in merciless Mugwump of Grant and Grantism. Whitelaw Reid, Bayard Taylor and John Hay were then all companions in vituperation of Grant, but very soon thereafter each of them was welcomed back and all decorated with high foreign missions. Just so will it be with Low and his Republican cabal if they are defeated by Platt, and with Platt, Tracy and Quigg if they are expelled from the Republican machine. They will all be Republicans next year and in 1900, but powerless then as now to control Greater New York.

You have seen one unique feature of this municipal campaign — that so long as the issue was doubtful and the certain success of the Democratic ticket was not discerned the great city newspapers roundly denounced the Democratic organization and less roundly the Republican organization. Why was there such concert? We are living in a world of newspapers, and has it never occurred to you that the clever men in this city who own machines of publicity have a fancy to destroy the existing political machines, themselves dictating the principles and candidates and putting up one of the newspaper proprietors as the one supreme ruler and monarch?

LABOR AND TAMMANY.

There is some such strife pending between Democrats as is now going on at the heart of the Republican party. The former is unlike the latter, superficial and ephemeral. It is not possible the Henry George revolt promoted by both Platt and Low to capture the Democratic organization as it is possible that Low may obtain control of the Republican machine. There may be within sound of my voice to-night Democrats who are wavering between voting for Van Wyck or George. Will they not now for a moment or two listen to me? It is to be assumed that you are, as we are, Democrats of the school of Jefferson; that you are not socialists and that you abhor, as we do, the Republican party, its McKinley administration, its tariff, its general range of appointments, its official conduct, and
its refusal to put order into our currency, disordered by the Republican
group. I venture to think that you are convinced that Mr. George will
obtain a far smaller vote than Judge Van Wyck will have. It is to be
presumed you seek, as we do, to strengthen organizations of workingmen
in order that they may so fairly, lawfully and successfully contend with
employers as to obtain the laborer’s full share of the joint efforts of in-
vention, capital and ability on the one side and of mere mechanical labor
on the other side. I am not now referring to shrewd employers like Tom
Johnson or to those who are now laborers but have the ability to rise like
him out of the ranks of mechanical labor. I am now referring to the un-
fortunate unemployed laborers and those among them who influence
votes, and I ask you and them this question to-night, Why should you not
stand by Tammany Hall?

Has it ever deserted the cause of labor? Has it not stood by the Eight-
Hour Law? Has it ever wavered in promoting any feasible measure in
aid of the workingman that Mr. George advocates? Has it ever been
suspected of leaning toward the side of oppressive and unjust employers?
Has it ever assailed our individual liberty to worship as we please, to eat
and drink as we please, so long as we do not interfere with the right and
comforts of our neighbors? Why, then, can not all Democrats come to-
gether and vote together for Van Wyck and give him a majority?

What can Henry George and Tom Johnson do for you that Tammany
Hall can not and will not? Are you even quite certain that they can
ever be able to do anything for workingmen? Are you not very certain
that Tammany Hall in this city can and will do much?

A NATIONAL VICTORY.

And then think of the nation at large! What is one of the great ob-
jectives which we Democrats in Greater New York. Jeffersonian Democrats,
Tammany Democrats, are toiling for this week and next? It is possession
of the government at Washington for a period I know not how long.
Every one feels this. General Tracy frankly confesses it. This is what
he said at Lenox Lyceum: “It will be a sad day. fellow citizens, if the
Republican party is defeated in this election and Tammany Hall obtains
control of the government. There is no hope, in my judgment, in ob-
taining control in the nation without the aid of the electoral vote of the
State of New York. Can you guarantee the electoral vote in 1900 with
Tammany Hall in control of this government of Greater New York?”

My Democratic friends, is not that a prize large enough to constrain
us to cease our present petty and senseless differences over Johnsonism
and Georgeism and come together under the banner of Jefferson and
march on to assured victory?
"And now permit me for a moment to turn elsewhere in this great audience and have a word with such Republicans as may be here who, perceiving the futility of further efforts by either Tracy or Low, are half inclined out of resentment against their ancient enemy. Tammany Hall, to slyly animate Mr. George and his 'Hanna,' Mr. Tom Johnson, to continue their wild endeavors to prevent Judge Van Wyck from obtaining a large majority next Tuesday. You have discovered that McKinleyism has slain Tracy and that Low's chances have disappeared. Do you not see the incoherent and frantic socialists masked behind George and Tom Johnson of Ohio? Do you not see that the driving wheel of the George candidacy is not merely our city politics?

GEORGE DOES NOT CARE TO BE MAYOR.

"I do not care to be mayor," said Henry George to a Sun reporter on the morning after his nomination and doubtless speaking with sincerity. "My acceptance of the nomination will be merely for the purpose of making a fight for the principles of social economy for which I have long contended." Mr. George is borne by a mad current which he could not withstand if he endeavored to. He has not the physical strength. The newspapers told us how he collapsed in a fainting fit after his nomination. That the nomination had been promoted by the Citizens' Union is plain. Jerome O'Neill, chairman of the George meeting, is one of the members of the committee of organization of the Citizens' Union. His name is still on the official list of that committee given out since the nomination of Henry George. The first nomination of George was on the 5th of September, and before the Democratic city convention had met. The newspapers declared the next morning that Mr. George would not say whether or not he would accept the nomination tendered to him until after Tammany had put her ticket in the field; that if Judge Gaynor should be nominated Mr. George would decline to be a candidate. Thus the real motive of Tom Johnson was to constrain the Democracy to nominate Judge Gaynor. At the Lenox Lyceum on the 27th of September, after the Democrats had nominated Judge Van Wyck, Mr. George was driven into an acceptance. That was Gaynorism. No one man could have persuaded Brooklyn, Queens, Richmond and the city convention to nominate Judge Gaynor out of the half dozen candidates. It was an impossibility.

I ask myself whether the rich newspaper owners of land who are stimulating the George candidacy have carefully scrutinized the two platforms they published on the 28th of September and the 6th of the present month. Do they wish any political economist to have power in this city
and State whose one single aim is to take yearly as a tax on all the land its full value less what man has expended thereon? It was only the other day that there was published a copy of a recent letter by George to the German-American Double Standard Club in which he condemns all excise "in any form" and all license taxes for selling liquors. We all know that "excises" are impositions on articles produced in our country. He says in his letter that he is a free trader in the full sense of the term, therefore, he is bent on exterminating all indirect taxes in order to clear the way for his direct single land tax. That tax would be absurd, unjust, cruel and in our country sectional, either as a fiscal, a political, a moral or an economic agent. Some may say that Henry George has abandoned his single tax theory. Not at all. Let me read you the George platform on this subject: "Greater New York, stupendous in population, magnificent in wealth. We believe the assumption of this wealth through wise, equitable and scientific taxation will provide a fund which may be employed in the extension of the city, the park area, in the beautifying of its water front and the broadening and the adornment of its streets, in the multiplication of its libraries, museums and institutions for the free education of its citizens. We declare that such a system of taxation will enhance the material prosperity of the individual citizen, vastly increasing the number of public conveniences which the people in the aggregate will enjoy." The operating word is "reassumption." What does it mean? The purpose is to yearly confiscate the value of the bare land and turn it over to the city as a fund with which to do what is in the platform proposed.

SINGLE TAX.

This George single land tax scheme in the portions of New York State where land is poor and cheap and improvements thereon have been inexpensive would confiscate the little value of the land, but furnish insufficient revenue for town expenses. It has been baptized "nationalization" of the land and out of it has come the other scheme of socialism to "nationalize" the instruments of production, transportation and exchange, set forth in the George city platform. Other similar socialistic schemes to redistribute wealth have been stimulated by professors and teachers of Columbia College since Mr. Low became president and, therefore, the encouragement in that quarter of the candidacy of George has been natural. Everything feasible to maintain in your city "that sacred right of property which gives to every one the opportunity to employ his labor and security that he shall enjoy its fruits, to prevent the strong from oppressing the weak and the unscrupulous from robbing the honest, and to do for the equal benefit of all such things as can be better done by
organized society than by individuals and to abolish laws which give to any class of citizens advantages either judicial, financial, industrial or political that are not equally shared by all others,” is set forth in the city Democratic platform.

OPERATION OF CITY FRANCHISES.

All else proposed by Mr. George in his platform is as insane as are his assaults on Mr. Croker and Mr. Sheehan. His platform is this: “We favor and demand the acquisition, ownership and operation by the city of all municipal street franchises, including those of transportation, gas and electric lighting.” Not merely “ownership” is demanded, but operation by the city, requiring purchase, which would create a city debt forbidden by the State Constitution. Can it be that the business men of this city wish the things set forth in the George resolution, which says: “We declare that the functions of street railroads, transportation, the lighting of the streets and homes of the people, whether by gas or electricity, the carriage of the people by ferries, about the waterways of Greater New York, the facilitation of the exchange of speech by telephone or telegraph are all purely municipal functions which can be better controlled by organized society than by individuals.”

The only work of that character undertaken in our country by the government is carrying the mails, but in that case Congress employs organized private capital to do the transportation and the government does only the most inferior part of the business. No sane man can believe that invention of new machinery, enlarged facilities, increased benefit for the public, along with reduced cost of service in railways, telegraphs and telephones could be as constant by the government as by organized capital and labor. The Tracy men and the Low men, the Tracy newspapers and the Low newspapers, now alluring on and prodding the candidacy of Mr. George, in whose outfit a very large screw must be very loose if we can form an opinion by his frenzied attacks against individuals, were greatly depressed a year ago by the political issue. The Tom Johnson-George platform contains all that was so alarming in the Chicago platform and much besides that is far more insane and demoralizing.

There is not a possibility of a plurality for George or that Judge Van Wyck can be deprived of a plurality, but those who are behind George, deceiving him and well-meaning Democratic workingmen, are preventing Judge Van Wyck from obtaining the large majority vote which the normal Democratic strength in Greater New York entitles him to have.
The Democrats of Flushing wound up their campaign Saturday evening by holding a mass meeting in the Town Hall. William Rasquin, Jr., called the meeting to order and introduced Senator Koehler as presiding officer. Hon. Perry Belmont made the principal speech. He was followed by Edward F. Fagan, Michael F. Blake and John W. A. Shaw. *  *  *

Mr. Belmont's speech, as published in the Flushing Evening Journal, was as follows:

It is intensely gratifying to come back, after so many years, to Flushing and find a welcome such as this. It is a source of congratulation to all Democrats that many who a year ago were divided are now standing together, united on the eve of a glorious victory. Glorious first because the normal Democratic strength in the Greater New York will come to its senses and the government of the new city will be a government by the majority. This is the American and Jefferson good government. Jefferson in that marvelous embodiment of Democratic doctrines contained in his first annual message to Congress declared that we must struggle for the rule by the majority. In a national sense it will be a glorious victory. One of the important objects for which we Democrats are laboring this week and next is the control of the government at Washington. General Tracy confessed it at the Lenox Lyceum a few nights ago when he stated: "It will be a sorry day for the Republican party if the Democrats win the election. Who can guarantee the electoral vote of New York in 1900 if the government of Greater New York is controlled by the Democratic party." Others have already told you to-night of the chief issues of the campaign. I would like now to refer to another phase of the canvass, the violent vituperation by McKinleyism which is not related to the municipal canvass.

Hence it must have been used to excite unjust partisan prejudice against our Democratic candidate for the Court of Appeals. Confirmation is in the following up of that McKinley platform invective by the contention of McKinleyism that if Judge Parker shall be elected he will, because he voted for Bryan electors, give immoral judgments impairing the obligations of contracts.

I was one of the Democrats in Suffolk county who voted for Palmer electors.

If there is force in the denunciation of Judge Parker by McKinleyism, I should be among the first to feel it.

I shall not refer to national issues, which have no place in this municipal campaign, excepting so far as Republican denunciation requires.
The Chicago platform was, in some things, an admirable exposition of the Democratic faith and creed. Like our Democratic city platform the Chicago preamble defies adverse criticism. It is the vital spark of the document. I had not then, and have not now, any such objections to the paragraphs that followed next after the preamble regarding the money question, silver demonetization and gold monometalism that by reason of them alone I should have voted against the platform in the election. It was the demanding from Congress of the immediate opening of our mints to silver on the ratio of sixteen and the denial, even before that opening had been voted by Congress, of the right, long enjoyed by every government creditor, to receive either gold or silver dollars that I could not uphold.

"I am a Democrat!" I am a Jeffersonian Democrat, both by inheritance and by conviction! The organic law of the Democratic party was proclaimed by Jefferson in his first inaugural address. The essential principles laid down by him are:

"Equal and exact justice to all men, of whatever state of persuasion, religious or political;" the "support of the State governments in all their rights;" the "preservation of the general government in its whole constitutional vigor;" "a jealous care of the rights of election;" "economy in the public expenses;" "honest payment of our public debts and preservation of the public faith."

Judge Parker has had a long, fully tried and severely tested judicial career.

He has, since 1885, been a member of the Supreme Court of our State. His merits and fitness, his spotless integrity, exhibited by his judicial conduct, no one questions.

The Federal Constitution has prohibited New York from making any law impairing the obligation of a contract. Judge Parker can never, as a State judge, have such a law to enforce, and we may be well assured that he will never judicially uphold a Federal law working such immorality and injustice. We are quite convinced that he could never have held the Legal Tender Law of 1862 a constitutional enactment by Congress.

What is the alternative held out to those thus solicited not to vote for Judge Parker? It is to vote for the Republican candidate — not because he has more merit and fitness, more spotless integrity, than Judge Parker, but because McKinleyism stands pre-eminently for judicial maintenance of existing contracts against subsequent adverse legislation by Congress.

It will be interesting to see how Mr. Edmunds, who is president of the McKinley nonpartisan currency commission and who so vigorously argued to the Supreme Court and has put his contention in the report
of Juillard's case, that our existing full legal tender greenbacks have no warrant in the Constitution will treat that violation of contracts in his forthcoming currency report.

I deplored criticism in the Chicago platform of the Supreme Court, and yet the great Democrat, Jefferson, uneasingly hurled reprobation at what the great Federalist, Marshall, did on that bench. Jackson and the mighty Democrats who stood around him censured the decision upholding the United States Bank. The Whigs of sixty years ago were bitterly resentful when the Supreme Court, led by Taney, declared to be constitutional the State bank notes, which were very democratic things, if not legal tender. Lincoln and the Republican party, just then born, poured vials of wrath on the Dred Scott decision, and we now, all of us, denounce the latest legal tender judgment.

Little else in that platform seemed then insuperable, but yet the Democratic national convention of 1892, and generally all intermediate State conventions had stood with New York for bimetallism, which can not exist unless it shall be universal in the world of commercial nations. A peremptory demanding of sixteen as the ratio was suicidal if bimetallism was the goal. France must and will insist on fifteen and one-half, which ratio condemns more silver coinage by us at sixteen. The basis on which the French government has, under pressure of the Wolcott commission, recently approached the British government, is fifteen and one-half, but if France can not prevail with fifteen and one-half, how can the United States hope to resuscitate bimetallism at sixteen in the face of the recent adoption by Austria of eighteen and twenty-two-one-hundredths; by India of twenty-two and three-one-hundredths; by Russia of twenty-three and twenty-five-one-hundredths; by Chile of thirty and forty-one-hundredths, and by Japan of thirty-two and thirty-four-one-hundredths?

The sixteen to one fad has disappeared never to return till the hope of bimetallism shall be extinct. When bimetallism shall be forever hopeless, silver monometallism may be an issue in our politics. It never has been. It was not last year intentionally put in issue by the authors of the Chicago platform and was not because they looked for international bimetallism along the route of independent action by the United States.

We daily see what only one government, and that our own, can by force of its law do with more than 400,000,000 silver dollars, each of a bullion worth of only forty cents in gold, and with more than as many paper dollars, whose intrinsic worth as money is nothing in either silver or gold. If it were now generally believed in our country that Congress can alone, by opening our mints to silver on the ratio of sixteen, double the price of all the silver in the world, would not Senators, Congressmen and everybody else buy silver right and left, then enact the needed law and thus acquire wealth "beyond the dreams of avarice?"
It is not, however, to be said of an American who really believes his country can, unaided and alone, lift silver to a parity with gold on a ratio of sixteen that he is, therefore, dishonest. The question is not one of morals, but of appreciation of the course of the silver market. I believe that the opening of our mints to silver now without hope of foreign cooperation will put our gold dollars at a premium over our silver dollars. But there are those who do not sympathize with my belief. There is, however, no parting with conscience by any of us.

Every one knows that the legislation of 1862, whereby irredeemable promissory notes of the government, issued to its creditors in acknowledgment of a public debt, were made, no matter how great their depreciation below the constitutional metallic standard, a full legal tender in private debts calling for coin dollars was a Republican invention. It was also a congressional impairment of a valid contract. A Democratic Supreme Court condemned the Republican invention and its application to antecedent debts. An enlarged Supreme Court, packed by the Grant administration for the purpose, upheld the Republican invention and its application. It may be said the full legal tender Greenback Law was an appropriate and necessary way to carry on war against secession. Be it so. But what shall be said in defense of the law of 1878, the "endless chain" enactment in a time of profound peace, whereby Congress authorized the reissue of redeemed greenbacks as a full legal tender for antecedent debts? A Republican Supreme Court, only Mr. Justice Field dissenting, upheld that law and declared that, even though it impaired the obligation of contracts, there was nothing in the Constitution forbidding Congress to do that which a State could not do. It was as immoral and unconstitutional to impair contracts by creating a full legal tender dollar worth in gold in July, 1864, only thirty-nine cents as it would be for a Bryan Congress to impair contracts by a full legal tender silver dollar worth in gold only forty cents or half that sum.

The Republican State committee affirms that in New York Democrats are now preaching repudiation and a dishonest dollar. Henry George says we are not. The Republican State committee insists that New York is a gold standard State and its metropolis a gold standard city, a majority of whose voters confide in McKinley, whereas the Democracy does not so confide and should be, therefore, despised and cast out. Let us for a moment examine a little into the comparison thus made of the New York Democracy on the one hand, and the Republican party on the other, as now represented at Washington.

Is President McKinley in favor of the monometallic gold standard? Who knows? He recently commended the advocacy made by the In-
dianapolis convention of a monetary system based on the present gold standard. But only a little while before he had sent to Europe the Wolcott commission in order to discontinue the gold monometallism and establish bimetallism. A correspondent in the London Times of the 21st ultimo affirms that early in May, 1894, the bimetallists met in London. In a letter, whose terms he says are before him, dated from the Bank of France, April 23, 1894, the governor of that bank wrote: "I applaud with both hands your resolution of getting together in London a bimetallic conference." Also there was a cable from America signed, among others, by the present Secretary of State, Mr. John Sherman, expressing "cordial sympathy with the movement."

If the opening our mints to everybody's silver has been dishonest since 1873, who in all our land advocated it with more persistency than Mr. McKinley, during nineteen years, from November, 1877, to August, 1896? He voted for the Bland Free Coinage bill, for the subsequent Bland-Allison bill, for the Matthews resolution to pay our bonds in silver dollars. In 1886 he again voted for free silver coinage. He reported a resolution in the Republican national convention of 1888 denouncing the Cleveland administration for its efforts to demonetize silver. He advocated the Sherman Law of 1890 as the next best thing to opening our mints to everybody's silver. In 1890 he wrote that "with me political and economic questions are a conviction," and said, "I want the double standard." A year later he denounced President Cleveland for urging the repeal of the Sherman Law.

In Republican estimation has Mr. Bryan been more immoral on the silver question than Mr. McKinley? On which day and year did Mr. McKinley first repudiate sixteen to one and stand for gold monometallism?

Mr. Edmungs can tell the nonpartisan currency commission out of his own experience how in 1874, when Blaine was Speaker, the Republicans in Congress voted the bill of that year promising endless greenback inflation and fiat money; how President Grant after days of hesitation finally applied his veto. Mr. Edmungs can also demonstrate to the commission that during thirty-five years his party has, in order to obtain western votes, yielded to unsound money. Not until after Grant's veto of the inflation bill of 1874 did the Republicans, terrified by Tilden's advocacy in New York of specie payments, venture on that greenback paying legislation of 1875 which they finally emasculated by refusing to declare in that specie resumption law that the redeemed greenbacks should be exterminated.

The fact and the truth are that the Republican party has during the last thirty-five years made our money and currency unautomatic, and a
money and currency managed and manipulated by rival parties in Congress and in the Executive Department. We now have a metallic money the sum of which, so far as concerns silver, the government regulates instead of metallic money the quantity of which in gold and silver is limited by nature and by miners of the precious metals. Our paper currency is also government managed instead of self managed under the inflexible rules of wise and safe banking. Until the Republican party has been prostrated, or if in power shall reverse its own engines and retrace its steps since 1862, there can not be enduring industrial prosperity for us.

There is no cessation in the daily Republican clamor that the Democracy is a communistic party and Republicans are the only conservatives, but the Republican party has just enacted a tariff law based on the stupendous communism that the taxing power of Congress includes the right to tax solely for the welfare of individuals and monopolies. That theory will permit the two Republican houses of Congress and President McKinley, acting together, to divide up by taxes and distribute all our saving and property to promote what is termed the "public welfare."

I prefer to stand with the Democracy.

If my voice to-night or a report of my uttered words shall reach any New York voter with whom I stood last November for Palmer electors, or any Democrat who even voted for McKinley electors, I urge him to vote for Judge Parker to be Chief Judge of the Court of Appeals, for Judge Van Wyck for mayor, and for the Democratic city and county ticket.
GOVERNMENT BY PARTY TRIUMPHANT.

(New York Times, November 3, 1897.)

Perry Belmont expressed much joy at Tammany's victory last night. He said: "Democrats of Greater New York are to be congratulated. Their victory wants no element of completeness. It is a triumph for the American rule of 'government by party,' this time by the Democratic party. It speaks for government by the plain people and for them. It declares for home rule, fireside rights, and the freedom of our great city from intermeddling at Albany, not peremptorily demanded by the State Constitution.

"The hour of triumph is for brave men the hour of magnanimity. Emotions of pure resentment and revenge are then swallowed up in victory. We are not to-night conquerors of our fellow citizens in the sense of subjugation by force. 'Who overcomes by force hath overcome but half the foe.' The Democracy has happily surmounted silly misconception, prejudice, and passion. Mayor Van Wyck has a gigantic task in hand. He will need the help of every well-meaning Democrat, some of whom were misled to vote for George or Low. They must and will be won back into the Democratic organization. We have had enough and more than enough of misnamed Democracy during the last half dozen years. With to-morrow's sun will dawn a new era — the Democracy of Jefferson, regarding the rights of the many against the few who by legislation have usurped for themselves the wealth that belongs to all. Rising again in the East, the 'ideas of New York,' announced to-day and championed by a Democratic government in Greater New York, will pervade the whole of our land."
REPUBLICAN RESPONSIBILITY FOR PRESENT CURRENCY PERILS.

(Brooklyn Citizen, December 20, 1897.)

"The Hon. Perry Belmont has consented to write a series of seven articles on the currency question for The Citizen, and we publish the first of them to-day; the remainder will be published in due order, from day to day.

"The public mind has been befogged in relation to the currency by voluble ignorance on the one hand, and on the other by a manner of treatment by experts that forbade the collection of clear ideas from their writings and speeches by the average man, busy with his own affairs and rarely in a mood to track thought through the mazes of technical discussion."

(Brooklyn Citizen, December 28, 1897.)

"We must express the hope, therefore, in again expressing the obligations of The Citizen and its readers to Mr. Belmont, that he will consent to their publication in a form which shall be at once desirable and within the reach of the people in general."

No. 1.

THE UNCONSTITUTIONAL GREENBACK.

It would obviously be premature for any one at this time to endeavor to define the currency legislation by Congress, which nearly a year from now, when called upon to nominate Democratic members of Congress, Democratic principles are immaterial because fundamental truths the Democrats of New York will advocate.

The most essential were concisely stated by Jefferson, in his first inaugural. One was this:

"The honest payment of our debts, and sacred preservation of the public faith."

Prudent and politic Democratic measures to vindicate that Democratic principle may depend this year somewhat on the conduct of the Republican party, which is now in power at Washington. We, of the Democracy, are in opposition.

Currency reform of some sort seems to be now everywhere demanded, excepting by those who do not think at all on the subject, or who, out of
fear of censuring the Republican leaders, prefer to leave our finances, taxation, and currency to drift.

There are indications that the next question to be uppermost in political debate is whether greenbacks or bank notes shall, together with paper representatives of coined dollars deposited in the Treasury, constitute our paper currency.

The New York Sun had, on November 26th, this opinion of what Congress should do:

"In providing for the future, the aim should steadily be to substitute for bank notes, Government notes only, backed by an adequate gold reserve and redeemable in gold on demand. Let us have one standard, namely, gold, and one currency, composed of Government gold coin and Government paper redeemable in gold, with silver for subsidiary use."

Commenting on the multitude of schemes to alleviate the present currency perils created by Republican legislation, that journal on the 11th of December again said:

"Let us suppress all bank notes and fill their place with Government notes, redeemable on demand in gold and secured by a redemption fund not liable to depletion for any other purpose."

The Sun has been a vigorous opponent of the Chicago platform of 1896, which declared:

"Congress alone has the power to coin and issue money, and President Jackson declared that this power could not be delegated to corporations, or individuals. We, therefore, denounce the issuance of notes intended to circulate as money by National banks as in derogation of the Constitution, and we demand that all paper which is made a legal tender for public and private debts, or which is receivable for duties to the United States, shall be issued by the Government of the United States, and shall be redeemable in coin."

* The money and currency planks of the Democratic National platform of 1896 are radically unlike those of the Populist platform of that year. The former denounces National banks as unconstitutional, and affirms that if paper currency is to be issued it must be redeemed on demand "in coin." The latter "demands" a paper currency issued only by Congress—never by banks—and not redeemable in anything. The difference is so consequential that the Populist platform deserves reproduction:

"1. We demand a National money, safe and sound, issued by the General Government only, without the intervention of banks of issue, to be a full legal tender for all debts, public and private; a just, equitable, and efficient means of distribution, direct to the people, and through the lawful disbursements of the Government.

"2. We demand the free and unrestricted coinage of silver and gold at the present legal ratio of 16 to 1, without waiting for the consent of foreign nations.
If the convention which adopted that platform declaration intended to discriminate between "money" and "currency," then the declaration does not cover State bank notes, which are not and can not be a legal tender. On the other hand, the National bank notes are not a legal tender, and the declaration implies that such notes never can be a legal tender under the Constitution.

Lawyers have a Latin maxim which reads, "Melior petere fontes, quam sectari riculos." Freely translated, it means that, in seeking a principle of law to apply to a new condition of facts, it will be better to go back to its origin than rely on later definitions made to suit peculiar circumstances.

The question whether or not Congress has power to create full legal-tender greenbacks (no one denies its power to issue an evidence of indebtedness which is not to be legal tender for private debts) depends on the inquiry whether or not the Federal Constitution was designed to forever put an end to the emission, either by Congress or by the Legislature of any State, of "bills of credit" as legal tender for private debts.

The historical evidence that the Constitution was thus designed, was

"3. We demand that the volume of circulating medium be speedily increased to an amount sufficient to meet the demands of the business and population, and to restore the just level of prices of labor and production."

"5. We demand such legislation as will prevent the demonetization of the lawful money of the United States by private contract.

"6. We demand that the Government, in payment of its obligations, shall use its option as to the kind of lawful money in which they are to be paid, and we denounce the present and preceding Administrations for surrendering this option to the holders of Government obligations."

Was the "option" surrendered by Congress, or by the Executive?

If — the "if" is in the way — a bimetallic free coinage system were possible, surely establishing parity, and surely preventing fluctuations of the exchange rate between silver dollars and gold dollars, that would be an ideal system when, for paper currency, there shall be added thereto our existing device of gold and silver certificates. Then the people could increase, or diminish, at will the quantity of coined dollars, subject only to the possibilities of mining.

The Populist platform made no provision for antecedent debts to be possibly affected by free silver coinage. Congress should not double, for example, the weight and purchasing power of the present gold dollar, or diminish it by half, without resuming antecedent debts. Coinage should not be changed with intent to serve debtors, or creditors. If Congress is to make, or establish, new dollars of gold, or silver, or paper, and is to greatly vary the quantity of either dollars in order to change the prices of articles, then antecedent debtors and creditors should be protected from loss. Future transactions can take care of themselves, but the workingmen who have already contracted for their labor, or deposited dollars in savings banks, can not, or may not, protect themselves.
collected by the accurate historian of the United States, George Bancroft, and published in 1886 as one of "Harper's Handy Series."

He shows that, in the first draft of the Constitution, the eighth clause of the seventh article read:

Congress "shall have the power to borrow money, and emit bills, on the credit of the United States."

And he also shows that, by the vote of nine States against two, the words "and emit bills" were stricken out, and that Madison left on record his opinion that the vote cut off the pretext for a legal-tender paper currency emitted by Congress.

He also shows that the Convention having "shut and barred the door" against Federal full legal-tender paper dollars, took up, twelve days afterward, the question whether or not any State should have the power to emit paper legal-tender currency.

The first draft of the Constitution forbade any State to emit bills of credit unless Congress gave its consent, but, on a motion by Roger Sherman, the Convention, by more than five votes to one, prohibited any of the States from emitting bills of credit under any circumstances, and thus completely crushed out legal-tender paper dollars.

I will not now comment on the latest decision of the Supreme Court, a dozen years ago, in Juilliard's case (reversing a previous decision), wherein the Court adjudged that because the power to make Government notes a legal tender in payment of private debts is, in Europe, one of the powers of complete sovereignty, and is a power not "expressly withheld" from Congress by the Constitution, therefore Congress can emit legal-tender greenbacks in time of peace.*

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* The case of Juilliard v. Greenmann was argued before the Supreme Court in 1884 by Hon. George F. Edmunds for Juilliard. His argument is published in volume CX of United States Reports, p. 435. The conclusion of it is as follows:

"The Government of the United States has no power of inherent sovereignty, but only such sovereign powers as were delegated to it by a written Constitution which carefully and expressly declared that all powers not delegated by that instrument were reserved to the States and people. So that the power to create a legal-tender paper currency, if it exist at all, must exist by force of a delegation, and not by force of inherent sovereignty. The absence of an expressed prohibition against Congress making anything but gold and silver a legal tender (as was made in respect of the States) furnishes no evidence that such a power was intended to be left with Congress."

The Court, in its opinion, carefully avoided sub silentio that irresistible logic. It has probably not yet been overthrown by any body. The contention of the Court is that because in 1798 sovereignty in Europe could make Government notes a legal tender for debts between individuals, therefore those who framed and adopted the Constitution intended what European sovereignty could then
Consider first the historical Democratic view of the question.

When, by the civil revolution which the ballot-boxes accomplished in the Presidential election of 1800, Jefferson became the first Democratic President, he declared in his inaugural address what he deemed "the essential principles of our Government," but he made no allusion to legal-tender paper currency, and probably because no one then deemed it possible in our country.

When Congress made a greenback dollar (possessing in a month of 1864, only forty cents' purchasing power) a full legal tender for an antecedent promise to pay a gold or silver dollar having an hundred cents' purchasing power, Congress did not enforce honest payment of debts.

At the beginning of the present century, no one suspected that Congress could make paper evidences of Government debt a legal tender between individuals. Down to the War of 1812, no one had even proposed it in Congress. It was suggested in the House of Representatives on November 12, 1814, but, by a vote of 95 to 42, that body refused to consider it. The proposition was never again suggested till January 7, 1812, when, by only one majority (which was secured by the consent of Stratton of Brooklyn, whose judgment regarding the legal tender was in suspense, to vote for it so that it could go into the house), the House Ways and Means Committee reported it on motion of Mr. Spaulding of Buffalo, and a Republican Congress adopted it on February 25, 1862. Secretary Chase disapproved the idea in his annual report of the previous December, but on the next month he under pressure concurred. Mr. Spaulding, in his History of the Legal-Tender Paper Money, describes the Legal-Tender Law as "a forced loan." Chief Justice Chase in his dissenting opinion in the legal-tender cases (12 Wallace, 579) declared "erroneous" his concurrence of January 29, 1862, and that for the greenbacks of that year "the legal-tender quality is only valuable for the purposes of dishonesty." He put the legal-tender greenback under Jefferson's Democratic condemnation.

(1798) do. George Bancroft and Horace White have affirmed that no European sovereignty had then (1798) exercised the power. Even the Bank of England notes were not then a legal tender.

The Court, however, did in 1884 adjudge that the greenbacks reissued under the "endless-chain" enactment of 1878 were a valid tender. That is the law in that case. Any voter, or political party, or Congress, is, of course, at liberty either to acquiesce in a legal-tender law believed to be unconstitutional, because now unnecessary, improper and unsafe, or to labor for a repeal. It does not follow at all that, because the law was "necessary and proper" in 1878, it is either necessary or proper in 1898.
THE CONSTITUTIONAL STATE BANKS.

In my previous paper it was shown that, during seventy years after the adoption of the Constitution, neither Democrats, Federalists, nor Whigs believed or suspected that Congress had power to emit full legal-tender paper currency.

The first United States Bank was in operation from 1791 to 1811, and the second during twenty years from April 10, 1816. In the interval between the first and second, there was a great abuse of banking by State banks. The nature of that abuse, and the evils thereby inflicted on the finances of the National Government by reason of its relation to those State banks, are described in President Van Buren's messages to Congress. Many of the evils were remedied by the Democratic "independent" Treasury system for keeping and disbursing the national money, perfected during Van Buren's term of office, which completely divorced the Treasury from all banks. The prevailing Democratic denunciation of banks, during the terms of Jackson and Van Buren, grew out of hostility to the United States Bank, and of the injury inflicted on the Treasury and the country by the conduct of the State banks, which were the recipients of Treasury deposits. The condemned "money power" of that period of twelve years was the banks—National and State.

The United States Bank having endeavored to constrain Southern and Western State banks to redeem their notes in coin, they made war on the former. The involved State Governments endeavored to tax out of existence the branches of the National Bank, but the Supreme Court said a State could not tax "the bank." Then came a series of Southern and Western State laws in behalf of the State banks, known as the "relief" plan, which for years kept that part of the country in very hot water. This bank "relief" issue finally took on the form in 1828 of "relief" and "anti-relief" parties—the former for Jackson and the latter for Adams. The "relief" man was one who was a State-rights man, a strict constructionist, bent on preventing encroachments by Federal power, and especially by judicial power.

Nearly seventy years ago there came before the Supreme Court at Washington the "Craig case," which threatened, at one time, to put an end to all State bank notes. In that sense it deserves description.

Owing to the refusal of the local banks to redeem on demand in coined dollars their outstanding notes, the currency in Missouri was worthless in 1821. There was not a money medium of proper value. Without State aid the people of Missouri could not pay taxes, or debts, owed to the State. The people needed protection against the terrible evils of a debased and worthless paper currency.
Missouri established "loan offices," and authorized the issue of "certificates" of denominations not over twenty dollars or under fifty cents, paying two per cent. interest, receivable for taxes, and debts due to the State, or any county, or town. The certificates were to be a legal tender by the State for salaries and fees of its officers. They were loanable to citizens on adequate security. A fund was created for redemption of the certificates, and "the faith of the State was pledged for the same purpose." One-tenth of them were to be annually withdrawn from "circulation."

Craig borrowed $199.99 worth of the certificates, and gave therefor his note, payable November 1, 1822, with two per cent. interest. He did not pay the note. He was sued, and he pleaded that the "certificates" he borrowed were "bills of credit," which the State could not emt, and that there was, therefore, no valid consideration for the note.

The Supreme Court was then composed of seven. Four believed the "certificates" were forbidden "bills of credit," and three believed they were not. Chief Justice Marshall read the opinion of the court that they were "bills of credit."

The first difficult task was to define the "bill of credit" named in the Constitution.

Marshall said it was "a paper medium, intended to circulate between individuals, and between Government and individuals, for the ordinary purposes of society," and that the prohibition in the Constitution "must comprehend the emission of any paper medium by a State Government for the purposes of a common circulation."

The majority and the minority agreed that legal-tender power was immaterial.

Did not Marshall's definition cover a bank note issued by the authority of a State?

All members of the Court agreed that the purpose of the Constitution was to inhibit a State from emitting any sort of a paper representative of money, but the minority looked on the certificates not as such paper money, but as evidences of a loan by Missouri to its citizens.

Mr. Justice Thompson, of New York, thought a "bill of credit" must rest entirely on the "credit" of the drawer, have no pledged fund behind it, and that if the "certificates" in question were forbidden, then State bank notes must be.

Mr. Justice McLean, of Ohio, read a long opinion dissenting from the opinion by Chief Justice Marshall. He declared that a forbidden "bill of credit" must be issued by a State. It must be a promise by the State, and, no fund provided for converting it into money, it must have the credit of the State, not necessarily that it will be paid on presentation, but be paid some time or other in the discretion of the State.
That definition excluded an ordinary note issued by a State bank.

The judgment that the Missouri "certificate" was a "bill of credit" disposed of many pending similar cases, and excited furious resentment against the Supreme Court.

At about the time that Missouri established "loan offices," Kentucky authorized its General Assembly to elect a president and twelve directors to be a bank, all the shares of which should be exclusively owned by the State, and provided for capital stock to be paid by the State Treasurer. The bank could issue notes, payable in coin and receivable for taxes, accept deposits, and loan money. No capital was really paid by the State into the bank. Briscoe borrowed of the bank its bills, gave therefor his note, on which having been sued he plead that the consideration was void because the bills of the bank were, in fact and law, "bills of credit," unconstitutionally emitted by the State through its agent, the bank.

The case was first argued before the Supreme Court, when Marshall was Chief Justice, but, out of a court of seven, two (Johnson and Sewall) being absent, only five sat, and they being divided (three against two) on the question at issue, no judgment was rendered. Marshall, Story, and Baldwin were the three; McLean and Thompson were the two. The case had to be reargued, but before a rehearing Marshall had died, and President Jackson had commissioned Taney to fill his place; Johnson had also died; Sewall had resigned, and the President had commissioned Wayne and Barbour. Five of the seven then on the bench were Jackson Democrats.

After reargument, McLean gave the opinion of six. Story alone dissented, and said that Marshall and he had agreed at the close of the previous argument that the bank notes were forbidden Kentucky "bills of credit."*  

* Mr. Justice Story was so disheartened by the Democratic decision that he contemplated resigning his seat on the bench. After his admission to the Massachusetts bar, he was a Jeffersonian Democrat, making vigorous speeches in Essex county against the Federalists. He had, as a Democrat, been one term in the lower house of Congress, and was appointed to the Supreme Bench by Madison, but under the powerful personality of Marshall he became a sincere disciple of his teaching. He published the following reasons for contemplating leaving the Court:

"I have been long convinced that the doctrines and opinions of the old Court were daily losing ground, and especially those on great constitutional questions. New men and new opinions have succeeded. The doctrines of the Constitution so vital to the country, which, in former times, received the support of the whole Court, no longer maintain their ascendancy. I am the last member now living of the old Court, and I can not consent to remain where I can no longer hope to see those doctrines recognized and defended."

He remained on the Court till his death, which was eight years after the decision in Briscoe's case.
The majority of the Court said that "bills of credit" must be issued by a State, involve the faith of a State, and be designed to circulate as money in the ordinary uses of business on the credit of the State; that the Kentucky bank notes were issued by a bank having capital to which the holders could resort, and the notes contained no promise by the State, although the State owned all the shares, and that the State, by becoming sole shareowner, imparted none of its sovereignty to the bank.

Thus State bank notes were saved, and thus it was adjudged that a State had power to create banks of issue, which power a Republican Congress practically took away from State banks by the 10 per cent. tax after 1866 in the interest of National banks.

No. 3.

DEMOCRATIC MONEY.

When the war of secession began and the Democratic party had been expelled from Federal power by a division of its vote between Douglas and Breckinridge, and Lincoln became President (although he had less than 40 per cent. of the popular vote), the financial operations of the Federal Treasury were conducted by means of an independent Treasury system, first enacted under Van Buren, July 4, 1810, repealed by the Whigs under Taylor in August of the next year, and re-enacted under Polk in the same month of 1846. No bank was permitted to aid in handling or transferring Government money, in placing loans, or in paying principal or interest. The only Government money was coined money. There were no redemption contrivances in the Treasury. Nothing but specie was accepted in payment of taxes and dues, and State bank notes were the medium in great part of private exchanges.

Free coinage of silver and gold was authorized by law. The unit of value reposed alike in gold dollars and silver dollars. Two in one, and one in two. All gold dollars and all silver dollars were full legal tender. Up to February 1, 1853, near the close of Fillmore's Administration, all minor silver coins had also been a full legal tender, but a change was then made because France gave free coinage to both metals at a ratio of 15½, which ratio was more attractive to silver owners by about 3 per cent. than our mistaken ratio of 16, adopted in 1834, and silver coins were exported. The Treasury began purchasing silver and coining it at a ratio of 14 88-100, and reduced these silver coins to a legal-tender power of not over $5. That was not free silver coinage as before for all comers. Had Congress then changed our coining ratio to 15½ and adapted it to that of France, there would probably have been in 1860 a plenty of silver as well as gold coins in our country, all a full legal tender.

The State bank notes were not quite satisfactory, but their character
was steadily improving, and if the notes had continued in use till to-day, the reduction of counterfeits, better State laws and State supervision to compel redemption on demand in specie, might have made them satisfactory. The country was enormously prosperous from the advent of Polk's Administration down to the close of Pierce's. a period of a dozen years, under the régime of low tariffs, an independent Treasury, divorcement of the Treasury from all banks, no Federal money other than coined money, State bank notes, and no legal tender besides dollars, which were the units of value having full intrinsic value.

Since that period there have been devised paper certificates of gold and silver dollars, deposited in the Treasury as a pledge, and held as such to pay on demand the issued certificates, which were convenient and safe. Those certificates are not legal tenders, and should not be, because they are not real dollars, but only "the shadows of real dollars," such as Mr. Justice Johnson of the Supreme Court said in the "Craig case" was every kind of paper dollars.

The Democracy of the days of Jackson, Van Buren, Polk, and Pierce condemned any association of the Treasury with banks, Federal or State,

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* The Democratic Administration of Pierce was midway between the Mexican War and the War of Secession, and, therefore, can be taken as presenting a fair exhibition, in a period of exemption from armed disturbances, of the Democratic enforcement of the policy of economy, low tariffs. Government divorcement from banks, no Treasury money besides "hard money," and all "soft money" supplied by State banks. The preceding Whig Administration of Taylor and Fillmore, occupied with measures culminating in the slave-labor "Compromise" of 1850, did not interfere with the Democratic financial and tariff legislation of Polk's Administration. When Guthrie took charge of the Treasury on March 4, 1853, he found his predecessor had been lax in enforcing the Independent Treasury Law, and more than five millions of public money were in the State banks, and out of legal custody. The public debt was nearly sixty millions, but he left it at less than twenty-nine millions. The public expenditures in no year of Pierce's term were over sixty-nine millions. The customs revenue in 1857 was sixty-four millions, and as not more than forty-eight were needed, tariff rates were reduced in that year. Imports in that fiscal year, less re-exports, were $336,914,524, and exports, including coin and bullion, were $338,985,065. The service rendered by the State banks was not perfect, but was fairly good and steadily improving. Absence of uniformity in State bank notes promoted the business of counterfeiters, and absence of one controlling bureau extending over all the States led to bad banking methods, but forty years have given experience and education. President Pierce accurately described in his last Annual Message the general industrial situation in these felicitous words:

"Our industrial interests are prosperous; the canvas of our mariners whitens every sea, and the plough of our husbandmen is marching steadily onward to the bloodless conquest of the continent; cities and populous States are springing up as if by enchantment from the bosom of our western wilds, and the courageous
even to the extent of depositing public moneys therein. The war against Mexico was successfully waged on that plan. Money of gold and silver was obtained by taxes and by borrowing. There were no "forced loans" by making Government debt in the form of greenbacks a full legal tender for private debts. There were no Federal or National banks. There was free coinage of gold and silver, although on a blundering ratio of 16 instead of 15½.

When Van Buren was President he had to choose between a return to the United States bank, or the renunciation by the Federal Government of all concern for the paper currency which the people used. He and the Democracy chose the latter, and confined the Government at Washington solely to its own interests of collecting, keeping, and disbursing the public revenue. Thus it was in 1860.

A foreign war is a test of the currency of a country which conducts such a war. The Democratic hard-money plan triumphantly bore that test during the war with Mexico. The National bank paper Whig party hoped the war would compel a return to its theories. Every Gov-

energy of our people is making of these United States the great Republic of the world."

But a cloud in the financial sky of all the commercial world was slowly increasing. It came of two world-wide causes, which were gold discoveries and production, and enormous railway construction. The production of gold in our own country, during eight years ending in 1857, has been estimated at four hundred millions of dollars. During that period there were in the United States some twenty-one thousand miles of railway construction, of which there were thirty-six hundred and eighty-two miles in 1857. That nine years of railway construction absorbed over seven hundred millions of dollars, largely borrowed in Europe. Since 1856, over four thousand miles of railway had in 1857 been built in England, at a cost of seven hundred and fifty millions of dollars. Bad crops, and the Crimean War increased the size of the ominous cloud. Between 1850 and 1858, two hundred and seventy-five millions of coin and bullion were exported from our ports, which of course enormously promoted imports. Gold superseded silver, valued by the French coignage ratio of 15½, and silver nearly disappeared for a time from circulation. There was everywhere intensity of buying, selling, and incurring debts. Our banks rapidly manufactured credit in great quantity. Guthrie privately and publicly warned the banks, and cautioned them to "take in sail," but their customers and managers in their excitement were deaf to his warnings. Finally, on August 24, 1857, the cloud burst over Cincinnati. There was panic in New York. In the middle of August, 1857, all the city banks of New York, excepting the Chemical, suspended payments in coin. Then came the failure of the Erie, the Illinois Central, and the Michigan Central railways. Prices fell. The cloud also burst over Europe, and there too a financial crisis followed. Scotch banks closed their doors. The law regulating Bank-of-England note issues was suspended. After the debris of the panic had been removed, the impending war over slave labor began to cast its shadows over our land, and our finances in Buchanan’s time fell more and more into disorder.
ernment loan was sold at a price above par. Gold was abundant, and when peace came, our Treasury was well filled with it. Although free bimetallic coinage was then the statute right, yet, owing to the blundering ratio of 16 in 1834, the chief coin circulation was gold. France, by its open mints for both metals alike on the ratio of $15\frac{1}{2}$, gave a steady par of exchange between gold and silver, a steadiness which, after a quarter of a century of violent disturbances, France has recently, in London, united with the United States to endeavor to restore. A Parliament publication in October last of the "correspondence respecting the proposals on currency made by the special envoys from the United States," contains a statement made at the British Foreign Office by the French Ambassador, on the 15th of July, 1897, in support of those proposals. His statement has not been published in our newspapers.

If evidence were needed of the absence of continuous wisdom in the conduct of our finances by the Republican party since 1860, it is to be found in the effort of President McKinley to restore now the international bimetallism which the Republican leaders constrained our country in 1873 to abandon.* The turning point in that unwisdom was, how-

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* On February 12, 1873, when Grant was President, Boutwell was Secretary of the Treasury, and Blaine was Speaker of the House, a law was enacted on recommendation by the Treasury, revising and amending the coinage statutes. A gold dollar was made "the unit of value," the coinage of silver dollars was stopped, and only minor silver coins permitted, which coins were to be a legal tender only for debts less than five dollars. That law enacted precisely the English system of gold monometallism, and destroyed our bimetallism of 1792.

Next to the President, Mr. Sherman is the chief person in the present McKinley Administration. An examination of the public record of both will be useful now. Mr. McKinley entered Congress in 1877. He forthwith began to vote to modify the Republican Coinage Law of 1873, and to restore silver dollars. A special session of Congress was called to meet on October 15, 1877. A bill was presented to the House of Representatives for the free and unlimited coinage of silver. On November 5th Mr. Bland of Missouri moved to suspend the rules so as to enable the House to pass the bill. The rules were suspended and the bill was passed, without consideration by a committee and without debate, by a vote of 163 to 34. Mr. McKinley, of Ohio, was recorded in favor of the bill. Mr. Garfield, of Ohio, was recorded in opposition.

This bill was the basis of what afterward became the Bland-Allison Law of 1878. It was amended in the Senate so as to provide for the purchase and coinage of $2,000,000 every month. When it returned to the House Abram S. Hewitt, of New York, moved to lay the bill, with Senate amendments, on the table. This motion, which would have put an end to all silver legislation in that Congress, was defeated by a vote of yea's 71, nays 205. Mr. McKinley, of Ohio, voted against laying the bill on the table. On this roll call, as on the other, Mr. Garfield, of Ohio, and Mr. Reed are recorded against the silver bill.

Mr. Hayes returned the bill to the House, with a veto message, February 28,
ever, in 1861, when that party refused either to stand by the Democratic hard-money plan or to use the Clearing House appliances of the powerful State banks of the Atlantic cities, which had advanced $150,000,000 of gold.

Is, or is it not, feasible and prudent to now return to the Democratic plan after thirty-seven years of Republican departure therefrom? Cannot legal-tender greenbacks, so long endured, be speedily exterminated? The existing national bank note system is not satisfactory, but how much supervision of bank notes and responsibility for bank notes will the States consent that the National Government shall in the future have?

It was a sharp and quick transition made by the Republican party from a fiscal system which tolerated no Federal dollars but coined dollars, and trusted no bank with custody of Government money, to a contrivance which obliterated State banks of issue, and put Government money into the hands of National banks, bound the Treasury at Washington to print the bank notes, take charge of bonds pledged for circulating notes, pay on demand all notes presented in due form, restricted the kind of business the bank can do, prescribed the amount and quality of reserve for

1878. The bill was passed over the veto by a vote of 196 yeas and 73 nays. Mr. McKinley voted to override the veto; Mr. Garfield, of Ohio, voted to sustain it.

Mr. Sherman, then at the head of the Treasury, says in his Autobiography (p. 623): "I did not agree with the President in his veto of the bill."

That law of 1878, for which Mr. McKinley voted, began legislation for a series of international conferences to revive "the use of bimetallic money." It began a modification of the gold-standard enactment of 1873, and Treasury purchasing of silver and coining anew silver dollars.

On January 29, 1878, was presented to the House a concurrent resolution declaring all Government bonds to be payable not in gold dollars, but in the before-mentioned silver dollars, then worth in gold ninety-eight cents, and Mr. McKinley voted for it.

The Ohio Republican State Convention had, on August 1, 1877, demanded "the remonetization of silver," which would have been a repeal of the gold monometallic coinage law of 1873.

Mr. McKinley reported a resolution which was adopted in the Republican National Convention of 1888, denouncing the Cleveland Administration for its efforts to demonetize silver.

In the Fifty-first Congress, Mr. McKinley became Chairman of the House Ways and Means Committee, and on June 5, 1889, when the resolution of the Committee on Rules, fixing a day for the consideration of the Sherman Silver Bill, was under discussion, he said:

"It is a resolution to give to the House of Representatives an opportunity to pass a bill which shall take all of the silver bullion of the United States, all of the silver product of the United States, and utilize that silver for monetary purposes and put it into circulation for the movement of the business of the
protection of deposits, and set up a system of banks more powerful, if they could be united in the hands of one political party, than "the bank" destroyed by Jackson. The new plan met comparatively little opposition, because it was believed to be necessary to float Government bonds, and because it was felt that the greenbacks were to be temporary. The voters were induced to believe that when the greenbacks were exterminated, the banks would supply the only paper currency, and that coined money would be the only legal tender. That belief has been rudely shattered.

**No. 4.**

**REPUBLICAN MONEY.**

No one can justly call in question the patriotism of those who, at Washington, were responsible for the finances of our country at the beginning of the unexampled strain of the War of Secession. It is, nevertheless, proper, and indeed necessary, to review Republican conduct then, in order to get light on Republican conduct now.

Mr. Chase, then at the head of the Treasury, lived to condemn a great part of his official advice and action in financial matters during the war.

country. It is to give to the people of the country not $2,000,000 monthly, but to give them four and one-half millions monthly, or two and one-half millions more than what is now provided by the existing law."

Again, on June 24th, Mr. McKinley said:

"I am for the largest use of silver in the currency of the country. I would not dishonor it; I would give it equal credit and honor with gold. I would make no discrimination; I would utilize both metals as money, and discredit neither. I want the double standard, and I believe a conference will accomplish these purposes.

"Mr. Speaker, if it is practical legislation we are after, if it is the desire to coin every dollar of the silver product of the United States and make the Treasury notes issued in payment for that bullion a legal tender for debts, public and private, redeemable in coin, if that is what the people of this country want, they can have it by a vote concurring in the recommendation of the Committee on Coinage, Weights, and Measures to nonconcur in the Senate amendments and have a committee of conference."

He advocated the Sherman Law of 1890 as the next best thing to opening our mints to everybody's silver. In that year he wrote that "with me political and economic questions are a conviction," and said: "I want the double standard." A year later he denounced President Cleveland for urging the repeal of the Sherman Law.

Less than a year ago, he, as President, instructed the Wolcott Commission to endeavor in Europe to obtain bimetallism, and a few weeks after the departure of the Commission on the errand, he commended to Congress currency reform on the basis of the gold monometallic standard urged by the Indianapolis Monetary Convention.

The Coinage Law of 1873 had stopped the right to mint silver dollars out of
He deplored, if he did not resist in the beginning, legal-tender greenbacks; but yet later, while still Secretary, he urged the law of 1862, imparting a legal-tender power, a law which afterward, when Chief Justice, he declared unconstitutional. Congress had so modified, on August 5, 1861, the Democratic independent Treasury law of 1846, as to permit the head of the Treasury to deposit money in solvent specie-paying banks. Secretary Chase was urged by the banks to draw cheques on them to be settled at the Clearing House, but he refused so to treat the hundred and fifty millions of gold furnished by the State banks, and thereby caused the bank suspension of specie payments on December 28, 1861.

Spaulding, of Buffalo, N. Y., invented the legal-tender greenback, and in his history thereof, printed in 1869, he described the greenback as a "forced loan." It was not in any sense a "loan." It was, in police lingo, a "hold-up" by Congress of every creditor having an antecedent

the people's silver, and no minor silver coins were to be a legal tender for over five dollars.

The law of 1878 gave only to the Treasury the right to have coined silver dollars from which was removed the legal-tender limitation inflicted on all other silver coins. The Treasury began manufacturing silver dollars at a less cost than an hundred cents in gold, and the cost rapidly diminished, but required the people to take the silver dollars as such hundred cents in payment for services, commodities, and debts. If the Treasury had received an hundred cents in gold for such token silver dollars, the reason why the Treasury should not therefore return such gold on demand is not plain to everybody's vision.

That Silver Dollar Law of 1878 first authorized silver certificates, and declared they should not be a tender for the gold certificates of 1863, but the silver dollars deposited to obtain the certificates should be held in the Treasury to redeem the certificates on demand.

The Sherman Silver Law of 1890 enacted that its Treasury notes, issued to pay for silver purchases at a gold price, must be redeemed, on demand, in either gold or silver coins, at the discretion of the Treasury, but added that it was then "the established policy of the United States to maintain the two metals on a parity with each other." Who knows what that meant? Were coins intended? The following sentences in the law repealing the silver clause of the Sherman Law removed the ambiguity by a verbose enactment declaring:

"And it is hereby declared to be the policy of the United States to continue the use of both gold and silver as standard money, and to coin both gold and silver into money of equal intrinsic and exchangeable value, such equality to be secured through international agreement, or by such safeguards of legislation as will insure the maintenance of the parity in value of the coins of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts. And it is hereby further declared that the efforts of the Government should be steadily directed to the establishment of such a safe system of bimetallism as will maintain at all times the equal power of every dollar coined or issued by the United States, in the markets and in the payment of debts."
promise to pay coined dollars, compelling him to accept less than had been agreed. The greenbacks had printed thereon that they would be converted into six per cent. gold interest bonds at par, but Congress broke that contract by refusing such conversion after July 1, 1863. Instead of resorting to needed taxation, as three years later, the Republican leaders used unconstitutional legal-tender greenbacks and National banks to float bonds. The greenback dollars so far parted company with coined dollars that in July, 1864, the former had fallen to a value in gold of only thirty-five cents. Experts put the increased cost of the war caused up to September, 1865, by increased prices of Government purchases caused by the greenbacks, at eight hundred and sixty millions, which could have been saved by heroic taxes and the use of coined money. In 1863, Secretary Chase, having previously hinted a doubt whether any State could constitutionally empower a bank to issue its notes, State bank issues were taxed out of existence after 1866, in order that National

That deprived the Treasury of discretion to pay Congressmen and Government creditors in silver or gold, permitted the creditor to choose the dollars, and forbade the Treasury to compel a Government creditor to take any dollar the Treasury tendered in payment of the Sherman notes. Is or is not that also true of greenbacks and silver certificates?

The Republican party solicited and received in 1896 power to reform taxation, coinage and currency. By caucus discipline, last year, that party put the Dingley Law on the statute book. It is to be expected that, in like manner, ceasing from ambiguity and evasion, Republicans will decide upon, declare, and put to Congressional vote its coinage and currency plan, and make an end of doubt regarding the kind of dollars in which the Federal debt is payable. Because Mr. McKinley voted, on November 5, 1877, for Mr. Bland's bill to restore free silver coinage without awaiting foreign co-operation, and because he and Senator Allison, of Iowa, voted, in January, 1878 (a month before the enactment of the Bland-Allison Law restoring silver dollar coinage), that all National bonds issued, or to be issued, under the laws of 1870, were and will be payable in silver dollars containing 412½ grains each of standard silver, and that to coin such dollars in payment for bonds will not be "in violation of the public faith," it is needful that the Republican party now declare its real relation to those silver dollars, and those bonds. Up to 1864, Congress never promised, or needed to promise, in bond legislation, anything besides "dollars," but in that year the existence of legal-tender greenbacks required a promise "in coin." In 1870 the promise made was "in coin of the present (1870) standard value." What did that mean? "Standard" refers, in mint language, to weight and fineness. Was the "standard" ratio of 16 intended? The gold exchange "value" of a silver dollar in 1870 was one hundred and two and sixty-seven one-hundredths cents. What is now the definition of "in coin?" It is the gold dollar, or silver dollar, or both; and if both, who has the choice, the debtor or creditor? Have silver certificates and greenbacks been turned into gold certificates by recent laws? The country is entitled to have from the Republican party a legislative answer incapable of misinterpretation, and not any more ambiguity and palaver.
banks should buy Government bonds. Coined money disappeared from use, excepting to pay customs duties and interest (the principal was not mentioned) on the bonds. In that period of "rag money" and "shin-plasters," a Republican Treasury, under Boutwell, promoted, and a Republican Congress enacted in 1873, a destruction of the eighty-one-years-old right of free coinage, and made gold the sole unit of value.

When the legal-tender greenbacks were first created, leading Republicans told the country they were only temporary expedients made necessary by war; that they would be few; that they could and would be automatically exchanged for bonds and then canceled, and that the bonds were to be made the basis of a permanent National bank currency, our only paper dollars.

When the war ended all that was falsified.

It is true that in December, 1865, the House, by a vote of 144 to 6, promised speedily to get rid forever of the greenbacks, but four months later Congress repudiated the House promise, and, in February, 1868, ordered reduction of the volume of the greenbacks to be stopped.

The natural effect was that people, not Republicans, began to say that, if the greenback is to be permanent, then the principal of the 5.20 bonds of 1862 could be paid in the legal-tender greenback dollars.

On February 27, 1868, Mr. Sherman, chairman of the Senate Finance Committee, made a speech in the Senate greatly alarming the country, because, taking ground against Edmunds and the New England Senators, he maintained the right of the Treasury to pay the principal of the 5.20 public debt in existing depreciated greenbacks, although denying the right to make a new issue therefor. That was the "idea of Ohio," which the New York Democracy resisted. Out of the meshes of that "idea." Ohio Democrats did not emerge as quickly as did some of the Ohio Republicans. Hence party confusion in 1868 over that use of the greenbacks. By the election of Grant over Seymour, there seemed to be a Republican victory for coin payment and not for greenback payment as Sherman advised a year before.

Thereafter came the Republican legislation of March 18, 1869, "to strengthen the public credit," which resulted in a new departure in Republican infidelity to pledges. That enactment declared that "the faith of the United States" thereby "solemnly pledged to the payment in coin, or its equivalent, of all * * * the United States notes (greenbacks) * * * at the earliest practicable period."

"Payment" meant (as in the case of the note of an individual), paying, canceling, and exterminating. That pledge of 1869 has not been kept. Those who deem the greenback dollars unconstitutional, unnecessary, unsafe, have not united to destroy them after payment. The new
device called "redemption" made "payment" read "exchanged for coined dollars, and then reissued."

Finally, there came in 1875, a crisis when, as Mr. Sherman declares in his Autobiography, the Republican party could not survive if it did not pay coined dollars for the greenback debt. The resumption enactment of that year was the outcome. A Republican Senate caucus appointed a committee of eleven. Only Sherman, Allison, Boutwell, and Edmunds, among those appointed, are now living. Sherman's *Autobiography* says (Vol. 1, p. 510) agreement was impossible on the critical question whether or not to destroy the greenbacks exchanged for coin, and so it was agreed to palter on that point, and mislead the country. That paltering and evasion were eloquently described in the Tilden National Democratic platform of 1876. Senator Sherman obeyed in debate the caucus requirement. Afterward, and when at the head of the Treasury, Sherman advised Congress to declare frankly that the redeemed greenback be not canceled, and Congress enacted in 1878 the "endless chain" second repudiation of the "faith" pledged in 1869. Here it is:

"That from and after the passage of this act it shall not be lawful for the Secretary of the Treasury, or other officer under him, to cancel or retire any more of the United States legal-tender notes. And when any of said notes may be redeemed, or be received into the Treasury under any law from any source whatever, and shall belong to the United States, they shall not be retired, canceled, or destroyed, but shall be paid out again and kept in circulation."

* What happened in 1874 is an illustration of the danger that lurks in Government debt made a full legal-tender Government currency. The law of 1864 declared that the total amount of United States notes, issued, or to be issued, shall never exceed four hundred millions of dollars, and that of 1866 directed that a therein specified number be "retired and canceled." The last word was imperative and required extinction of such notes. Two years later, the law stopped further retirement and cancellation. Three hundred and fifty-six millions remained outstanding. The Treasury treated the $44,000,000 redeemed and ordered by Congress to be canceled, as in life and subject to reissue, even although ordered to be canceled. In 1863 and 1871, a portion was by the Treasury reissued, afterward withdrawn, and after October, 1873, $26,000,000 were reissued in buying bonds as an effort to relieve the depression caused by the panic of that year. The outstanding sum, in April, 1874, was $382,000,000, and a Republican Congress passed "the Inflation Bill" of that year, fixing the maximum amount at $400,000,000, and, in effect, validating the previous reissues, which bill, Grant, in his veto of it, characterized as a violation of "National obligations to creditors, Congressional promises, and party pledges." That veto promoted a popular demand that the greenbacks be paid. It led up to the resumption law of 1875, under the manipulation of which, exhibited in the text, greenbacks have been kept at $346,681,516.
In the Juilliard case, it was rightly argued by Senator Edmunds, that the above law of 1878 did not make the reissued greenback a legal tender, but the Republican Supreme Court said it did.

Were ever principles thus announced and then abandoned, or pledges thus repudiated? The promised temporary life of the greenbacks, their enacted automatic absorption into bonds, their pledged payment and retirement — all were disregarded! The law of 1878 declared the redeemed greenbacks should not be canceled.

Over the last ten words of the law of 1878 there has been and is great dispute. One side insists that the redeemed greenback must be put out again immediately, and in advance of any other type of dollars, but the other side replies that the Treasury can take its time, and impound them for months and years, if so be the greenbacks are all kept in life.

Not content with that law of 1878, Congress enacted in 1890 another law which, before it could be repealed, created 125,000,000 more of full legal-tender paper dollars to be redeemed on demand, thus increasing the need of more Treasury redemption contrivances.

Our Federal currency now consists of gold coins, the amount of which outstanding is pure guess-work. They are the result of laws enacted before 1860. Besides these, there are in addition — and all of Republican invention since 1860 — silver dollars, not produced by free coinage (and their paper certificates), the bullion worth of each which in gold is now some forty cents, greenback full legal-tender "endless chain" dollars, Sherman full legal-tender paper Treasury dollars, National bank note dollars not legal tenders, and a mass of underweighted minor silver coins. No State bank notes exist!

Estimating the gold coins at 400,000,000, there are some 2,000,000,000 of dollars of all sorts, a *per capita* sum twice as large as in 1860. And yet it is said the quantity of our currency is inadequate. Too little is said of the defective quality. Are greenbacks, or National bank notes, or neither, or both, to be the permanent paper currency of the future?

**No. 5.**

**PAYMENT, REDEMPTION, RESUMPTION, AND EXTINCTION.**

When the legal-tender greenbacks were created in February, 1862, Congress enacted that, at par value, they be convertible into bonds, received in payment for any loans, and for all dues to the United States, excepting duties. "and may be reissued." The Supreme Court thereafter adjudged the greenback to be a debt, which must, some day, be paid by a coined dollar. In 1869, Congress pledged its faith to pay the greenback debt, and not merely to "redeem" in the modern sense of exchange for coin, and then reissue.
What payment means we all know. Payment of a promissory note is its extinction. "Redemption" has, in one sense, a different meaning. It is buying back. "Resumption" is taking back that which has been given, or doing again what has been interrupted.

In the early laws of Congress the phrase was "redemption by payment," as in the first fiscal law of August, 1790. Thus the statute meaning of redemption was fixed. The titles of those early laws used, for short, the one word "redemption" when referring to payment of the public debt. Congress had never before 1875 enacted payment in specie of a legal-tender debt, because none had existed before 1862. As the Treasury had never begun paying greenbacks, it could not resume the paying.

Mr. Sherman relates, in his Autobiography (page 509), that, when Congress met in December, 1874, he called attention, in a Republican caucus, to the uniting of the party "on some measure that would advance the United States notes to payment in coin." and he moved a caucus committee of eleven to formulate a bill. He adds (page 510):

"The most serious dispute was upon the question whether United States notes presented for redemption, and redeemed, could be reissued. On the one side, it was urged that being redeemed, they could not be reissued without an express provision of law. The inflationists, as all those who favored United States notes as part of our permanent currency were called, refused to vote for the bill if any such provision was inserted, while those who favored coin payments were equally positive that they would not vote for any bill that permitted notes, once redeemed, to be reissued. That appeared the rock on which the party was to split. I had no doubt under existing law, without any further provision, but that United States notes could be reissued. It was finally agreed that no mention should be made by me for or against the reissue of the notes, and that I must not commit either side in presenting the bill."

He kept to the agreement. No one could extract an opinion from him. When questioned in Senate debate, his answer was, "I will come to that in a moment." The moment never arrived. Ambiguity was intentional. Hence the title of the law was, "An act to provide for the resumption of specie payments." It was resumption of what had never begun. The first section provided redemption of fractional currency on a silver (not gold) basis, and Mr. Sherman affirms in his Autobiography that "destruction" of the redeemed fractional currency was implied. Why not of greenbacks?

Further on (page 501), Mr. Sherman confesses that "the commercial and banking classes generally treated resumption as if it involved the
payment and cancellation of United States notes," but that he, and what he assumes to be the body of the people," agreed that resumption meant merely bringing greenbacks up to par in coin.

One detects why the words "resumption" and "redeem" were used in the law of 1875, and not "payment" or "redemption by payment" and cancellation. The juggling is plain to be seen!

Those who framed the law of 1875 expected an increasing emission of National bank notes under more free banking. Therefore, the law enacted that the Treasury must, to the extent of four-fifths of the sum of the new bank notes, "redeem" greenbacks. Note the word "redeem!" Then the law declared that, on and after January 1, 1879, the Treasury shall "redeem" all greenbacks outstanding and presented. Observe the same word "redeem," and that there is nothing in the law demanding that the former class be extinguished when redeemed, but the latter class is to be reissued after redemption. Mr. Sherman, when at the head of the Treasury, raised a question, whether notes less than the limit could be reissued. In a speech in August, 1877, at Mansfield, Ohio, he considered the meaning of "specie payments" by asking whether or not "we are to retire our greenback circulation." "If we are," he replied, "I am opposed to it. What I mean is simply that paper be equal to gold."

He recommended (page 659) the "endless-chain" law of 1878, commanding the reissue of all greenbacks thereafter redeemed.

Worse than that! His resumption law had been denounced as "a trick." After its enactment, he (page 520) wrote to a newspaper, and said the law did refuse to declare whether the redeemed greenbacks, below the $300,000,000 limit, could be reissued. That question must be decided by Congress, he added, and when presented to Congress the controversy will be whether the reissued notes shall have the legal-tender quality. He, and the "endless-chain" law, again evaded, said nothing of legal tender, but the Supreme Court interpreted legal tender into the "endless-chain" law.

His purpose to retain the greenback "by hook or crook" was foreshadowed in a Senate speech on March 6, 1876 (page 56), in which he affirmed the greenback to be the best currency we can adopt, and "the currency of the future."

I have endeavored to explain how and why full legal-tender Government notes, which caused the business depression of the last four years by fear the Treasury could not, on demand, redeem greenbacks in gold, continue to exist in our currency. I have not asserted my own opinions, but have analyzed historical facts.
A great part of the older Republican leaders, trained in the Federalist and Whig schools of opinion, believe, as did Marshall and Story, that State banks of issue are forbidden by the Constitution. Sherman has said he does. The paltering, shifting, and evading by Republican leaders regarding the greenbacks have led a great part of the country to look upon them as permanent. Populists born of the Republican party commend the greenbacks, and the existing National bank note currency seems not quite satisfactory to anybody. Out of the uncertainty and confusion, no Republican of authority, no member of the Government in power at Washington, has yet emerged, urging an immediate extinction of the legal-tender greenbacks. The Republican leaders hesitate, evade, postpone, and meanwhile juggle with new resuming and redeeming devices. The details of the proposal by Secretary Gage to create an issue and redemption bureau in the Treasury, isolated from the normal and ordinary operations of that Department, and the suggested manipulation of paper currency, can perhaps be understood by banking experts, but are too complicated and technical for the comprehension of plain people who are entitled to a Treasury Department whose workings they can explain.

No. 6.

GREENBACKS OR BANK NOTES?

Republican evasion, Republican duplicity, during thirty-five years, in dealing with the greenback, have, it is feared, almost discouraged the country into toleration of the greenback as a permanency. President McKinley and Secretary Gage probably feel that the greenback, requiring a gold redemption fund, is especially unsafe in a deficit of Treasury income; they must both realize that nothing will end the Treasury coin-redeeming but extinction of the greenbacks. Their highest flight ascends only to a more or less imperfect impounding of some of the greenbacks, in violation of the "endless-chain" law of 1878.

Forty years ago, and after Jackson and Van Buren had put an end to the disorder created by the two United States banks, a majority of the people of our country were perhaps favorable to sound State banks as manufacturers of credit and instruments to facilitate the exchange of commodities by checks and bank notes, which two things are identical in their nature.

Investors and experienced business men may be, and probably are, convinced that all paper currency is unsafe unless redeemable on demand in coin, and that Governments never resort to full legal-tender paper currency when they have a plenty of coin, or when such paper currency
can easily and surely be maintained at parity with coin. They prefer bank notes to Government paper currency, for the very reason that they believe banks can, on demand, redeem their notes in coin more surely and easily than even the richest Government. They say the obvious explanation is that the Government at Washington has not salable, negotiable wealth, such as a bank has, with which to get coin for redeeming and paying its notes. Our National Government has now no commodities to sell besides unsalable silver bullion. It can, to be sure, tax and can sell bonds, but a bank has, or should have, negotiable property with which to promptly acquire coin by which to pay its checks and notes.

The largest Treasury balance in recent years was seven hundred and seventy-eight and a half millions in 1892, but at that time the banks and trust companies of the country represented that they had available cash assets nine times as large. There is really nothing behind a greenback but the "faith" of Congress, and we have seen, since 1862, what that has been worth. It is misleading to say that all the wealth of the country is behind the greenback. The holder can not sue and levy on that wealth. All he or she can do is to vote, if he or she be a qualified voter.

Investors and business men generally concede that, although emitting circulating notes was once the common-law right of every one, yet, as a bulwark against the knavish, and to protect the incompetent, Government should supervise the checks and notes of incorporated banks. They insist that experience with Congress has demonstrated that it can not, or will not, well conduct coin-re redemption business. Indeed, a good many of them seem to be thinking that Congress can not, or will not, safely manage even legal-tender coinage, which Congress alone has constitutional power to manage. They have been confronted with evidence that giving notes by Senate Republicans for the Sherman Silver Law was the price paid to silverites for the McKinley tariff of 1890.

Probably the best business men of our country feel that when the banks can not, or will not, buy Government bonded debt, as a basis of circulation, the present National banking system must come to an end. There were 350,000,000 bank-note dollars in 1872, but now there are only some 230,000,000. When the bank notes shall have departed, are there to be left only greenbacks? How can Congress emit more greenbacks, except for borrowing money, or for commodities and services?

The only "money" that Congress can constitutionally coin, make, borrow, or appropriate for expenditures, is that which has a substance of silver and gold. Certificates, or other representatives of such money, may be of another substance, such as paper, but not a legal tender because not real dollars. The "quantity" theory of money must be submitted
to that constitutional test, but the "quantity" theory of currency has a different relation.

Populists insist that the volume of money and currency in a given country must, at all times, be equivalent in exchange value to the sum of the value of all commodities "held for trade" in that country, which implies that prices are determined by the quantity of the circulating medium, that prices do not cause variation in the needed quantity of money and currency, nor do the imaginations, hopes, and fears of men influence prices apart from the quantity of money. Of course, the Populist theory regarding the quantity of money and currency that our country needs excludes products consumed by the producer's family, excludes commodities disposed of by barter, or bank checks and credit where no money, or currency, is used, and excludes things sold on very long credit. Nor is there a need of as much money and currency when they circulate rapidly from hand to hand. Therefore, the Populist test can not be of service in legislation by which Congress arbitrarily decides the number of dollars to be in use.

The making and issuing of money, which to be constitutional must be coined, is exclusively in the hands of the Government at Washington. The making and issuing of bank notes and other paper representatives of money, which are currency, may be in the hands of each State. The making and issuing of auxiliary currency, which are promissory notes, bills of exchange, checks certified and uncertified, may be in the hands of individuals, corporated, or incorporated. The making and issuing of money, or currency, are obviously unlike loaning them at interest after lawful emission. It is the function of banks and bankers to be intermediate between those having loanable capital seeking employment, and those having industry and enterprise who seek capital and credit with which to execute their plans, but it is obvious that there will not be occasion, or opportunity, for banks and bankers in places where there is no loanable capital seeking to be used.

Such are some of the contentions in favor of bank notes as against greenbacks; but, on the other hand, there has been growing, during many years, a strong body of opinion preferring greenbacks, which opinion must be counted with.

On July 13, 1886, Mr. Warner, of Ohio, to whom, in February of the previous year, President-elect Cleveland sent his silver letter, introduced this proposition in the House:

"Provided, that after the passage of this act, whenever, and as fast as the circulating notes of National banks are redeemed or canceled, as
provided by the Act of June 3, 1864, and amendments thereto, the Secretary of the Treasury shall cause to be issued, in place of such bank notes redeemed, dollar for dollar, United States notes, in denominations as nearly as may be of the bank notes redeemed, and all laws applicable to bank notes now in circulation are hereby made applicable to the notes issued under this act."

That was done some time ago, but is now significant.

Mr. Warner is now President of "The American Bimetallic Union."

A reply by him to questions asked by the sitting Monetary Commis-
sion appointed by the Indianapolis Convention has been recently printed, and is worthy of attention, as indicating a certain phase of a drift in public opinion. Mr. Warner says, among other things:

"I would not favor withdrawing the United States notes or the notes of 1890. The United States notes are the best paper money this country ever had, and no country ever had a better. There is but one question to be considered in connection with such a currency, and that is the proper regulation of its amount. That this currency by itself is not now excessive or redundant is too manifest to require argument or proof.

"The United States notes can not be withdrawn without adding to our bonded debt, and to issue bonds to take up such a currency in order to allow banks to substitute for this legal-tender currency their own non-legal-tender promises to pay, would, in my opinion, be madness little less than criminal.

"It is pertinent to ask what the public is to gain by the substitution of non-legal-tender promises of banks to pay for our present legal-tender currency? It would seem that the advantages to the people of such a change, which must be costly at best, and likely to involve the most serious consequences, at any rate, while it is being carried out, ought to be clearly pointed out. The writer has seen no attempt of this kind, except by such vague and meaningless expressions as 'sound money,' 'a currency safe and elastic,' a thing as impossible as perpetual motion.

"Surely, no one will claim, and certainly no economist will agree, that a currency is or can be improved by taking from it its chief money functions—that of legal tender. Evolution in currency for a hun-
dred years has been toward endowing whatever is allowed to circulate as money with this highest money function. Hence, nearly all the paper currency of Europe to-day is full legal tender.

"The main question, then, is, by what principle will banks be gov-
erned in the regulation of the volume of currency if the sole right to issue and control the volume is turned over to them? Will it be as the public interest requires, or as their own interests dictate? If in the pub-
lie interest, who will decide — one or all, of thousands of bank presidents or bank cashiers? Or will it be left to the mere discretion of those issuing the currency?

"We come, then, to the only principle which would finally prevail in a country like the United States, and that is the interest of the banks themselves. For whatever may be said about an elastic currency, it comes to this at last.

"Therefore, when the right to issue and control the volume of currency is turned over to the banks, it might as well be understood first as last that they will be governed in the supply of such currency as their own interests dictate, and by no other principle. No other principle can be laid down that they can or will follow. There may be some restrictions, such as the security of notes, the amount of capital, etc., but the governing principle by which the supply of currency will be controlled will be the interest, not of the public, but of the banks.

"With the knowledge of the fact that they who control the volume of money can control all industry and commerce, is it possible that our people will sanction the transfer of such power to banking corporations?"

If any one shall say that these opinions expressed by Mr. Warner, a bimetallist, are extreme, and have not been shared by real fabricators of Republican doctrine, let him turn to page 754 of the Sherman Autobiography. He will there see it set forth by the author that his chief, President Hayes, recommended to Congress, in his Annual Message of December, 1879, to retire from circulation all Government notes having a legal-tender faculty, and retire them because they were war devices unfit for days of peace, but that he (the Secretary of the Treasury) did not concur therein. Mr. Sherman then goes on to say that he deems the greenback "the best form of currency yet devised;" that the issue of bank notes "would be governed by the opinions and interest of the banks," the amount of issue varied to suit the interest of the banks and "without regard to the public good;" that it would be "a dangerous experiment to confine our paper money to bank notes alone;" that the opinions and interests of "our citizens who manage banks" and those of "the great body of our people" are in conflict, and that he (Sherman) stood by the latter, who "instinctively prefer" greenbacks over "any form of bank paper yet devised" either at home or abroad.

I commend to the meditation of all in New York who control, or manage, banks of issue, those concurring views of eminent citizens of Ohio, regarding the selfishness and cupidity of New York bankers emitting circulating notes.
SUPPRESSION OF STATE BANKS BY CONGRESS.

Any review of our currency conditions will be imperfect which does not mention the existing law of Congress, laying a ten per cent. tax on the circulating notes of every State bank, and also the decision of the Supreme Court, in 1869, upholding the constitutionality of the tax, and does not take into consideration the consequences likely to follow from a possible reversal hereafter of that decision.

I have shown that in 1837 the Supreme Court adjudged, in Briscoe's case, that each State possessed the power to charter banks of issue. That judgment has been affirmed by at least three subsequent cases. If a State has the right to create State banks of issue, it does not seem reasonable for Congress to destroy the exercise of the right by taxing it out of existence, but nevertheless, the Supreme Court did decide, only two justices dissenting, that Congress may, by a tax, restrain "the circulation as money of any notes not issued under its authority."

"Money" is there confused with currency.

The Democratic National Convention of 1892 affirmed, in effect, that Congress could tax only for revenue. No one has ever suggested that the State bank ten per cent. tax was "for revenue only." As a necessary corollary, that Democratic National Convention recommended "that the prohibitory ten per cent. tax on State bank issues be repealed."

If it shall be repealed, is it likely that there will be a revival of the "wild-cat" State bank currency of three-quarters of a century ago, which carried untold sorrow into the abodes of humble industry, of workingmen and salary-earners, by the evils of bank notes, the value of which melted away?

The State banks in 1861 advanced to the Government $150,000,000 of the gold belonging to their shareowners and depositors. The gold, when paid out of the Treasury, was hoarded or exported. The banks had then no gold to pay back to the owners of the gold loaned to the United States and suspended coin payments. Four times in twelve years the National banks of New York have suspended by failing to meet their obligations to their depositors and customers. Can legislation, or executive supervision, prevent similar suspension in the future? Will even the fear of criminal punishment deter the average bank director and official from knowingly violating, in time of panic, the law regarding the reserve if directors and officials believe the safety of the bank, of themselves, of their customers, and of the business community, demand a violation of the law under which the bank was chartered? and especially so long as the country banks can keep their "reserve" in the
city banks and obtain interest thereon? On the other hand, who has ever suggested that our New York savings banks and trust companies are unsafe for depositors, even though not supervised from Washington?

One who would forecast the result of challenging by a new case the correctness of the State bank tax decision, made twenty years ago, must take account of the fact that it was made during a new era of our history, when Congress and the Supreme Court had ascended, or were ascending, to an altitude of Federalism not heretofore reached.

Of the eight members of the Court who participated in that State bank decision (only two dissenting), none are now on the bench. Chief Justice Chase had then been in office only five years.

At the same term as that of the decision of the bank-tax case, but on a day after it, Chief Justice Chase read, on February 7, 1870, the opinion of the majority, that Congress could not make any kind of credit currency a legal tender for private debts. On that very day, Grant nominated Strong and Bradley to fill two vacancies on the bench; and another case, involving the same question, was advanced for argument, and, in that year, the former decision against the legal-tender greenback was overthrown. The bank-tax decision is to be read in the light of the fact that the legal-tender greenback was then deemed to be doomed because of its unconstitutionality.

The bank-tax case was argued for the bank by Reverdy Johnson and Caleb Cushing, then Democrats, both formerly Whigs. Each had been Attorney-General. They rested their contention on two points—one that the tax was an unapportioned direct tax, and the other that it was a tax on a "franchise" granted by the State of Maine. The first was overruled by the Court because it said direct taxes were only on land and polls, but since then an income-tax decision has declared differently. As to the second point, the Court said the tax was not on a "franchise," or power, to issue notes, but a tax on a "contract" made under the franchise, or power.

The minority opinion, read by Samuel Nelson, of New York, declared the tax to be on a "debt" of the bank, and unconstitutional because aimed at destruction of a State power to create a bank of issue, a power essential to the exercise of that State sovereignty which Congress can not tax.

The majority of the Court conceded that Congress can not tax necessary agencies for the legitimate purposes of a State government, but insisted that State bank notes (being contracts) were no more exempt than State railway contracts. Lurking behind the decision was perhaps the old Federal belief that, despite repeated Supreme Court decisions, a State can not constitutionally create a bank of issue.
THE BANKS OF THE WHIGS AND THE NATIONAL BANK OF THE REPUBLICANS.

The question may be asked, it is often asked, how and why, if Congress has not had, from the beginning, in the opinion of the great majority of Democrats, a constitutional power to create and control "the bank" of the United States, it has constitutional power to create and control the existing system or any other system of National banks.

That the Democratic party did, as a party, condemn "the bank" is undoubted. The first bank was Hamilton's idea. Over it he and Jefferson differed in Washington's Cabinet. Jefferson was till the day his death hostile to banks. Gallatin, although in Jefferson's Cabinet, could not mollify his prejudices against them. Madison did, it is true, sign the bill of 1816 creating the second bank, but George Bancroft, in his sketch of Martin Van Buren, declared that the bill received Madison's "reluctant assent," and that the assent "has had a most powerful and far from salutary influence on the subsequent course of the Government." Under Jackson and Van Buren, the Democracy denounced "the bank," Democrats and Whigs divided over it, and in Tyler's time the Democracy made it "an obsolete idea."

Seventy-eight years ago the Supreme Court unanimously adjudged the Second United States Bank to have been constitutionally created by Congress, and that Maryland could not tax the notes of one of its branches situated in that State. The Democracy under Jackson did not acquiesce in the decision. Because of its unconstitutionality he vetoed, in 1832, a bill to continue after 1836 the law incorporating "the bank," and the voters upheld him.

The Court had said that among the powers enumerated in the Constitution as imparted by Congress, "we do not find that of establishing a bank, or creating a corporation," but there are enumerated the great powers to lay and collect taxes, to borrow money, to regulate commerce, and finally, "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested by the Constitution in the Government of the United States, or in any department thereof." The words "necessary and proper" were made the turning point of the controversy. The Court said it could and would prescribe what was "proper" for Congress, within the constitutional meaning of the word. It did decide "the bank" to be "proper," but that Congress could decide whether or not "the bank" of 1816 was then "necessary." Jackson vetoed a continuance of the law of 1816 on the ground that it was unnecessary. He also declared the law improper in a constitutional sense. Among other things, Jackson said this in his veto, which has a bearing on the question now current:
"It is maintained by some that the bank is the means of executing the constitutional power to coin money, and regulate the value thereof. Congress has established a mint to coin money and passed laws to regulate the value thereof. The money coined, with its value so regulated, and such foreign coins as Congress may adopt, are the only currency known to the Constitution. But if they have other power to regulate the currency, it was conferred to be executed by themselves, and not to be transferred to a corporation. It is neither 'necessary' nor 'proper' to transfer its legislative power to such a bank, and, therefore, unconstitutional."

How unlike the composition and powers of the existing National banking system are those of "the bank" of 1816, which the Supreme Court upheld and the Democracy overthrew, every one now appreciates, but probably no one from 1844 down to the War of Secession ever imagined that Congress could or would be permitted to create corporations with power to furnish all the bank notes issued in the country. It can not well be doubted that thirty years ago it was contemplated by a Republican Congress that the greenback was to be temporary. The title of the National Bank Law of 1863, "An act to provide a National currency," indicates as much, and that the only specie should be a legal tender. Those Republicans who then urged that it would be better for Congress at once, and frankly, to issue greenbacks to occupy the whole field of paper currency, instead of "whipping the devil around the stump," by using National banks to issue what the Government was in the end to father, were not then as potential as they now seem to be. All along the fear of "wild-cat" State banking was, and it now is, almost controlling.

The case of McCulloch, decided in 1819, is interesting for a multitude of reasons. The opinion was read by Marshall. Commentators have described it as "immortal." It did give a definition of "necessary and proper," as used at the end of the express powers, which bids fair to be permanent. It contained the sentence, "It is the government of all; its powers were delegated by all; it represents all and acts for all," which sentence Lincoln felicitously adopted and adapted.

The logic and reason of that portion of the opinion that has been, perhaps, most criticised, which criticism is pertinent to-day in its application to the existing Federal tax on State bank notes, relates to taxation by Congress of the measures and operations of a State government deemed "necessary" by a State. An argument denying the right of a State to tax National bank notes is likely to deny the right of Congress to tax State bank notes.
But interesting as some of these questions are, and arguments thereon may now be in an academic sense, and in the moot-court forum of a law school, perhaps they are not within the range of the practical politics of to-day.

It may be asked why the Democracy does not now disclose its plans for reforming the currency. The answer is twofold and as old as government by party. The Democracy is now in opposition, and it is the function of an opposition to oppose. A physician does not prescribe for a patient until he is called in. When the Administration has formulated and disclosed its plan in Congress, the opposition can expose its defects. After the Administration and the Indianapolis Convention have matured their schemes of reform, after debates in Congress, and after the newspapers have poured their illumination on the situation, it will be in order for the Democracy through the several State Conventions next autumn to proclaim its views.
PARTY ORGANIZATION, PARTY DISCIPLINE AND PARTY RESPONSIBILITY.

(Extract from a report published in Brooklyn Eagle, January 9, 1898.)

The anniversary of the Battle of New Orleans was celebrated by the Business Men's Democratic Association of New York by a dinner at the Hotel Savoy. About two hundred were present. Theodore W. Myers presided, with Controller Coler at his left and James B. Eustis at his right. Others at the main table were Thomas F. Grady, District Attorney Gardiner, Perry Belmont, Lindsay Gordon, Senator Jacob A. Cantor, and Evan Thomas.

Among the toasts was:

"The two Administrations of Andrew Jackson; they illustrate the necessity and use of party organization, party discipline, and party responsibility."

Mr. Belmont, having been invited to respond, said:

The administrations of Andrew Jackson illustrate the necessity and use of party organization, party discipline and party responsibility.

The two most illustrious and durable among Jackson's many great civic achievements were, first, his strengthening of the sentiment of Democracy, of nationality and of union by vigorously leading Congress to extinguish, by summary measures, the attempts to peacefully nullify, within State jurisdiction, a Federal statute, even one as odious to all Democrats as was the protective tariff of 1832. His nullification proclamation was the note that set the music which afterward inspired and won the fight against State secession armed.

The next most important and durable of civic triumphs by him whose greatest military glory we celebrate to-day were the destruction of the United States Bank and a reversal to a metallic currency. New Orleans and South Carolina were enough to "fill his sounding trump of fame," but pushing onward and upward, Jackson rendered those last two other services to his country.

They were made possible by the perfection at Washington of Democratic party organization and discipline. When the political objects to be secured had been decided in conformity to the creed taught by Jefferson,
there was committed to a representative Executive and to a Congressional committee of Democrats the choice of means and of their effective employment. The Whig combination in Congress against those objects was formidable. To more than thirty of the ablest Whigs were by the opposition assigned appropriate parts in the contest. The Democrats were as numerous, zealous and able. It mattered not whether in this severe contest Jackson led or followed. The Democratic organization was to the right of him, to the left of him, behind him and in front of him. Wherever the Democratic flag passed a great cause preceded, a great people followed. Jackson dared to lead where the organization followed; he dared to follow where the organization led. The Democratic Executive gave its aid to Democratic Congressmen, and they, in turn, gave their aid to the Democratic Executive. The voice of the selected leader was the voice of all. When the organization spoke, the response of the party in Washington was unanimous, universal and concurring. When Jackson gave the word, the Democratic newspapers fell into line. There was concert, order and discipline. The Democracy acted with uniformity, perseverance and efficiency. There was common council and united strength. There had been long acquaintance among the men of the organization. There were personal trusts and abiding friendship. Each one's faculties had their fitting place.

On the firm basis of desert they rise,
From long tried faith and friendship's holy ties.

"Men do not and can not act together in confidence in political affairs," said Edmund Burke, "unless bound together by common opinions, common affections and common interests." They must not fear to be known as in such party organization. Jackson was an Administration man, a party man, an organization man, and hence his civic triumphs. A desire to vindicate Madison's Administration gave nerve to the arm that struck the British forces advancing upon New Orleans a mortal blow. The Democratic party organization exemplified in Jackson's term is fitting and needed to-day among you in New York.

The ballot-boxes, two months ago, committed, by the greatest number of votes, the government of this greater city to the Democracy. The issue was distinctly made and fiercely contested. The battle raged around Tammany Hall. There was a free fight, a free vote and a fair vote. The Democracy had not an atom of patronage in the city or State. Nobody intimates that the registration or the counting of the votes was dishonest. The pulpit was free, the press was free and almost unanimously,
when the pulpits interfered at all, opposed to you. London is unhappy over the Democratic victory, meanwhile anxiously inquiring of New York how to put out a fire. Our reformers last summer pointed us to England as the place to see nonpartisanship in affairs not imperial, but London has just emerged from a bitter party campaign over religious teachings in public schools.

The greatest number of voters, I repeat, committed the government of New York to you of the Democracy, and for a long period. Not merely the elected State officials are responsible, but the city Democracy and Tammany Hall are responsible for good government.

In what other way can the whole body of the Democracy so well discharge that duty as by the interposition of constant scrutiny of the conduct of the Democratic officials, a scrutiny exercised not only by each Democrat, but by a regularly chosen organization of the party and by its authorized committee. Beyond reasonable doubt a majority of the voters in the city to-day are Democrats, and in that sense are the people who are bound to watch each official act of their servants.

There is even in the Anglican church across the sea, of which the Queen is by statute law the supreme head, a revival of the "spoils system" whereby, under the present Tory Government, no churchman of the opposition party can expect appointment to a vacancy in a bishopric or other ecclesiastical office in the Queen's prerogative. Jackson and Van Wyck did not initiate putting none but the faithful party men on guard. It began with the century. One does not readily see how a man appointed in your city under the recent "reform" government can, if he really believed and echoed what Tracy and Low said of Tammany Hall and Van Wyck, consent to remain in service under them.

I have not heard that President McKinley consulted New York Democrats in regard to the qualifications of Republicans appointed to the Federal offices in your city or on Long Island. The ethics and patriotism of "government by party" and party organization and discipline were set forth for our instruction much more than one hundred years ago by the most resplendent orator that Ireland—so prolific in orators—has ever produced and by the greatest man in English political literature who mastered the science and details of practical politics under a constitutional government. That one was in the House of Commons, the powerful friend of the American colonies, the correspondent of Franklin. Commented to us by such associations clustering around our national birth, the utterances of that profound political philosopher who more than a quarter of a century ago deplored and condemned the alarming deterioration of party government in England are pertinent now and here.
You will have anticipated, I am sure, that I refer to Burke's pamphlet containing his “Thoughts on the Cause of Present Discontents.” After I had been told of the toast by which your kindness would invite me to respond to-night, I made an extract from the concluding pages of that historic tract on party government which perhaps you will permit me to read. This is what Edmund Burke wrote: “Party is a body of men united for promoting, by their joint endeavors, the National interest upon some particular principles in which they all agreed. For my part, I find it impossible to conceive that any one believes in his own politics or thinks them to be of any weight who refuses to adopt the means of having them reduced into practice.

"It is the business of the speculative philosopher to mark the proper ends of government. It is the business of the politician, who is the philosopher in action, to find out proper means toward those ends and to employ them with effect.

"Therefore, every honorable connection will avow it as their first purpose to pursue every just method to put the men who hold their opinion into such a condition as may enable them to carry their common plans into execution with all the power and authority of the State. As the power is attached to certain situations, it is their duty to contend for those situations.

"Without a proscription of others they are bound to give to their own party the preference in all things, and by no means private considerations, to accept any offers of power in which the whole party is not included; nor to suffer themselves to be led or to be controlled or to be overbalanced in office or in council by those who contradict the very fundamental principles on which their party is formed, and even those on which every fair connection must stand. Such a generous contention for power on such manly and honorable maxims will easily be distinguished from the mean and interested struggle for place and emolument."

Lest any of those in the pulpit, or out of it, who last summer and autumn so fiercely denounced party ties as immoral shall think the precept commending Democrats "to give to their own party the preference in all things" is an invention of Tammany Hall it may be well enough to say again, for such, that the political ethics I have quoted and read were taught a quarter of a century or thereabouts before your Tammany Society was born, and taught by a publicist, the centennial of whose death was last July.
PRESIDENT McKINLEY, AND THE CURRENCY QUESTION.

(From the Morning Telegraph, January 29, 1898.)

Perry Belmont has been asked his opinion of President McKinley's treatment of the money and currency problem in his speech of last evening. He replied that two or three things were admirably said, but two or three others were quite the opposite. One of the former was the President's exhortation to his Republican friends to cease palaver. Nothing could have been more true and timely than these words, "it will not suffice for citizens nowadays to say simply that they are in favor of 'sound money.' That is not enough."

"The President weakened the force of the utterance by calling attention to the sentence in the St. Louis Republican National platform of 1896, proclaiming that the 'Republican party is unreservedly for sound money.' The less he says of Republican wisdom in coinage and currency since 1861, and of the continuous sagacity of his own leadership therein since he entered Congress in 1877, the more quickly will the country see clearly the remedies for the present conditions. It is true that in January, 1875, a Republican Congress, Blaine being Speaker, enacted a law to resume specie payments, and in April of the previous year the same Republican Congress passed a bill opening the flood-gates of redeemable full legal-tender Government paper currency and increasing its value. It was Grant's veto, under the influence of New York opinion in Washington, that compelled legislation for specie payment of the greenback debt promise which had been renewed in 1869.

"The declaration of the President last evening that the 'money of the United States is unquestioned and unassailable,' was not felicitous. It did not fit the declarations in his recent annual message. He then warned Congress of the great cost and 'dangerous menace' of maintaining parity. He said, however, a good and wise thing when he declared that the people's purpose must be given the vitality of public law.

"It is of 'laws' now existing and now needed that the country wishes to hear from its President. Does he or does he not concur with the plan of Secretary Gage, by which to remove the peril of another depleted gold reserve and another panic like that which begun in 1892, caused by the Sherman notes of 1890? In regard to them the President was dumb.

"Does he or does he not deem it necessary and now lawful, in order to
maintain parity, that silver dollars be on demand exchanged for gold dollars by the Treasury, and silver certificates be on demand redeemed in gold?

"Have all our nine hundred millions, more or less, of currency paper dollars been, by the laws of 1890 and 1893, made in effect gold certificates? Those are the questions of law, regarding which the President can, but does not, illuminate the country.

"There is another question quite as important, but of which he did not speak last night. It was this: Have our statutes of 1890 and 1893 so modified the old and general rule of legal tender which gave to debtors the choice among a variety of legal-tender dollars that now the creditor has the choice? If that option is now a vested right of the bondholder and the creditor of the Government the country should know it, for the right will remain until the law is repealed and can until then be enforced by the judicial power, even if the free-silver coinage on the ratio of 16 should have come. Perhaps the President had those law questions in mind when he warned the vast Republican audience that 'sound-money' palaver will not do any longer.

"There was also last evening a fitting opportunity for President McKinley to reply to the comment made in the Senate within a few days on his vote when he entered Congress in favor of Mr. Bland's bill of overthrowing the gold-standard legislation of 1873 and revive open mints and free bimetallic coinage on the ratio of 16, and also in favor of Matthews' concurrent resolution to pay the bonded debt of the country in silver dollars minted as Mr. Bland proposed. There are not a few amongst us in New York who out of recent experience are beginning to think that twenty years after, when the gold price of a silver dollar was 93 cents, it would have been better to try the Bland proposition rather than the Allison Republican Senate substitute. The former would have been as repealable as was the latter if the former worked injury. However that may be, if President McKinley now believes, as the St. Louis platform declared, that international bimetallism is preferable to the gold standard why does not he explain to his countrymen in clear, persuasive and cogent utterances his reasons therefor?"
THE TELLER RESOLUTION AND SENATOR MURPHY.

(Morning Telegraph, February 5, 1898.)

ALBANY, Feb. 4.—Thomas F. Donnelly, leader of the Democratic minority, to-day received the following letter from Perry Belmont in defense of Senator Murphy’s action on the Teller resolution:

855 Fifth Avenue,
New York, February 2, 1898.

Dear Mr. Donnelly,—As we may possibly not meet before the vote in the Assembly on the Weekes resolution to censure Senator Murphy for his vote on the Teller resolution, I venture to send you a few suggestions regarding the matter which may be of assistance in dates and in the order of events at Washington.

The leaders of the Republican party have not shown steadiness of conviction on coinage, money and currency questions. Their unsteadiness has had evil influence at home, as well as abroad, where the example of the United States has most important consequences.

In 1873, when almost denuded of gold and silver coins, and when under a money standard actually greenback, the Republican party inaugurated a radical change by making a specified number of grains of gold the sole measure of value. The gold standard was to be automatic. Bimetallism was utterly rejected as competing theory with monometallism. All silver coinage was made a token of coinage in which its demonition was greater than the gold value of its metallic contents. A silver dollar was proscribed. Our monetary system was then based on gold and only gold. It was thereby denied that money is a creation of law. The system was English, and conceding its premises that even a silver standard is better than a bimetallic standard its conclusion was logical and sound. It might perhaps have worked for our country as well as it did in England since 1816, but it was overthrown in 1878, when it had not five years of even theoretic life. *

Immediately after Mr. McKinley entered Congress in 1877, he began voting for a repeal of the monometallic gold standard law of 1873, and a restoration of the bimetallism of 1792 on the weight ratio of 16. That repeal and restoration passed the House November 5, 1877, and received Mr. McKinley’s vote. The bill was reported to the Senate, and on
November 21, 1877, Allison, on behalf of the Republican Finance Committee, reported as a substitute for what is now the last part of the first section of the law of 1878, which popularly bears his name. While that substitute was pending in the Senate the Matthews resolution was presented in that body and passed, and voted for by Allison. In the recent Senate debate he defended his vote on the weak plea that, as his substitute was pending, he intended the bonds to be paid with the silver dollars to be coined under it, and not under the House bill. But McKinley can not find refuge under such a plea for voting in the House for the Matthews resolution. He had voted for free-silver coinage, which Allison had not done.

That Allison Republican substitute did not take down the gold standard elevated five years before, or restore the bimetallic standard of eighty-six years before. It did, however, authorize the Treasury purchasing of not less than $2,000,000 worth a month of silver bullion, to be coined on Treasury account into silver dollars, and precisely the standard of silver dollars of former years, except that the new dollars were not to be a legal tender "where otherwise expressly stipulated in the contract." They were, however, made to be a legal tender by the Treasury for all coin bonds, since none of them "expressly" excluded silver dollar payment.

Harrison came in 1889, with a Republican Congress urging an increased, but not a better, use of silver dollars, and on July 14, 1890, that Republican Congress more than doubled the Treasury purchase of silver at a gold price to be paid by legal Treasury notes.

A Republican Congress professing to seek coin payments thus enacted a law which, before it could be repealed, injected $125,000,000 of "soft" money into circulation and created more silver dollars to be legal tender for Government bonds. That Republican law had been preceded by the Republican National platform of 1888, condemning Manning and the Cleveland Administration for urging a cessation of silver dollar coinage after the Allison plan of 1878.

In all modern finances there has been no period of discredit such as the Sherman enactment brought to our country. The disaster foretold by Manning came in the panic of 1892, and in the next year the Allison Republican substitute for the Gold Standard Law of 1873 and the Bland Free Silver Coinage Bill of 1877, for which McKinley voted, "went by the board." Treasury silver purchasing for silver dollars ceased, but it was disclosed in the recent Senate debate that Secretary Gage had coined 10,000,000 silver dollars since he went into office, so that the country has now some 450,000,000 silver dollars, a sum more than half as large as the whole interest-bearing debt of the country, created under a Republican mandate that they shall be a legal tender for all coin bonds. It is a
mystery how and why the Republicans at Albany will censure Senator Murphy for voting for the Teller resolution and for voting precisely as President McKinley did in 1878. It may be argued that the Teller resolution looked to free-silver coinage, but even if it did, McKinley voted therefor and also to overthrow the gold standard. How upon any theory did Senator Murphy's vote in 1898 any more "debase our currency and impair the credit of our country" than did McKinley's twenty years before?

If there be any difference between the two, it has come of the device of "parity" made needful under the working of the Sherman law of 1890, which the Democratic National Convention of 1892 truly described as a "cowardly makeshift." That word "parity" entered into both the party platforms in that way. The Republican preceded the Democratic by two weeks. On the coinage and currency questions they were much alike. The Democratic utterances regarding bimetallism, similar and equal treatment of both metals by Congress and "equal power of every dollar at all times in the markets and in the payment of debts," were substantially copied from the Democratic platform of 1892 and inserted in the law of 1893, repealing the Sherman statute. It is difficult to see what the insertion means if it be not a pledge by Congress that every creditor of the nation — not merely bondholders, but every salary earner, the President and the Chief Justice and the smallest tidy-waiter — should be entitled to say in which of our five or six kinds of dollars he prefers to be paid. If not, then "parity" is a mockery, but if "parity" is to be maintained as now and as it must be under the law, then it matters not to the Treasury in which sort of dollars the bonds are paid, and it is utterly absurd to try to make a question of public morals out of Senator Murphy's vote.

Very truly yours,

PERRY BELMONT.

Hon. Thomas F. Donnelly.

LETTER TO THE ALBANY EVENING JOURNAL.

(Editorial Albany Evening Journal, February 4, 1898.)

PERRY BELMONT'S AWFUL BREAK.

Perry Belmont is a Democratic candidate for Governor of New York. Although he is rated as a "gold man," he knows he will have to go on a silver platform if he accepts the nomination, so he is trying already to conform to what is inevitable. As a preliminary step he has sent to
Mr. Donnelly, the Democratic leader of the Assembly, a long letter of suggestion as to the course to be pursued in defending Senator Edward Murphy from the attack made upon him for voting for the Teller resolution in Congress. Mr. Belmont calls attention to the vote of President McKinley in Congress in 1877, on the Matthews silver resolution, which he says was exactly the same vote as that cast by Mr. Murphy on the Teller resolution. He does not, therefore, see how a Republican Legislature can chastise or condemn a Democratic United States Senator for doing the same thing for which its own representative at the head of the Nation had set a precedent.

Mr. Belmont is altogether too disingenuous to be a successful statesman. He is just as tricky to-day as he was in 1881, when Mr. Blaine took him in hand in the Shipherd case, and gave him a scarifying from which he never recovered while James G. Blaine walked the earth.

Mr. Belmont is a financier as well as a would-be statesman, and as a man who deals in gold and silver — particularly gold, as his bond deal with Mr. Cleveland attests — he knows that the comparison which he makes is unfair, if not positively dishonest.

In 1877, the value of a fine ounce of silver was so great that any one might have voted with propriety for such a measure as the Matthews resolution, for silver then was worth over a dollar an ounce. The report of the director of the mint for 1896 shows that in 1878 silver was worth $1.2048 per fine ounce. From that date there was a general decline, gradual at first, and then rapid. and yesterday the white metal sold for 56 3-8 cents an ounce — a difference between the price in 1877 and 1898 which knocks Mr. Belmont’s attempted argument into a cocked hat.

That enterprising gentleman will have to try again. He has made a dreadful mess of it this time in his floundering efforts to get on the Democratic platform.

It is to be hoped that Mr. Donnelly will read Mr. Belmont’s letter when the Murphy resolutions come before the house. If it is read, the Republicans “won’t do a thing” to Mr. Belmont and his aspirations.

LETTER IN REPLY.

No. 855 Fifth Avenue.
New York, February 5, 1898.

To the Editor of The Evening Journal:

I have your issue of the 4th inst. criticising my letter to Mr. Donnelly in which you say “Perry Belmont is a Democratic candidate for Governor of New York.” I am not a candidate for any office. I have
never asked or solicited any one's vote to make me a candidate for the office of Governor, and never shall.

You also say, "Mr. Belmont is a financier as well as a would-be-statesman, and a man who deals in gold and silver, particularly gold, as his bond deal with Mr. Cleveland attests."

I am not a dealer in gold and silver and never have been. I have never been in any business or a member of any business personally, except the business of a lawyer. I never was personally or pecuniarily interested in any "bond deal," or in any other deal, with "Mr. Cleveland," or the Treasury, or the Government.

You say that "Mr. Belmont is just as tricky to-day as he was in 1881, when Mr. Blaine took him in hand in the Shipherd case and gave him a scarifying from which he never recovered while James G. Blaine walked the earth." The record of my controversy with Mr. Blaine is public and speaks for itself. At the next election immediately after it I was chosen to Congress by nearly 14,000 majority in a district whose normal Democratic majority was only about 3,000. In your criticism of my letter to Mr. Donnelly expressing my opinion that the Republicans of the Assembly could not, with decency, censure Senator Murphy for his vote in favor of the Teller resolution, you say "Mr. Belmont calls attention to the vote of President McKinley in Congress in 1877 on the Matthews silver resolution, which he says was exactly the same vote as that cast by Mr. Murphy on the Teller resolution. He knows that the comparison which he makes is unfair if not positively dishonest. In 1877 the value of a fine ounce of silver was so great that any one might have voted with propriety for such a measure as the Matthews resolution, for silver was then worth over a dollar an ounce."

The Republican proposal of censure introduced by the Republicans at Albany affirms, in effect, that it was an immoral act for Senator Murphy to vote in 1898 for the following resolution which McKinley voted for in 1878: "That all the bonds of the United States issued or authorized to be issued under the said acts of Congress hereinbefore recited, are payable, principal and interest, at the option of the Government of the United States, in silver dollars of the coinage of the United States containing 412 1/2 grains each of standard silver. That to restore to its coinage such silver coins as a legal tender in payment of said bonds, principal and interest, is not in violation of the public faith nor in derogation to the rights of the public creditor."

My contention is that in 1878 a Republican Congress passed upon that question of public immorality. When the Allison Republican substitute for the House Bland bill, for which Mr. McKinley voted, was sent to
President Hayes, he vetoed it because the silver dollars provided for could then be manufactured for ninety-two cents each; because the law for which McKinley voted would make them a legal tender for $583,449,350 of the bonds issued since 1873, when silver dollars could not be coined; because it would be a grave breach of the public faith "to pay those bonds in ninety-two cent silver dollars; because antecedent debts were not excepted; and because it would be an act of bad faith" to make the proposed ninety-two cent silver dollars a full legal tender.

Mr. Sherman was then at the head of the Treasury, and has declared in his Recollections (page 623) that he did not approve of the veto, or of "bad faith." When the veto had been received by Congress Mr. McKinley voted to override it, disregarding "bad faith" and all else, as did 196 members of the House against only 73, and as did every Republican in the Senate except Conkling, Blaine, Dawes, Hoar, Hamlin, Mitchell, Morrill, Rollins, Sargent and Wadleigh. Two Republican Presidents, Hayes and McKinley, are thus on opposite sides of the immorality question, and a Republican Senate condemned Hayes.

You defend McKinley's vote in 1878 because his repudiation and bad faith were such little ones, being for only eight cents on the dollar. I will not trespass on your space to discuss your test of immorality in paying debts, and of public honor, but I do ask you as a matter of fair dealing, after your severe criticism, to publish this letter in full.

Truly yours,

PERRY BELMONT.
Perry Belmont's boom for the Democratic nomination for Governor reached town to-day. All the members of the Senate and Assembly received a neatly printed pamphlet giving Mr. Belmont's views on the "Money of the Constitution."

Mr. Belmont goes back to the time of Hamilton and sketches the attitude of the Democratic party, attempting to show it was equally the friend of gold and silver; that it always maintained the metals on an equality and that only the wickedness of the Republican party had destroyed the parity of the metals.

This, coming with Mr. Belmont's letter to Leader Donnelly, in which he defends Senator Murphy's vote on the Teller resolution, has made the Democrats here conclude that Mr. Belmont is formally in the field as a candidate for the Democratic nomination. He has friendly relations with Hill and Croker; but all the leaders here agree that the nomination of any man such as Mr. Belmont, who took the stump against Bryan, would be impossible.

The resolution of Assemblyman Weekes, condemning Senator Murphy, and calling on him to resign, will not be called up by Mr. Weekes on Monday night, as many Republican members will be absent at town meetings. It will, in all probability, be made a special order for next Thursday. Seligsberg, the National Democrat, will support the resolution.

A REPLY TO THE ABOVE.

To the Editor of The Mail and Express:

Sir,—I have read, in your issue of the 4th inst., your elaborate criticism of my recent letter to Mr. Donnelly, in which I ventured to give my reasons for thinking it absurd that the Republicans in the Legislature at Albany should try to make a question of public morals of Senator Murphy's vote on the Teller resolution, and for declaring
that good and loyal members of the Republican party who defended its record during the last thirty years are prevented from censuring the vote in favor of that resolution.

I did not allude to the half dozen amendments offered in the Senate, unless what I wrote of the "parity" clause, in the law of 1893, has by you been taken as an allusion to the amendment proposed by Mr. Nelson: "That it is the duty of the Government of the United States, under the existing laws, to maintain 'parity' in the value of its gold and silver money, so that the dollar in one metal shall for all monetary purposes be equal in value to the gold dollar of the other metal."

The phrase, "under the existing laws," refers to the "parity" in the law of 1893, copied substantially from the Democratic National platform of 1892.

If you are really candid and sincere in your criticism of my letter, and seek to ascertain the legal truth regarding our coinage and currency legislation, I should be glad to know what objection you, as a Republican, have to what I said concerning "parity."

It is amusing to notice the exhibition of emotion with which Republican newspapers have received my allusion to the record of their party in Congress, demonetizing the silver dollar in 1873 and remonetizing it in 1878 and 1890, and by the two laws enacted in the two last-named years compelling the Treasury to use the remonetized silver dollars in payment of Government bonds. The Republican party set up the gold standard in full perfection in 1873, casting out utterly the silver dollar, but in November, 1877, McKinley and sixty-five other Republicans in the House voted to return to the free bimetallic coinage of 1792, 1834 and 1837. The Senate rejected that restoration of free coinage, and substituted therefor remonetization of the old silver dollar, with a simple qualification that the coinage should not be free, and that the silver dollar should not be a legal tender if the contract expressly stipulated for the payment of any other dollar. Two-thirds of the Republican Senators voted for it, even after their President had vetoed it, and more than that proportion voted for the Matthews resolution.

On June 13, 1878, a bill passed the Senate by 45 to 15, only nine Republicans in the negative, that greenbacks be receivable in payment of bonds authorized under the law of 1870. Allison then voted for paying the bonds not merely in silver dollars, but in greenbacks. That would have suspended funding operations and the obtaining of gold for resumption. When the bill went to the House McKinley
voted for it, but it was defeated by eighteen votes. Thus, Mr. McKinley is on record as voting for free silver coinage, for the Matthews resolution affirming the moral right of Congress to remonetize silver dollars in order to pay therewith the bonds authorized in 1870, and for paying those bonds in greenbacks.

It is equally amusing to see how fiercely the Republican newspapers resent the suggestion that a party which first demonetized the silver dollar and then five years afterward, and again as late as 1890, remonetized it, and compelled its use with the gold dollar in paying bonds, is not quite entitled to censure Mr. Murphy, as if he had violated public faith and morals by voting to ratify and uphold what is now the law of the land, even in regard to Republican remonetization of the silver dollar.

Very truly yours,

PERRY BELMONT.

New York, February 9, 1898.

Mr. Belmont's Letter.

(Editorial, Mail and Express, February 10, 1898.)

Hon. Perry Belmont, in a letter which appears elsewhere on this page, takes exception to an article recently published in these columns criticizing his protest against the proposed censure of Senator Murphy for voting in favor of the Teller resolution. Accepting Senator Vest's interpretation of that measure, that it was equivalent to a declaration in favor of free silver coinage, The Mail and Express signified its surprise that Mr. Murphy should have voted for it, and its amazement that his recreant act should find a defender in so eminent a representative of sound money as Mr. Belmont. The latter's explanation of his position, as embodied in his communication to The Mail and Express, is curious and ingenious, but not convincing. It is an artful effort at special pleading which evades the main issue and altogether ignores the most important factor of the monetary problem.

Mr. Belmont seeks to excuse Mr. Murphy's vote for the Teller resolution on the ground that the Republicans voted for the Matthews resolution, an identical measure, twenty years ago. "If the Republicans were right then," he says, "Mr. Murphy must be right now," whereas, if they were in error, then the Senator has their example to plead in extenuation of his present attitude. In other words, Mr. Belmont would have it appear that the Republicans have not been altogether consistent
in their treatment of the silver question, and that it, therefore, ill becomes them to criticise Mr. Murphy for supporting in 1898 a measure which they themselves voted for in 1878.

This argument, which is virtually a plea in avoidance and confession, completely ignores the changed conditions of our silver coinage. When the Matthews resolution was adopted, there were in existence not more than 10,000,000 silver dollars. To-day, there are 460,000,000. Taking this fact into account, and keeping in mind the heavy decline in the value of silver bullion in spite of the increased coinage, will Mr. Belmont contend that the Teller resolution means no more to the Government and its creditors now than the Matthews resolution meant in 1878?

Will Mr. Belmont contend that the Teller resolution would have made an acceptable plank in the Sound Money Democratic platform in 1896? Will he contend that it represents the sentiment of those who listened to his own and Bourke Cockran’s splendid speeches in support of National honor at the great meeting in Madison Square Garden? Would he go before the State in defense of it in the event of his nomination for Governor? Does he believe that in voting for it Senator Murphy represented the Sound Money Democrats of the city and State of New York?

These are the real questions involved in this controversy with Mr. Belmont. They are all in direct relationship with the changing conditions of silver coinage and silver bullion, and are in no way affected by what this party or that did or left undone twenty years ago. Mr. Belmont is a distinguished and fair-minded writer on political and financial subjects. We invite a frank reply to the questions above propounded, pledging him a cordial welcome to our columns for any communication he may choose to make.

MR. BELMONT’S REPLY.

THE DEMOCRATIC LEADER FURTHER DEFENDS SENATOR MURPHY’S ACTION IN VOTING FOR TELLER RESOLUTION.

(New York Mail and Express, February 15, 1898.)

To the Editor of The Mail and Express:

SIR.—In the matter of the estoppel of the Republican party by its own conduct in Congress on affairs of coinage and currency from cen-
suring at Albany Senator Murphy's vote on the Teller resolution, you invite my reply to several questions and pledge in advance "a cordial welcome" in whatever I may write.

I wish you had frankly answered my inquiry regarding "parity," because your candid reply could not have failed to illuminate the whole controversy. Your making "the event of his (my) nomination for Governor" the pivot of one of your questions discloses, probably, the reasons for your alluring opening of your columns to my communications. There has been no little amusement for me in the nearly universal reply by Republican newspapers to my Donnelly letter, exposing the record at Washington of the Republican party in affairs of coinage and finance. Nearly every one exclaims, "Oh! He is a candidate for Governor!" as if that, even if true, had anything to do with the Republican record, or the verity of my exposure of that record. Nowhere have I seen a denial of the accuracy of my declarations.

Perhaps you, the Republican newspapers and all expert politicians, will concur in thinking me very imprudent in answering all your inquiries, or else it must be, as I have recently said, that I am not a candidate for any office. The real candidates for office are, I imagine, keeping very quiet in respect to coinage, silver and currency, or, if they say anything, it takes the form of mere generalities.

Your questions all turn on a definition of "sound money," regarding which there are such an infinite variety of opinions that the term really has no meaning. The President has recently said, at the feast of the manufacturers, that "it will not suffice for citizens nowadays to say simply that they are in favor of 'sound money.' That is not enough." Therefore, before I can answer your last four questions, which all turn upon my speculation of what people have thought and do think, and may in the future think on the subject, you must define "sound money."

THE TELLER MEASURE.

Your first of the five conundrums you propose to me is less ambiguous in form. It is this: "Will Mr. Belmont contend that the Teller resolution means no more to the Government and its creditors now than the Matthews resolution meant in 1878?" Certainly he will! The Matthews resolution is to the Teller resolution much as carbolic acid is to rose water. What was the condition of the country as to coinage and coins when the Matthews resolution was voted for in Congress? There were no silver dollars, or next to none, in the country. There had not been much over 8,000,000 of them coined since 1792.
In 1870 the Republican party, having absolute power at Washington, enacted a comprehensive statute for issuing fifteen hundred millions of new bonds. It was improvident because one thousand millions were to be four per cents., and these could not be paid, nor the interest reduced, during thirty years after issue. The dollars of payment were declared to be either gold or silver, "at the pleasure of the United States." Mr. Sherman has said, in his Recollections (page 465), that at this time the Treasury experts had perfected, and Secretary Boutwell had sent to the Senate Financial Committee a bill to prevent the coinage of those very silver dollars. This measure the committee unanimously reported to the Senate December 19, 1870, but, while the bond bill was pending, the purpose to forbid the coinage of silver, and thus have no coin dollars, excepting gold, was not disclosed to Congress and the country.

That suppression of silver dollars and the erection of a drastic gold monometallic standard of the English type was enacted on February 12, 1873. Every one who after that purchased a bond knew that the Government could, by the existing law, pay principal and interest only in gold. In that condition the country remained till the Forty-fifth Congress assembled, in 1877, with President Hayes in the White House. Meanwhile, $583,449,350 of 4 per cent. bonds had been sold, for which gold had been paid, and the Treasury agents had publicly declared it was "not to be anticipated" that any law or executive act would sanction payment of principal or interest of the bonds, in anything of less value than gold.

**SILVER LEGISLATION.**

On November 5, 1877, under those laws and pledges, McKinley and sixty-five other Republicans voted for the House bill, which passed by 164 to 34, to re-establish free silver coinage at the ratio of 16 to 1. Possibly he was right in preferring free silver coinage to the Republican Senate's "cowardly makeshift" devised by Senator Allison, for which he subsequently voted to pass over the veto of President Hayes, which veto was based upon the public dishonor contained in the bill. Mr. McKinley not only voted in the House for creating, under free coinage, silver dollars with which to pay bonds, but, while that measure was pending in the Senate, he voted for the Matthews resolution, affirming that all bonds are payable in silver dollars, and that to restore "their coinage is not in violation of the public honor nor in derogation of the rights of the public creditor." A few weeks later he even voted to
amend the Bond Law of 1870 so as to compel bondholders to take greenbacks in payment.

It is impossible for anyone to now realize the significance of Republican conduct twenty years ago, unless by reading the Senate debate during that fatal January in 1878, when the Republican party seems to have lost its reason. A little party of a dozen Republicans in the Senate — Anthony, Conkling, Dawes, Edmunds, Hamlin, Hoar, Mitchell, Morrill, Paddock, Rollins, Sargent and Wadleigh — fought long and well to maintain public faith, honesty and honor, but in vain. Morrill, now in the Senate, asked that the Matthews resolution be referred to the Judiciary Committee for examination, but, by a vote of 31 to 19, the Republican Senate would not. Conkling endeavored to make the resolution a joint one, thus sending it to the President, but there were thirty-nine votes against that proposition.

Edmunds proposed an amendment, which Lodge copied and offered in the Senate a few days ago, but forty-four (including Allison, Jones, of Nevada, and Teller) against eighteen rejected it. Edmunds offered an amendment declaring that on February 12, 1873, and by the Revised Statutes of December, 1873, all laws authorizing coinage of the silver dollar were repealed, but that was voted down. Finally, Edmunds offered a substitute, reciting facts and former laws, that only 8,450,838 silver dollars had ever been coined; that the silver dollar was then obsolete, and did not exist when the loans were made; that coinage of the silver dollar was stopped in 1873; that gold dollars were the only full legal-tender coins; the bondholders could not sue the United States and enforce justice; that the gold worth of the silver dollar was then only ninety-two cents, and that it would be "unjust" to compel the bondholders to accept them, but the Republican Senate, by a vote of 43 to 17, trampled him down as if he had been a public enemy. It was then proposed to make the new Republican silver dollars redeemable at the Treasury on demand, in gold, but only fourteen Senators voted for that. "Parity," as set forth in the Democratic National platform of 1892, and inserted in the repeal of the Sherman Law in 1893, was not then in sight.

**THE PANIC OF 1893.**

The Republican remonetization of the silver dollar in 1878 compelled the Treasury to buy and coin in each month not less than two million dollars' worth of silver, nor more than four millions' worth. Neither Hayes, Garfield, Arthur nor Cleveland would exceed two millions of
monthly purchases, but when Harrison came, with a Republican Congress, silver purchases were increased to four and one-half million ounces a month, and, to pay for them, new legal-tender greenbacks were injected into the circulation, till the sum mounted up to about one hundred and twenty-five millions.

That series of enactments for which McKinley voted and the Matthews resolution led up to the terrible financial panic of 1893 and the disturbances of that year, under the influence of which the country is now suffering. In that year the stupid Republican plan of 1878, for Treasury purchases of silver, and for its coinage into silver for bond payments, was swept away, leaving, however, tons upon tons of warehouse silver bullion in the Treasury. Secretary Gage has recently coined ten millions more of silver dollars, a legal tender for bonds under Republican laws.

The gold value of an ounce of silver in 1873 was nearly $1.30, and the ratio was 16, and in 1878 it was $1.15, but after that fatal year the two metals rapidly parted company. It matters not whether gold or silver fell or rose in purchasing power. the parting company went steadily on, and has kept our country in perpetual business and political commotion ever since. When Mr. Manning went into the Treasury in 1885, he was told by his predecessor, Mr. McCulloch, that the Treasury could not maintain payment sixty days longer. Notwithstanding the Republican remonetization of the silver dollar in 1878 and 1890, and of the Republican vote in the Senate in 1878 to pay bonds in greenbacks, the coin bonds, principal and interest, have always been paid in gold or its equivalent, and in my firm and abiding conviction they always will be. There were only 847,365,130 of them outstanding, about 30 per cent. of which were issued in whole or in part to buy gold required by the Treasury under the "endless chain," and under the Republican contrivance for redemption.

The single issue raised by my letter to Mr. Donnelly was whether or not the Republican party, which had within the last twenty years traveled the entire circuit of opinion in currency and coinage, could decently mount the pulpit and deal anathema on Senator Murphy for his vote on the Teller resolution. Little groups of Republicans, made up of men like Mr. Edmunds, rebelling in 1878, might endeavor to do so, but not a Republican party, led by President McKinley, in the White House, and Mr. Allison, in the Senate. You may say that at or about the time of his nomination for the Presidency, Mr. McKinley reversed his own opinions. As much was again indicated a few evenings ago in New York, when he said:
"The money of the United States is and must forever be unquestioned and unassailable. [Tremendous and renewed cheering.] If doubts remain, they must be removed. If weak places are discovered, they must be strengthened. Nothing should ever tempt us — nothing ever will tempt us — to scale down the debt of the Nation through a legal technicality. Whatever may be the language of the contract, the United States will discharge all of its obligations in the currency recognized as the best throughout the civilized world at the times of payment. [Long continued cheers.] Nor will we ever consent that the wages of labor or its frugal savings shall be scaled down by permitting payment in dollars of less value than the dollars accepted as the best in every enlightened nation of the earth."

That certainly is a change from 1878 to 1896. There had been during that period a plenty of "legal technicality." But I do not understand what would be the meaning in a statute or contract of "the currency recognized as the best throughout the civilized world at the time of payment" and "the dollars accepted as the best in every enlightened nation of the earth." What would investors say of a bond, statute and contract in such terms? Senator Allison seems not to fall in with the President's zeal, like that of a new convert, for he voted recently against the Quay and Hoar amendments proposing that plan.

Whether the President stands by the plan of Secretary Gage, which seems to be based on the idea that recent statutes have somehow obliterated silver and made the words "in coin" everywhere read "in gold," I know not. Perhaps you can tell me that, and also what Republican lawyers think of the law of the Gage interpretation.

Trusting that I have answered your question and that you will neither think of me or upbraid me as a candidate for office, I am,

Very truly yours,

PERRY BELMONT.

NEW YORK, February 11, 1898.

ANOTHER LETTER FROM MR. BELMONT.

(Editorial, New York Mail and Express, February 15, 1898.)

Elsewhere in this issue of The Mail and Express, there appears a second letter from Hon. Perry Belmont, replying to criticisms recently published in these columns, with reference to his apology for Senator Murphy's vote in favor of the Teller resolution. If Mr. Belmont is
satisfied with the case presented in this further communication, probably nobody else has any right to complain; but a careful analysis of his argument renders it more difficult than ever for candid men to support his contention. Mr. Belmont placed himself on trial when he took up the cudgels in defense of Mr. Murphy's recanting vote, and The Mail and Express, appreciating that fact, propounded the following questions for him to answer:

"Will Mr. Belmont contend that the Teller resolution means no more to the Government and its creditors now than the Matthews resolution meant in 1878?"

"Will Mr. Belmont contend that the Teller resolution would have made an acceptable plank in the Sound Money Democratic platform of 1896?"

"Will Mr. Belmont contend that the Teller resolution represents the sentiment of those who listened to his own and Bourke Cockran's splendid speeches in support of National honor at the great meeting in Madison Square Garden?"

"Would Mr. Belmont go before the State in defense of the Teller resolution in the event of his nomination for Governor?"

"Does Mr. Belmont believe that Senator Murphy, in voting for the Teller resolution, represented the Sound Money Democrats of the city and State of New York?"

Every one of these questions could have been completely answered by a simple "Yes" or "No." How does Mr. Belmont meet them? He doesn't meet them at all, but dodges and ignores them absolutely, except the first, and to that one he makes a reply which it is difficult to accept as the serious opinion of a gentleman of his learning and experience. Before Mr. Belmont can answer the other questions, he says, he must know what is meant by "sound money." He is in doubt as to the significance of the term, and declines to commit himself any further until he has received a satisfactory definition. Fortunately, this is easily supplied from the platform adopted by the National Democratic Convention at Indianapolis, September 3, 1896, in the following language:

"Realizing the truths demonstrated by long and public inconveniences and loss, the Democratic party, in the interest of the masses, and of equal justice to all, practically established by the legislation of 1834 and 1853 the gold standard of monetary measurement and likewise entirely divorced the Government from banking and currency issues.

"To this long-established Democratic policy, we adhere and insist upon the maintenance of the gold standard and of the parity therewith
of every dollar issued by the Government, and are firmly opposed to the free and unlimited coinage of silver and to the compulsory purchase of silver bullion."

Mr. Belmont heartily supported that platform in 1896, and if its definition of sound money was sufficient then it ought to be sufficient now. If it is, then the four questions which he has evaded in his present letter are still before him awaiting a simple categorical answer. His reply to the first of the propositions submitted is astonishing. "Certainly I will contend," he says, "that the Teller resolution means no more to the Government and its creditors now than the Matthews resolution meant in 1878." And in almost the next breath he declares that "there were no silver dollars, or next to none, in the country in 1878, and there had not been much over 8,000,000 coined since 1792!"

In other words, Mr. Belmont contends that the Government can maintain 460,000,000 silver dollars at a parity with gold just as easily to-day as it could maintain 8,000,000 silver dollars at a parity with gold in 1878—and that neither the multiplied number of such coins nor the steady decline in the value of silver bullion has rendered the work a bit more difficult or uncertain. If such is Mr. Belmont's belief, and if that belief is correct, then he is, unconsciously perhaps, appropriating William J. Bryan's thunder, and all the independent Democratic talk about sound money has been a mere waste of wind and words. If the Government can maintain 460,000,000 of silver at a parity with gold as easily as it maintained 8,000,000 at that parity, then it can just as easily maintain 920,000,000 at parity, and hence there could be no sound objection from men like Mr. Belmont to a 100 per cent. increase in our present volume of silver dollars.

Either Mr. Belmont is wrong now, or he was wrong in 1896, when he worked so earnestly against free silver. For, if the Government, without loss to itself or its creditors, can by mere fiat uphold the parity between the two metals at the present ratio in spite of a steady increase of silver coinage on a declining bullion market, it certainly ought to do so. Mr. Bryan says it can, and while Mr. Belmont only two years ago denounced such a scheme as impossible and dangerous, he now appears to regard it as entirely sound and honorable. The Teller resolution was a perfectly consistent free silver proposition, no matter how Mr. Belmont may argue to the contrary. If the Government may at its option pay the bonds in silver dollars without dishonoring itself or impairing the rights of its creditors, it would be folly for it not to go on and coin all the dollars of that character required to cancel its debts as they fall due. That is precisely the principle embodied in the Teller measure, and it aimed squarely at free coinage, indefinite and unrestricted.
Mr. Belmont's somewhat needlessly long dissertation on the contradictions which appear in the record of Republican legislation as to silver is doubtless interesting to himself, in so far as it affords the you're-another reply to the indictment against Democratic evasion and inconsistency in dealing with the same question, but it has nothing whatever to do with the case. If it were at all pertinent it could be readily answered by a mere outline of history showing how the Democratic party, after first denouncing the greenbacks as "Lincoln's shin plasters" and unconstitutional "rag money," faced about so far as to demand that they should be used for the absolute payment of the public debt, and then proceeded to the logical extreme of its financial insanity by entering the National campaign of 1876 on a platform specifically demanding the repeal of the act providing for the resumption of specie payments in 1879.

But the record of the two parties on financial questions during that dangerous and trying period has no bearing on present conditions. The fact is that the Republican party has advanced steadily in the knowledge and practice of sound monetary science, whereas the Democracy has as steadily gone from bad to worse—a downward progress nowhere so alarmingly revealed as in the usurpation of its National Convention in 1896 by cheap money demagogues whom Mr. Belmont so manfully opposed in the great campaign that followed. This decadence is at present advancing into a still more deplorable stage—namely, that which presents a patriotic supporter of sound money two years ago rashly apologizing for the betrayal of an honest-money constituency to Bryanism in the Senate, and virtually indorsing a measure which concedes all that the most radical advocates of free coinage contended for in 1896.

**MR. BELMONT AND THE TELLER RESOLUTION.**

On another page to-day *The Times* prints a letter which its editor has received from the Hon. Perry Belmont, in which that gentleman sets forth at some length the views he entertains as to the questions involved in the vote of Senator Murphy upon the Teller resolution. We presume that Mr. Belmont has sent this letter to the editor of *The Times*, being anxious to have his views on this subject rightly presented to the Democrats of western New York, and we take pleasure in printing it, and we hope that the Democrats of this part of the State will give it the careful perusal that it deserves. With many of the statements made by Mr. Belmont we agree. From others we are compelled to dissent, especially his estimate as to the significance of the Teller resolution and the question of a single or double standard.
Mr. Belmont is a man who is greatly respected and is recognized as one of the leading men of the State. He comes of a family of Democrats, and, therefore, his views on any subject of party concern have the more weight. They are ably presented in this letter from Mr. Belmont's standpoint. On the subjects in which Mr. Belmont has in the past differed from his party, The Times hopes he will in time see the wisdom of coming over to the party rather than of expecting the party to come over to him or to adapt its views and policies to the ideas of any one man or set of men.

THE TELLER RESOLUTION AND THE PARITY OF ALL OUR DOLLARS.

New York, February 28, 1898.

Norman E. Mack, Editor Buffalo Times:

My Dear Sir.—I have noticed in The Times extracts from my recent letter to Assemblyman Donnelly and also your editorial comments thereon. Will you kindly give me space in The Times for a correct and full publication of my views on the subject?

What was the motive and significance, and what is the bearing on political and financial affairs of the Teller resolution, which has fallen lifeless between the two Houses?

ALBANY EPISODE.

Both branches of the Republican Legislature at Albany have censured Senator Murphy for betrayal of the trust imposed in him by the people of this State, in that he voted for the Teller Resolution "to debase our currency and impair the credit of the country." The vote was a party vote, all Republicans approving and all Democrats opposing the censure.

The New York Sun has, all along, been an active and vigorous foe of silver monometallism and friend of gold monometallism. On the 12th of December, 1877, and when the Free Silver Coinage Bill passed by the House and voted for by McKinley, was pending in the Senate, that newspaper said of the Matthews Resolution:

"The wrangle over the restoration to circulation of the silver dollar has been made unnecessarily puzzling by a misapprehension of the facts of the case. The question does not concern morals, good faith, or National honor, but is simply one of expediency. The Sun has opposed, and does oppose, the adoption of the silver standard, not as involving a swindle of either private or public creditors,
but solely as being a measure injurious to the true interests of the country.  

"The passage of the Silver Bill at present before the Senate would do no more than remedy an unintentional blunder, and put us back precisely where we should have been if the law of 1873 had not been enacted.  

"Much has been said about the dishonesty of paying the public debt, interest and principal, in silver at the old and now depreciated rate. There is no ground for such talk. No word in any act of Congress authorizing any National loan obliges us to pay gold. The word 'gold' has never been used by Congress, but only 'coin.' Senator Matthews is perfectly justified in asserting that the employment of silver instead of gold is no violation of National faith. We have the legal right to pay in silver, and those who assert the contrary do not understand what they are talking about."

**DINGLEY LEADS.**

The New York Republican vote in the Legislature at Albany seems to have adopted and followed the views of the leader of the "Protectio- nists" in the House at Washington, which were that voting for the Teller Resolution was a commitment to free bimetallic coinage on the ratio of 16, without the co-operation of France, or any of the European governments.

The New York correspondent of the London Times, from whose cables to London it is possible to discern the innermost purposes of the Republican leaders, said to his newspaper:

"Mr. Dingley took the plain ground that the Teller Resolution, no matter how innocent technically or ineffective, was an attack, and meant to be an attack, on the financial honor of the country, meant to prepare the way for free coinage at 16 to 1, and for the payment of United States debts in depreciated currency. Such, he said, was the intent of its final clause. He denounced that as an act which the moral sense of the world would regard as one of bad faith, which would injure the credit and standing of the nation, and would end in making the United States a silver monometallic country like Mexico and China. This is plainer speaking than has lately been heard in politics."

That was the key-note of the Republican action at Albany. Had it been correct and true, American investments would have suffered all over the world when the Senate vote at Washington was announced. But no such consequences befell, and for the reason that Dingley Republican theories adopted at Albany were in no way credited by careful investors. Had the Teller Resolution been concurred in by the House, it would have been ineffective and inconsequential. It was only a recita- tion of statute truth, constitutional truth, and legal truth. Even if it were not, it did not bind to a future policy any one voting therefor.

Senator Gray, of Delaware, whose consistent conduct as a sound-money
advocate no one will call in question, correctly described in these words the Teller Resolution:

"But why should we — I mean those who think as I do on this general question — seek to give importance to this resolution, which strikes in the air, which has no application to any existing state of things, which is not to become a law, which imposes no policy, and which seeks to make no changes in the policy heretofore pursued by the Government of the United States? Why should we stultify ourselves by voting against the manifest truth of a proposition of law and fact which it contains?

"For that reason, in voting for the resolution, I feel I am voting for a truism, for a proposition that I cannot gainsay, and I am in nowise compromised in the matter of belief or opinion that I have heretofore expressed or entertained in regard to what the true policy of this Government should be in relation to its fiscal matters and to the monetary standard of the people."

**MOTIVE OF THE RESOLUTION.**

One who would ascertain the motive of a resolution so inconsequential must, I think, begin the inquiry by a recognition of the political antecedents of him who presented it to the Senate.

Mr. Teller has been, during more than a quarter of a century, in the Government at Washington, and ever a stalwart Republican. He was for three years a very competent member of President Arthur's Cabinet. He was a delegate to the Republican National Convention at St. Louis in 1896.

An inquirer into Mr. Teller's motives must also review Mr. McKinley's conduct on the silver question during nineteen years from his entry into the House, October, 1877, down to his nomination for the Presidency; the popular debate which went on among the Republicans in the early months of 1896, whether or not the word "gold" should be inserted in the Republican platform; the early Republican effort to make the election of 1896 turn on the tariff; the appointment of Gage to the Treasury; the creation and sending of Wolcott Commission; the intimation made in the Senate by Senator Wolcott, of "a fire in rear" begun at the White House, and, finally, the utterances of Gage which seem to have persuaded the silver Republicans that the Administration contemplates the demonetization of the 560,000,000 of existing silver dollars.

Naturally Mr. Teller was dissatisfied with the executive treatment of his colleague, Senator Wolcott, while doing what he had, by the President, been told to do in Europe for free bimetallic coinage.

How intimate had been the former relations between Mr. McKinley and the silver leaders is shown by the repeated declarations of the conspicuous silver monometallist, Senator Stewart, that he wrote the resolution in the Republican National platform of 1888 which McKinley reported,
and which declared that "the Republican party is in favor of the use of both gold and silver as money and condemns the policy of the Democratic administration in its efforts to demonetize silver." That resolution, and Senator Stewart, had special reference to paying the debts of the Government in coin as provided by law. Secretary Manning in 1885 and 1886 had urged Congress to stop coining the silver dollars under the Allison Republican plan of 1878, and Sherman, in his Recollections, says, "Manning's history of the coinage of the United States is as clear, explicit, and accurate as any I have read." That urgency by Manning, the National Republican platform of 1888 condemned.

Mr. Teller's motive may have been, besides calling President McKinley back to his former commitments, to put Senator Allison in an awkward dilemma by asking him to vote again on the identical resolution for which all three had formerly voted.

A Republican majority of the Finance Committee authorized Senator Vest to report the Teller Resolution, which he did by remarks so brief and so perfunctory as to indicate that he took only a languid interest in the resolution.

The debate was begun in the Senate by a personal encounter between two Republicans, Teller and Allison, over the significance of the resolution. That it was the outcome of a Republican quarrel was then clearly disclosed. The silver Republicans—Teller, Stewart, Mantle, Cannon, and others—immediately came in conflict with the Administration Republicans.

It would be, perhaps, unprofitable to undertake now to identify the origin in our country of opinions in favor of full legal-tender fiat currency as a remedy for all our economic evils, but it is unjust to classify advocates of irredeemable greenbacks as no worse than advocates of free bimetallic coinage by the United States alone and unaided. In the States west of the Mississippi, the Populist party and its tenets were born of the Republican party and its greenback teachings. The lineage was not Democratic. Ex-Senator Peffer has said that those associated with him in forming the Populist party were nearly all Republicans. The interpretation given to the Constitution, the startling enlargement of the scope of the "general welfare" clause, by Populists, are in palpable disregard of what Jefferson taught the Democracy to believe and practice.

**THE LAW OF THE RESOLUTION.**

The first point of the discussion was over Teller's insistence that under the existing laws, silver is a legal tender for bonds, but is now coined into dollars by the Treasury only to pay Sherman notes, and not one
silver dollar is used by the Treasury Department to pay a bond, or interest thereon, any more than in 1877. Allison at first evaded a categorical reply to Teller's question whether or not the first clause of his resolution correctly stated the present law, but in the end answered that it did. Finally the following colloquy put an end to that branch of the discussion:

"Mr. ALDRICH.—By the act of 1878 provision was made for the coinage of standard silver dollars, and they were given by law expressly a legal-tender quality to an indefinite amount and for all purposes, public and private, except where otherwise expressly stipulated in the contract. Since that time I know of no one on this floor or elsewhere who has denied the naked legal right of the United States to pay its bonds or any further obligations in standard silver dollars.

"Mr. TELLER.—The Senator can not be in earnest when he makes that statement.

"Mr. ALDRICH.—I am perfectly in earnest. I know of no authority who denies it. I know of none. There may be some one, but I do not know who it is."

I should say that Senator Aldrich's declaration was correct excepting so far as the Bond Law of 1870 has been modified by the "parity" section of the statute of 1893, repealing the Treasury silver purchasing clause of the Sherman enactment of 1890.

THE MORALS OF THE RESOLUTION.

Then came a debate over the last sentence of the resolution, in the tail of which Mr. Dingley found a sting. Allison asked Teller what, in 1898, is implied by "to restore to its coinage such silver dollars." Have they not been, and are they not now restored? Allison's obvious object was to push Teller to say that in his own intention the resolution declared in 1898 that Congress had a legal and moral right to now open the mints to silver on the ratio of 16, and pay the bonds with the silver dollars thus coined. Teller frankly stated that was his own intention, and that the last clause of his resolution, being a declaration of a right to coin silver dollars at the pleasure of Congress to pay bonds, was a declaration of law. Senator Hoar admitted that no one questioned the power of Congress, but he denied that a true reply to the question of public honor, or public dishonor, always depended on law. He meant that although the law empowered the Treasury to pay bonds with silver dollars, yet to do so would now be dishonorable on the part of the Secretary. Will he contend that an honorable man will not and should not plead usury, or the Statute of Limitations, or a prior discharge in bankruptcy if he has ample property subsequently acquired, or, under a legal-tender law, pay his creditors with the inferior dollar if the superior dollar had been borrowed? I hope so.
The Administration Republicans pushed that point hard on their colleague, but Mr. Teller at length replied:

"I wish to call the attention of Senators to the fact that this proposition of the resolution is not a declaration in favor of reinstating silver. I say for myself that I believe it to be perfectly in accord with the law, perfectly in accord with morals, perfectly in accord with sound business, to reinstate silver; but the resolution does not say so, and a vote for it does not commit any man to this course. The resolution only says it is the law that you may do it and good morals to do it. Senators are not going to dodge this point upon the theory that it is not good policy. The law is one thing and the policy is another, and they will be obliged to say that that is not the law or that it is the law. Any man can vote for that, and to-morrow can vote for or against free coinage, as he sees fit, and be absolutely consistent, because it is a question of policy when you come to pass a coinage law whether you will pass it in one shape or another.

"All we said in 1878 was that 'the law will justify this Government in paying the bonds in silver; morals, decent administration, proper regard for the public faith, will justify us in restoring silver to its coinage, exactly as it was in 1873, or in a partial way.' It bound no man then, and it binds no man now to vote for free coinage."

Thus the introducer of the resolution cut Dingley's ground from under him.

Senator Cockerill affirmed that the Teller Resolution did not decide a question of future policy, or wisdom.

**Parity and Option.**

When the foregoing points of difference had been eliminated from the debate, a consideration of modern legislation regarding "parity" and "option" came to the front.

The earliest exhibition that I remember of the two novelties made necessary by Republican legislation on coinage and currency, is in Secretary Sherman's annual report of December 18, 1878. In that regard the Sherman report of 1878 is now an edifying state paper. Excepting the Sherman note dollar of 1890, all our existing various dollars—gold dollars, greenback dollars, silver dollars, silver-certificate dollars, bank-note dollars—were then in existence. Greenback redemption on the Republican plan was to begin on the first day of the next month, under the law of 1875, which law, Sherman tells Congress, "contemplated resumption in gold coin only." That, if true, reveals the radical and tremendous change made by the Republican Allison law remonetizing
the silver dollar, which Sherman declared created a "bimetallic standard of silver and gold of equal value and equal purchasing power." On that theory, which is unsound in law and fact, the gold standard of 1873 was taken down in 1878. It was not then taken down. It has not since then been taken down. The gold dollar of 1873 is to-day our only unit of value.

Seeking "parity" between coin and greenbacks, Sherman then said to Congress: "It would seem to be more just and expedient not to force any form of money upon a public creditor, but give him the option of the kind and denomination. The convenience of the public in this respect should be consulted."

The law had always declared that when there are two or more different full legal-tender dollars, the debtor has the option which to pay. Mr. Sherman reversed that rule.

The National platform of each political party in 1892, and the clause proposed by Senator Voorhees in the law of 1893 repealing the Sherman law, established the modern rule of "parity" and gave the "option" to the creditor to select whichever form of money he might prefer.

The doctrine may be inconvenient and even perilous for the Treasury, because requiring a stock of all sorts of dollars, but inconvenience must be expected till the unconstitutional Republican greenbacks and Sherman notes have been paid and extirpated.

How perfectly and completely such "parity" has been established, and how little regard one now need have for the dollars of payment by the Treasury, was shown during Senate debate by the following letter from Secretary Gage:

TREASURY DEPARTMENT,
January 26, 1898.

"Hon. Charles W. Fairbanks, United States Senator:

"Dear Sir,—In reply to your inquiry asking the manner in which payment of interest and principal of Government bonds has been made by the Treasury Department, I have the honor to inform you that it has for many years been the practice of the Department to make payment in whatever form of currency was the most available unless a particular kind of money was called for, in which case the request has been complied with. Gold, when demanded, has never been refused.

"But, as a matter of fact, there are few instances in which it is called for, and payment is made in the most available form of currency and very seldom in gold. As a matter of fact, nearly all payments on account of the Government, whether for interest, bond principal, or current expenses, are made by drafts on the Assistant Treasurers in the large cities. They are not paid in actual money, but are offset by drafts and checks on the banks received by the Government in the collection of its revenues."
"The difference is paid in whatever form is most convenient to the Government, unless it be in New York, where the settlement between the banks as a whole and the sub-treasury are settled in large legal-tender notes from day to day. Not 10 per cent. of our disbursements go out in the form of cash.

"Very truly yours,

"L. J. GAGE, Secretary."

Thus, when a New Yorker collects coupons on Government bonds, he accepts a Treasury draft which he deposits in his bank, and he thinks nothing of silver or gold money, or paper currency.

The following episode occurred in the debate:

"Mr. FAIRBANKS.— I have information, which is as accessible to the Senator as to every other Senator upon this floor, establishing the fact that the Administration is paying out gold, silver, and paper indiscriminately upon the coin obligations of the Government.

"Mr. TELLER.— What are those coin obligations?

"Mr. FAIRBANKS.— The bonds.

"Mr. TELLER.— The interest on the bonds?

"Mr. FAIRBANKS.— Both interest and principal. Nearly $29,000,000 of bonds matured on the 1st of January, and I am informed by the Secretary of the Treasury that nearly the entire amount of these bonds was paid, not in gold, not in silver, but in the legal tender-notes of the Government.

"Mr. TELLER.— It seems to me, then, that we might stop this discussion and come to a vote on the pending proposition."

My memory of the debate is that every Senator conceded in effect the obligation, under the statutes of 1893, and the expediency of maintaining "parity." The conflict raged over the best way for the Treasury to make a gold dollar and a silver dollar equivalent. One side said the present way is the best. Another side argued that a better way would be for the Treasury to compel creditors to take silver dollars whenever the Treasury has them. Others contended that paying only gold dollars was the only true way. All professed to seek "parity."

No good can come of misrepresenting Mr. Teller. He repeatedly denied that he wished payment, or advocated payment, in depreciated dollars. He said:

"I have repeated again and again on this floor for nearly the last twenty years that, in my judgment, if you rehabilitated silver and opened your mints to its coinage your gold coin and your silver coin would be at a parity. We have the experience of hundreds of years for that statement. It has been done. A great English commission, composed of men who believe in the gold standard, declared that it could be done,
and the consensus of the opinion of men of the highest intelligence is that it can be done. I do not mean to say that there is no question of doubt regarding it. There may be; but there is no ground for the Senator from Massachusetts, or any other Senator, to say 'the Senator from Colorado or anyone who agrees with him is trying to put upon the pensioner or into the blistered hand of toil a worthless coin.'"

He hinted a doubt, and "it is the hint that wrings." If he contemplates international concert, the ratio of 16, as prescribed by the Chicago, the Populist, and the Silver Conventions, is as suicidal as Senator Wolcott's concession to the ratio of 30. It will be $15\frac{1}{2}$ or nothing!

Speakers at the recent Indianapolis Conference, professing to see forbidding metallic conditions in the soil and rocks, or in the future production of silver and gold, denied that the concerted laws of all the governments of the world could preserve "parity" at $15\frac{1}{2}$, even although the United States now maintains "parity" in its jurisdiction at 16, while the commercial ratio is more than twice that figure.

**Parity of all our dollars.**

When, as now in England, silver is not a full legal tender, it is not requisite that there be equivalence, but when, as now with us, gold coins and silver dollars are a full legal tender, "parity" is essential. Such equivalence has probably been the object of all our mint laws, although they missed that equivalence by the faulty ratio of 15 in 1792, and of 16 in 1834, which fault first banished gold and then silver. The difference between a "gold standard" such as in England, where no silver coins are a legal tender for over ten dollars, and a "gold standard" in France and in the United States, where all major silver coins are a full legal tender, must be kept in mind.

"Parity" was, it is to be assumed, sought even in 1878. It is not to be assumed that an appreciable number of our people wish now for the silver monometallism of Mexico and China, or that the country be on an actual silver basis as it was during the Civil War on a Republican greenback basis. It may be true that those who seek unlimited currency inflation on the plan of the resolution presented to the Senate February 14th of this year by Senator Allen, one of the five Populist Senators, are hovering between the unlimited issues of more full legal-tender paper dollars, and free coinage of silver dollars, because they imagine the latter will as effectually as the former expel gold dollars and their multiples, and destroy "parity." Bad finance has among Populists become patriotic. For that the Republican party, which in 1862 created legal-tender greenbacks, is responsible. It begat our subsequent money heresies. It
started the delusion that Congress can, by a statute, create full legal-
tender money out of anything, or nothing. Those advocates of a money 
basis exclusively golden who defend the creation in 1862, and the con-
tinuance now, of full legal-tender greenbacks, can not make that de-
fense, without employing the premisses, the logic, and the arguments 
that Populists now employ in behalf of an irredeemable paper currency 
emitted by Congress. The Allison Coinage Law of 1818 left standing 
the gold standard erected by the Republicans in 1873, the gold dollar 
monetary "unit of value," but the emission of a mass of new greenbacks, 
under the Republican Harrison-Sherman Silver Law of 1890, created 
such a fear that equivalence and exchangeability of all our dollars could 
not be maintained, that the disastrous panic of 1893 came.

"Parity" is the pivot and axis. Just as the fear of losing "parity" 
brought the disaster foreseen by Manning, so it is to be assumed, judg-
ing the future from the past, that any well-founded fear of loss of 
"parity" either by new silver coinage, or more Populist greenback emis-
sions, will again bring similar panic and disaster to the rich and poor, 
the farmer, the wage-earner, the salary-earner, and pensioner.

PARITY AT CHICAGO.

At the Chicago Democratic National Convention in 1896 "parity" 
was presented in these words, by an amendment to the platform offered 
by Senator Hill as required by 16 out of 51 members of the Committee 
on Resolutions:

"We insist that all our paper and silver currency be kept absolutely 
at a parity with gold."

All the 72 delegates from New York, of whom I was one, stood by 
the amendment. It was defeated by 626 nays to 303 yeas.

Mr. Bryan, in his New York speech of acceptance, interpreted the 
"option" plank in the platform (which seemed to me as only looking 
to an orderly repeal of the "parity" clause of 1893) as a mandate to him, 
if elected President, to put at the head of the Treasury one who would 
pay public creditors in silver dollars regardless of their preference, but if 
I have interpreted correctly the tendency of the opinions of those who 
participated in the recent Senate debate, it was in favor of Senator Hill's 
amendment.

NEW YORK ISSUES.

It seems now to be unlikely that any program by the Administration 
or any other group of Republicans, to put order in our paper currency, 
will be accepted by the present Republican Congress. Promised Repub-
lican reforms will stop with Dingleyism, and its deficit-breeding tariff,
which will deserve attention by Democratic voters next autumn even although a Democratic tariff, passed by a new Democratic Congress before 1901, will encounter an executive veto. The dominant tone at the Indianapolis Conference, as I infer from such public utterances as I have read, was that, however sincerely and earnestly the voters may seek reform of existing Republican laws, "they can do nothing except through the Republican party" which enacted those bad laws. That route does not seem to be feasible. If, however, the "parity" of our dollars can be fixed, stable and permanent, then by all means let it come as quickly as possible by any route, but if the Republican party now in power at Washington shall refuse or fail to reform the currency, an issue with its non-existent reform, however vicious or inadequate, can not be taken next autumn by the New York Democracy.

There will be plenty of State local issues. New York is really an Empire, and, perhaps, unlike other and smaller States in the Union, has internal evils now demanding Democratic remedies which a Democratic Legislature can apply. Those evils are everywhere in the State known and recognized. Not among the least of the needed reforms is the imparting of full municipal power and dignity to all our great cities, and to the end that among other things they be unified, purified, beautified, and that there be removed all legislative barriers heretofore erected by Republicans which are in the way of the ultimate enjoyment by each city of the benefits of well-organized municipal administration, freed from undue control or supervision at Albany, and based on that indestructible truth implied in the Democratic demand for "Home Rule."

THE HON. PERRY BELMONT SAYS "YES."

(Leslie's Weekly, March 17, 1898.)

New York, February 23, 1898.

Editor of Leslie's Weekly:

I have your journal of this week, in which, among other things, you say: "Our ambitious friend, Ex-Congressman Perry Belmont, has written a letter in defense of Senator Murphy's vote in favor of the Teller Silver Resolution. There is one question that the people of New York would like to ask Mr. Belmont to answer, and we will ask that question in their own, as well as in our behalf. That is, 'If you had been a member of
the Senate, Mr. Belmont, in Senator Murphy's place, would you have voted for the Teller Resolution? An early reply is requested. Address: Leslie's Weekly, 110 Fifth avenue, New York."

My answer is "Yes," and for the following reasons given in the Senate by Senator Gray, of Delaware:

"I think that my record in regard to the monetary policy of this country in regard to what is wise and honest and just for the people of the United States to enact into law in regard to monetary standards is about as well known as anything can be known respecting so humble a public career as mine. I read a resolution, Mr. President, that states conclusions of fact and law that can not be gainsaid. The resolution further says:

"And that to restore to its coinage such silver coins as a legal tender in payment of said bonds, principal and interest, is not in violation of the public faith nor in derogation of the rights of the public creditor."

"I undertake to say that that can not be successfully gainsaid. But, Mr. President, we are not concerned, or at least I am not concerned, about the rights or the situation in which the bondholders of the United States shall find themselves after they have contracted with the Government, except that the contract the Government has made with them shall be kept in letter and in spirit. I believe that parity can not be maintained as this Government has pledged itself to maintain it, unless at the Treasury of the United States silver and gold are paid out indifferently at the demand of the creditor; for so soon as the Government makes a discrimination by withholding what the creditor demands on his coin obligation, or upon any demand which gives him a right to call for payment on the Treasury of the United States, the moment it discriminates and says, "I will not pay you in the coin you desire," that coin is at a premium, and the parity with the other is destroyed. While the bullion value of the silver dollar is less than the bullion value of the gold dollar, nothing but absolute interchangeability will maintain their parity. Mr. President, if this resolution attempted to declare for the Government of the United States, a policy, or to alter in any degree the policy which has been heretofore pursued in order to preserve this parity, so necessary, in my opinion, to the credit and well-being of the country and its people, then the situation would be very different, and I should vote against it, or against any proposition which embodied or sought to embody such a declaration of policy. I do not see how this discussion as to the propriety of the free coinage of silver, which has raged here for two or three days, has any application to this resolution. It has been a factitious and artificial issue that has been raised, not pertinent to the
matter that the Senate is called upon by its vote to act upon. Therefore, I shall vote upon the resolution as it stands without reference to most of the arguments that have been made in the debate of the past three days."

The competence of Senator Gray, as a lawyer, to interpret the statutes correctly, his perfect knowledge of our financial and monetary legislation, his fearless and unswerving devotion to our existing gold standard, his perfect integrity of character, no one will undertake to question. I add to the reasons set forth in the foregoing extracts of his speech in the Senate, that the country is pledged to coin and keep in the Treasury silver dollars and gold dollars in order to enable the public creditor to receive any kind of dollars he prefers, whether they be of silver or gold.

Very truly yours,

PERRY BELMONT.

U. S. ARMY BUILDING,

No. 39 WHITEHALL STREET,
NEW YORK, March 15, 1898.

PERRY BELMONT, Esq., 855 Fifth avenue, New York:

Sir.—The Board appointed by the Navy Department for the purpose of procuring auxiliary vessels for the service, and of which I have the honor to be President, is desirous of obtaining all the information possible concerning such yachts as could be available for service in case of war.

Will you kindly give us such information as possible concerning your yacht, the "Satanella"?

Respectfully yours,

FRED’K RODGERS,
Captain U. S. Navy, President of the Board.
No. 855 Fifth Avenue,
New York, March 16, 1898.

Captain Fred'k Rodgers, U. S. Navy, President of the Board, No. 39 Whitehall street, New York:

Sir,—I received your letter of March 15th, in which you ask for information in regard to the yacht "Satanella" which you describe as being available for service in case of war.

I herewith send you the information requested, and I place the yacht at the disposal of the Government for such services as may be required.

Respectfully yours,

PERRY BELMONT.

NAVY DEPARTMENT:

Office Assistant Secretary,
Washington, March 17, 1898.

Hon. Perry Belmont, No. 855 Fifth avenue, New York:

Dear Sir,—Referring to your letter to Captain Rodgers, dated the 16th instant, in which you place the yacht "Satanella" at the disposal of the Government for such service as may be required, the Department begs to thank you sincerely for your patriotic offer. In the event of hostilities, should it be necessary for the Department to avail itself of the yacht it will not hesitate to let you know.

Again thanking you, I am,

Very sincerely yours,

THEODORE ROOSEVELT,
Assistant Secretary.
Mr. Perry Belmont, formerly Chairman of the House Committee on Foreign Affairs and Minister to Madrid, said he doubted the truth of the report that the Russian Ambassador had declared that President McKinley's failure in his message to Congress to allude to the appeal for humanity and moderation made to him by the six powers is felt "in political circles in St. Petersburg as a grievous lack of consideration," that the President and Congress have put "might before right" in the Cuban question, and that it is the common impression in Russia, even in official circles, "that the Government of the United States has been behaving in a manner which can not be approved by believers in either justice or peace."

"If the President and Congress have, in any manner departed," said Mr. Belmont, "from our former policy of nonintervention in the purely internal affairs of our neighbors, the departure has been on the line of precedents which Russia has done so much to establish within the last fifty years by intervention in the affairs of Turkey. The collective authority of Europe, regulating the disintegration of Turkey, in the interest of peace and humanity, began with the Greek uprising in 1826, and has since gone on systematically as to Egypt, Syria, the Danubian principalities and the Balkan peninsular. A great part of all the precedents recently cited in the Senate to show that international law tolerates and does not condemn what the President and Congress are doing in Cuba were taken from what Russia and the powers had done in Turkey. The President has told Congress that when he approached Spain by asking an armistice in Cuba till October for negotiation of peace with his good offices, and revocation of the order of reconcentration, he was referred to the insular Parliament of Cuba, which did not meet for many weeks, and that with such a disappointing answer from Madrid he was brought to the ends of his efforts for immediate peace. What under similar circumstances at Constantinople would Russia have done?

"Spain did subsequently yield to the Pope and the powers what had been refused the United States. The President then asked Congress for the use of the army, navy and militia to put order in Cuba, but Congress by a legislative act in which the President concurred, required him to immediately use the armed forces of the country in order to induce Spain, or if need be to compel Spain, to withdraw from Cuba. Would Russia or the powers, under similar circumstances, have done less in Turkey? Possibly it would have been exercising 'might rather than right,' but would it not have been done? I am very far from advocating a substitution of the policy of intervention for our previous nonintervention policy, but the question is, what would Europe have done?" "However that may be," continued Mr. Belmont, "the war has begun. The Presi-
dent has declared a blockade, and our naval vessels have captured vessels of the enemy on the high seas. Those two are acts of war. The Supreme Court decided in the war of secession that the war began not when declared in July, 1861, but when in April the President declared a blockade. The State of New York has now to do its utmost to enable the President, who carries on war (Congress only declares war), to make it sharp, short, decisive and overwhelmingly successful. It is to be hoped that no precedent either in bringing it on, or hereafter conducting it, will, in the future, invite or justify Europe in interfering in our affairs. It was Jefferson, in his inaugural address, who, formulating our democratic creed, prescribed 'honest friendship with all nations, entangling alliances with none.' Washington had urged the same declarations, but less concisely. The two Adams reiterated a similar opinion. Madison, when Canning proposed a congress for settling difficulties between Spain and her colonies, said 'acceptance would be a step in the wilderness of politics and a den of conspirators.' Van Buren wrote in 1830, that nonintervention in the domestic concerns of other nations is 'one of the settled principles of this Government.' Quoting Jefferson, President Fillmore said, 'friendly relations with all nations, entangling alliances with none.' ""We welcome," said Mr. Belmont, "approval by Europe of what we do, but the democracy can not invite the 'entangling alliances' with any foreign government. As long as we maintain this American policy we shall deserve the cordial sympathy of the masses of the people in Europe, whether English, French, German or any other nationality. Representing as we do the aspirations of humanity for liberty, self-government and republicanism, no government of Europe can become hostile to us without encountering within its own borders popular opposition. 'Entangling alliances' might alter this condition, now so favorable to us."

DEWEY'S GREAT VICTORY.

(New York Herald, May 8, 1898.)

"The Manila victory was a brilliant triumph of marvelous intuition, sound reasoning and intrepidity unsurpassed," said Mr. Perry Belmont to me yesterday. "The marvel is that our squadron achieved such a colossal result without the loss of a man. Our countrymen have, from the beginning, exhibited heroic qualities on the sea. The United colonies displayed them in the war of independence. The United States manifested them in the wars with the Algerines, with France and in the second war with England.

"The capture of the Guerriere by Hull and of the Macedonian by Decatur sent a shock of consternation throughout all England, much as
the destruction of the Spanish fleet by Dewey struck terror throughout Spain. Mr. Canning declared, in Parliament, in 1813, that 'the loss of those two fine ships produced a sensation scarcely to be equaled by the most violent convulsion of nature.' Like Sagasta, Canning ascribed the defeat to the absence of preparatory measures by our enemy, instead of assigning it to the qualities of our officers and seamen. The captures by Hull and Decatur had broken the sacred spell of the invincibility of the British navy. "Dewey is a worthy successor of McDonough, Hull, Decatur, Perry and Farragut," said Mr. Belmont in conclusion.

AN ANGLO-AMERICAN ALLIANCE.

[The New York Times, June 3, 1898.]

PERRY BELMONT DOES NOT THINK ONE WOULD BE ADVISABLE UNDER PRESENT CONDITIONS.

Perry Belmont, yesterday, in discussing the recent speech of Mr. Chamberlain, proclaiming, in effect, his conviction that Russia intends the conquest or dismemberment of China, that England must resist the effort and may be unable to do it without an "Anglo-Saxon alliance," said the proposal of Mr. Chamberlain is not in the range of practical American politics, inasmuch as neither President McKinley nor Congress has given any intimation of the advocacy of a treaty alliance, offensive and defensive, to that end. When such an intimation appears it will be in order for the Democracy and the country to deal with it decisively.

"If," said Mr. Belmont, "it turns out to be true that the British Government did on more than one occasion refuse the request of any of the European powers to co-operate in restraining our Government from putting such pressure as it saw fit to apply to Spain in regard to Cuba; if the recent conduct of England in the matter of coal and its supply to Spanish ships of war was inspired by a neutrality benevolent toward us, and if England is now willing to adjust all our pending differences with her, from the Atlantic fisheries on the northeast to the Behring Sea fisheries on the Pacific, then it is easy to appreciate the reason for the good feeling between Washington and London. That is in accordance with the wise warning of Jefferson in his first inaugural address which contained the Democratic creed, 'Honest friendship with all nations; entangling alliances with none.' The first five words constitute the keynote, because an offensive and defensive treaty alliance with one or more
European nations may be inconsistent with 'honest friendship' for the
others, but may also be the breeder of future wars.

"It is not to be lightly assumed that those who at Washington pro-
moted and declared, at the time they did, the present war against Spain
intend to negotiate a political treaty of alliance against Russia, our stead-
fast friend ever since the birth of the Nation. That friendship was con-
spicuously proven in the reply made by Prince Gortshakoff in 1862 to the
proposal of the Emperor of the French that the three powers — England,
France and Russia — should cast their influence to obtain an armistice in
the war of secession, and that they should proffer a solution of the diffi-
culties then existing. The proposal was indeed much the same as that
which President McKinley made to Spain, excepting that he proposed
himself as the mediator. What the Jeffersonian injunction requires in
Washington, at least from Democrats, is an 'honest friendship' with
Russia and each of the six powers composing the European concert, in-
cluding, of course, England. If we shall be assailed by any of them then
the situation would be altered.

"Should the United States in the pending conflict conquer and possess
the Philippines, or any other colony of Spain, it is not to be assumed that
Russia or any other Government will resist our continued possession if
we live up faithfully to Jefferson's injunction. Why should any of them
endeavor to wrench from us any of our honorable conquests from Spain?
Will President McKinley now, at this early day, seem to confess that our
Government requires 'an Anglo-Saxon alliance' or any treaty alliance in
order to enable our army and navy to pacify Cuba? He can hardly intend
that."

Babylon, Suffolk County, N. Y.,
June 30, 1898.

The Committee of the Tammany Society:

Gentlemen.—An engagement at Camp Alger, where the blue
and the gray are united under the Star Spangled Banner, pre-
vents me from being present at your celebration of the one hun-
dred and twenty-second anniversary of American independence, to
which you so kindly have invited me. A year ago I had the
honor to say to you that the "Democracy of New York could not
consent that the political influence of our municipality should even seem
to be in the hands of the Republican party." It has since elected a stanch
and true Democrat to its chief magistracy. May I also recall to you the
wish then expressed, that the anniversary of Independence Day in 1897
might be "the beginning of a reunited and henceforth inseparable Jeffersonian Democracy," and now, in 1898, only the enemies of the party can perceive causes for dissensions where none exist.

New national issues may arise in the future, but for the present, questions of a national policy, whether it should be extension of empire or colonial experiment, have no place in political discussions. The holding or the relinquishment of territory obtained by our army or by our navy are now purely military questions, and will so remain until the war has ended, and until the terms of the treaty of peace can be considered. To-day the duty of every citizen is to uphold the Government in the conduct of the war.

PERRY BELMONT.

APPPOINTMENT AS INSPECTOR-GENERAL WITH THE RANK OF MAJOR, MADE BY THE PRESIDENT, JULY 2, 1898.

WASHINGTON, July 7.—The Senate to-day confirmed the appointment of Perry Belmont, of New York, to be Inspector-General of Volunteers, with rank of major.

(Camp Alger, Falls Church, Va.—Major Perry Belmont reported at Camp Alger to-day for duty as Inspector-General on the staff of Major-General M. C. Butler, commanding the First Division, Second Army Corps.)
APPENDIX.

CORRESPONDENCE WITH HON. JOHN DE WITT WARNER ON AN INCOME TAX.

NEW YORK, November 13, 1896.

Hon. Perry Belmont, 855 Fifth Avenue, New York City:

Dear Mr. Belmont,—In view of our conversation the other day I venture to hand you copy of memorandum made by me sometime since on the subject of so-called income taxation; upon which, should your time and interest permit, I should be glad of your confidential criticism; which I shall value all the more knowing that it comes from a gentleman who has not seen his way clear toward the advocacy of any such plan for raising revenue.

I feel the more justified in trespassing upon your courtesy from the belief which events are daily turning into a conviction that early agitation of the whole question of the incidence of taxation is certain; and that the question is, not whether we shall have some form of income taxation but rather whether the wealthy and populous States of the northeast shall assist in making this as logical and little burdensome as possible, or whether by obstructive tactics they leave it to be framed and operated by those who will have come to regard them as obstructors from selfish motives of tax reform and presumptively entitled to little credence or consideration.

And I may add that I have long been convinced that the only guarantee for safety of property rights in this country depends upon so adjusting our taxation as to leave the body of our voters convinced that property is bearing its full share.

Thanking you in advance for any extent to which you may give me the benefit of your consideration of the inclosed.

Sincerely,

JOHN DE WITT WARNER.
A PRACTICABLE INCOME TAX.

"The income tax expires with the collection of the tax of 1871, which, on personal incomes, is assessed during the present month. The public mind is not yet prepared to apply the only key to a genuine revenue reform. A few years of further experience will convince the body of our people that a system of national taxes which rests the whole burden of taxation on consumption and not one cent on property or income is intrinsically unjust. It will not do to say that each person consumes in proportion to his means. This is not true. Every one must see that the consumption of the rich does not bear the same relation to the consumption of the poor as the income of the one does to the wages of the other. As wealth accumulates, this injustice in the fundamental bases of our system will be felt and forced upon the attention of Congress. Then an income tax, carefully adjusted, with proper discrimination between income derived from property and income from personal services, and freed from the espionage of our present law will become a part of our system." — JOHN SHERMAN, March 15, 1872.

Circumstances have brought to the front the long-pending question of an income tax. On the one side it is urged that it is in theory the most fair of all taxes — the one by which all citizens can contribute to Government in which they are common stockholders, most nearly in proportion as God has blessed them; and on the other, without denial of the assertion thus made, there is a general lifting up of hands in deprecation of the Government espionage and inducement to fraud claimed to be involved. Whatever may have been the comparative importance of these latter suggestions in former times, when national taxation and expenditure was a bagatelle, they can hardly be considered conclusive at present. With the steady tendency to extend Government service, and hence to increase Government expenditure and the burden of taxation, the weight of the argument in favor of income taxation steadily grows; while the necessity for obviating the objections urged, instead of allowing them to stand as an obstruction to substantial justice, as steadily increases.

This is the lesson of experience as well as logic, and from England and Germany to Switzerland, ranging from centralized monarchy to the most liberal Democracy, in the nations which of late have had most occasion to study, and have most successfully solved, the problem of how so to adjust heavy taxation as least to interfere with industrial, social, and political development, income taxation in some form has been constantly more and more availed of.
In the United States, the question of direct taxation is practically, though not necessarily, complicated by the remembrance of war-time exactions, so misadjusted as to offer at once an example of aggravated inconvenience and disproportionately small return.

I am aware that there are other objections than those just noted. For those of us who reside at great centers of population — especially the Eastern seaboard cities, whence come the most violent protests — the suggestion is not infrequently made that the result of an income tax would be to collect from these cities — especially New York — an extraordinary proportion of the expenses of the Government. It must be kept in mind, however, that the question is not one between taxation and no taxation; but rather as to the principle upon which taxation should be assessed; and it will be admitted that the wealth of these cities is already mulcted by tariff taxation, from which it would be in a measure relieved by an alternative source of revenue. If this were all, however, there might still be a motive on the part of these cities, rather to continue and even aggravate the burdens of taxation, assessed as they are upon necessity rather than ability, upon want rather than wealth. But in this case as in others honesty is the best policy. It is just these seaboard cities which would be most aided by such redemption from tariff taxation as would secure to them their natural advantages. For example, were New York made an absolutely free port, no one can doubt but that, under any probable income tax, not merely would her prosperity increase, but her merchant princes and financial magnates would find in the increase of their business tenfold returns for every dime thus given to secure relief from tariff obstruction.

It has been urged that the self-respect of our masses will not permit them to favor a scheme of taxation specially designed to reach wealth. In case it were proposed to raise by direct taxation the whole revenue of Government, there would be more in this argument than might be inferred from the universal laughter with which it is now greeted by the very masses in whose alleged behalf it is made. So long, however, as any considerable proportion of the expenses of our Government is raised by indirect taxes — which from their very nature are paid in greater and greater proportion to a man's means, according as is the taxpayer less and less able to pay them — the self-respect of those in poor or moderate circumstances is already sufficiently well buttressed.

The argument against Government espionage in private affairs is not only strong in itself, but strengthened by our own unfortunate experience in the sixties. But it must constantly be kept in mind that the question
here is, not whether there are objections to an income tax, but as to how such objections compare with those involved by alternate means of raising revenue. It is natural that we should lose sight of evils to which we have grown accustomed, and equally so that we should exaggerate the possibilities of trouble which we have not tested. But it is the part of common sense to do neither. And it is perhaps sufficient to note here, first, that American communities in dealing with the apportionment of burdens among interests and individuals within their intelligent observation, almost universally prefer the justice of direct taxation to the inconvenience of indirect taxation; and, second, that their course has generally involved public espionage into private business to an extent as much greater than that involved in income taxation, as is estimate of value more difficult than the summary of actual receipts. It is not claimed that this experience has been universally satisfactory. But it is significant that during the centuries while every community upon this continent has been studying the problem, the inconveniences of direct taxation have been so universally acquiesced in as preferable to the injustice involved by the alternative.

There is, however, a most important consideration involved in the objections made — one upon which wealth has a perfect right to insist, namely: that in the adoption of any plan for income taxation the necessary evils of the system — taxation itself is an evil — be minimized by most careful adjustment, made in the light of the world's experience.

As a contribution at least to the discussion of this problem, the following plan of income taxation is suggested. It is intended to be practical rather than original.

Incomes arise from four different sources — to which each case is directly or indirectly referable.

1. Funded investments, that is, generally speaking, investments the capital of which remains intact, and the income from which not being encroached upon for the replacement of capital, is also independent of the beneficiary. A typical case is that of a Government bond, bearing such interest as to be marketable at par. The investments belonging to this class, however, cover a very wide range.

2. Rents, involving not merely actual returns from real estate, but, in the case of unimproved real estate, rental values — the amount of which it must be assumed the owner (or his representative) voluntarily rejects each year during which he hold it out of use — generally on the calculation that during the same period a larger amount is in reality added to the value of the property by the enterprise of the community about it.
3. Professional incomes and salaries, as to which capital, aside from individual liability, is so small a factor that it may be omitted from the calculations.

4. Business returns, these being virtually made up of two factors, 

(a) returns from capital, which may be assimilated to "Fundied Investments," and, (b) the results of professional tact and energy, which may be assimilated to Professional Incomes and Salaries.

There is a material difference between the amount of gross income and its proper assessment for taxation.

In the case of funded investments, though in practice there is a "risk" factor; yet so far as it is not in the nature of a pure speculative risk, hardly to be favored by legislative exemption, this factor may be omitted as one which any system of taxation may disregard, and still be far more nearly ideal than any other at present known. With no necessity for deduction either for the maintenance of the capital, or for saving from income when the recipient is in the full vigor of life, so as to provide for the time when he is helpless — the principal remains intact, though the whole income be yearly exhausted; and infancy or decrepitude is cared for without anticipation of, or saving from, the income of middle age.

In the second case — rents — it is obvious that certain deductions from the gross income must be made before we have the income which can be placed upon a common basis with that arising from funded investments allowances must be made for repairs, renewals, etc., so as to leave a net figure, which may properly be placed upon the same basis as the gross income from funded investments. In this case a very simple classification of the bases of deduction will permit of so near an approach to ideal justice as to compare favorably in this respect with the best that is attainable under any other system of assessment for taxation.

The third case — professional incomes and salaries — is that in which generally admitted hardship is almost universally denied relief. Common sense promptly admits that a clerk or teacher in receipt of a precarious salary of $2,500 cannot afford to live at the same rate as can one enjoying the income, at 5 per cent., of a long-time Government bond for $50,000; and reams of paper have been covered with calculations intended to work out the problem thus posed. In most of these, ingenious as some of them are, I have not been able to take an interest, for to me the practical question has seemed a simple one. There is no such thing as income without investment — even the simplest form of manual labor involving the sinking of capital necessary to raise a human being from infancy, and the moral necessity of support in decrepitude of age. In the case of the
professions and public service while the income may continue to a later date, its inception is delayed and its more generous scale is offset by the longer time and greater expense of preparation. In other words, while the circumstances of the individual may vary, professional incomes and salaries as a class are heavily chargeable for the repayment or anticipation (it matters not which it is regarded) of the cost of renewing and maintaining the capital — civilized, educated manhood — on which they are earned. I am not one of those who deprecate a tax on the results of education and culture. If there is any class that, being first in its absolute reliance upon the opportunities afforded by civilized government, should, therefore, most cheerfully and justly contribute to its support, it includes the professional man and the highly-salaried clerk or official. But, in calculating the amount of his income, he should be allowed for deductions necessary to keep capital unimpaired, just as in calculating net rentals, gross rentals must be reduced by allowances for repairs and renewals. Without going into detail it is sufficient to note here that the results of calculations on the different plans which to one or another observer have seemed most perfect, have so uniformly resulted in fixing the net as 50 per cent. of the gross, and have so indifferently fallen below this figure or risen above it, that it may be confidently accepted as a working normal. In accord with this, professional incomes and salaries would be assessed for purposes of income taxation at 50 per cent. of their gross.

There remains the fourth class — business returns. These are at once seen to involve two factors — returns from invested capital, and the results of individual enterprise and tact. The former recalls the class of funded investments, the latter that of professional incomes. Following the analogies thus suggested, each business income should be divided into two parts: (1) the natural return of capital; (2) extra profits. The former should be assessed at its gross, the latter at 50 per cent. of its gross. It may be said that the ordinary return from investments varies in different parts of the country. This variation — especially in the cases of capital invested in business — is, however, due so largely to the factor of risk that a uniform net rate — say 5 per cent.— could be fairly assumed for tax assessment purposes. The net profits above this would be a matter of separate calculation at 50 per cent. of their gross. And to insure more nearly ideal fairness, there should be deducted from this 5 per cent. income calculated on principal the net loss, if any, in the business during the year, after charging such 5 per cent. as a disbursement.
To illustrate:

A. has $100,000 invested in 5 per cent. Governments. His income would be assessed for taxation at $5,000.

B. has real estate renting, or rentable, at $5,000, to keep up which is required $1,250, in repairs and reserve for renewals. His income would be assessed for taxation at $3,750.

C. has a salary or professional income of $5,000. His income would be assessed for taxation at $2,500.

D. is in business, in which $25,000 capital is invested, and finds that he has made $5,000 during the year. His income would be assessed at $1,250 (5 per cent. of $25,000) plus $1,875 (one-half of $3,750) or $3,125.

The question of exemptions next arises. It is generally accepted that there are two grounds for these, (1) that it is not to the interest of Government to reduce the possible expenditure of any class of its citizens below the minimum required for comfortable support at the standard fixed by common assent and practice of the people; and (2) that, if any proportion of the revenues is raised by taxes on consumption — either of necessaries or of generally used comforts — then, since such taxes are necessarily paid by those in poor or moderate circumstances in proportion exceeding that based on their ability, the taxes apportioned directly to ability should be subjected to such exemption as shall tend to hold the balance even. To one who attempts to weigh all the pros and cons there will occur additional definite grounds upon which, in return for special services, or liability out of proportion to benefit, exemptions of certain classes of small incomes might be justified; but it is sufficient to note here that they support rather than modify the conclusions below.

Considering exemptions, the question of expediency becomes important. It is through the abuse of exemption that creep in many of the frauds and evasions that relieve the dishonest taxpayer, and as surely overburden the honest one. It is, therefore, obviously to the interest of the latter that, in the attempt to award him abstract justice, his dishonest neighbor be not given a practical advantage. There is, therefore, on this ground a presumption against exemptions. Others will occur to every thoughtful man.

Moved by such considerations, it is proposed, as to classes first and second — the income from funded investments, and net rentals — and as to that part of class third estimated as returns from capital invested in business, that no exemption whatever be permitted from the assessment for taxation made as above; that from professional incomes, salaries, etc., and the profits of business above capital returns, a uniform deduction of $1,250 be made from the amount assessed as above proposed. Allowing,
as does this, for untaxed personal earnings to the amount of $2,500 per annum, the first ground of exemption—necessary support—is so obviously met that it only remains to consider whether the second ground noted is fairly covered; and this is discussed below.

The method of assessment has heretofore involved the most important objections that are urged against the income tax; hence deserves special consideration.

The first class above noted (including nearly all forms of government funds, corporate investments, mortgage and note securities) would be assessed from records and documents so largely public, or in the custody of those not specially interested in enabling the owner to escape taxation, that a full and fair assessment could be made with greater facility than is now assessed in this country any other considerable class of property, even for purposes of local taxation. Legal precautions would have to be provided to meet exceptional cases; but the use of these would be rather to deter attempts at evasion and to satisfy the public than to add materially to the completeness obtainable without them.

The next class—rentals or rental values—are absolutely incapable of concealment. Though their estimate involves somewhat of judgment on the part of assessors, it is so independent of the owner, and so much more simple than even that of general real estate valuation that neither in legislation nor in practice are serious questions likely to arise.

In the case of salaries and professional incomes, there are few of over $2,500 gross each that cannot be promptly ascertained with reasonable certainty. These would be in the main lawyers, physicians and authors—gentlemen whose combined income and mendacity is so far from abnormal that the public interest and the public virtue could be reasonably protected by special provisions of law.

In assessment of business returns it must be remembered that as to capital invested, our commercial agencies and information bureaus have lately become so perfect as effectually to check much evasion that formerly and otherwise might have occurred. It is, however, in the net profits of business that would arise the main problems of assessment. The extent, however, to which all classes of business are more and more transacted by stock corporations not merely points a way out as to these, but shows as to others how the required data may be most easily compiled, and demonstrates as to a constantly greater proportion that the limited surrender of privacy necessarily involved is not so serious a matter as is sometimes supposed.

Taking the system as a whole it meets the objections most strongly pressed. The method of assessment proposed, lists more than nine-
tenths (and an increasing proportion) of all assessable incomes without any material dependence upon any one interested to evade the law. In the extent to which the assessment is primarily made upon property wherever found, rather than on the individual, revelation either of the possessions of the wealth of the individuals, is reduced to a minimum. By correspondingly adjusted methods of collection at least three-fourths, and probably a considerable larger proportion of the tax can be collected before transmission to the owner and in ways which, instead of enabling him to withhold it, shall rather induce him to hasten its payment, as a condition of receiving the far greater amount coming to himself. Special provision would prevent duplication of taxation; while a system of advance payments, favorably discounted and evidenced by stamps on leases, mortgages, notes, bonds, stocks, etc., might enable whoever would to receive his gross income without the inconvenience, either to payee or recipient, of dealing with the tax gatherer on each occasion.

It would be impracticable to note here in detail, either special advantages or particular objections. Two of the latter, however, are so generally mooted as to merit special note.

It is objected that the failure to provide for exemptions other than those noted leaves the widow and orphan, the toiling mechanic, and the poor farmer to be taxed upon their meagre savings, little dwelling or petty farm. This is true; but it must be kept in mind that the denial of exemption in these cases closes the law to frauds by which otherwise Dives would withdraw from taxation a hundredfold more than would any one else; and that — income taxation being practically a simple alternative for taxes on consumption — in which melts away a tenth, a quarter, and sometimes a larger portion of the whole income — the most needy of those concerned can well afford to pay the one-hundredth or the one-fiftieth of the little income they derive from these sources, rather than by giving wealth a chance to escape, leave more to be raised by indirect taxation — the burdens of which fall so unfairly upon their shoulders. The $1 that would represent an income tax of 2 per cent. on a mortgage investment of $1,000 at 5 per cent. or the forty cents per annum that would have to be paid on a savings-bank account of $500 accumulating interest at 4 per cent., is not a burden that their worthy owners need fear: it is rather the tariff, or other indirect taxation, that is the alternative that digs deep into savings which an income tax merely scratches.

Again it is urged that the exemption in case of professional and personal earnings and business profits is put too low. I do not believe so. In the first place, while the terrible inequalities of tariff taxation, by
which are oppressed those whose daily earnings are mainly expended in
the necessaries of life, can hardly be exaggerated, this inequality lessens so
rapidly as expenditure for comforts, personal service, travel, and general
culture makes up a larger proportion of the total expenditure of a family
that it becomes comparatively slight in most cases where the income is as
high as $2,500. It must also be remembered that — since the exemption
is to be a standing one in all cases of greater income — the effect of even
a $2,500 ($1,250 net) exemption is incidentally to make the income tax
a most substantially graduated one, in favor of all except very large in-
comes, and thus to meet the argument urged even in cases of incomes
above $2,500. Again, one of the substantial advantages of direct taxation
is the intelligent and constant interest in the economy and efficiency of
government, thus stirred in the taxpayer. While there may be with us
none of that communism which would wantonly impose taxes because it
did not share them, the active interest that comes from direct contribu-
tion to government is not the less to be valued. On that ground alone I
believe it would be politic to refuse exemptions to invested capital, how-
ever petty, and a mistake to leave all those not substantially land owners or
capitalists, but enjoying a greater income than $2,500, so much less
vigilant in demanding economical administration as would be involved in
a more liberal exemption.

To those — and they are many — who urge that political expediency
invites to the exemptions rejected above, I have to answer that I have
faith enough in popular government to be confident that whatever is
best in the end is politically most expedient, and that such experience as I
have had has taught me that the wage earners and farmers of this country
have far more brains than guide those who rely upon appeals to their
prejudice, and are far too fair minded long to tolerate him who relies on
their selfishness.

I have purposely omitted discussion of how urgent at this time is the
embodiment into permanent law of this or any other plan of income taxa-
tion. The signs of the time indicate that sooner or later the question
will be rather as to the form which detail shall take, than as to the adop-
tion of some form of taxation designed to exact contributions in propor-
tion to ability to pay rather than inability to save. I have also avoided
entering upon the wide range of discussion involved in the suggestion of
compensations inevitably coming to wealth itself by the adoption of such
a system. They may be hinted at by noting that one of the coolest,
shrewdest, and most philanthropic of railroad investors and one of the
brightest and liberal-minded bankers both most successful and influen-
tial — have lately admitted to me that the value and security of corporate
investment would be so certainly enhanced by the adoption of any plan of taxation which would convince the people that those interested in them were contributing their fair share into the common chest of the community, that every reasonable scheme of income taxation should be seconded by every one interested either in a railroad or a bank—especially so if it is in a western or southern State.

I am not forgetful of considerations which, from the income to be assessed for taxation purposes, would exempt salaries, professional earnings and business profits. As above briefly suggested, however, I believe there is something to be said on the other side; and in this regard public education has assuredly not sufficiently advanced to make insistence upon this point other than an obstruction to any reform presently desired. Even without such exemption, those especially interested in it would be most benefited by any change from indirect to direct taxation; and in any case the writer hopes to be excused for omitting to press what would be his personal interest, while urging a general reform. It is to be hoped that the practical objections of those now opposed may be obviated in view of the apparent certainty that direct taxation is destined more and more largely to take the place of indirect taxation among us, as it has already done among the other most civilized nations of the world.

JOHN DE WITT WARNER.

No. 855 Fifth Avenue, November 23, 1896.

Dear Mr. Warner,—I have not been able until to-day to carefully read your income tax paper which you so kindly sent to me on the 13th instant. I distrust my competence to make such criticisms upon it as you ask of me. My hesitation would be less could I be quite certain that I correctly appreciate your premises of law and of fact from which our conclusions or influences are to be drawn. I can best indicate my doubts in that regard by a few inquiries, based on your letter to me and the first two pages of your paper.

1. Do you intend to cover by your plan all our taxation.—National and State,—or only National?

2. To what "circumstances," appearing since President Cleveland's recommendation of a tax on income from a few corporate investments, or since the enactment by Congress of an income tax, embracing a larger area, or since the recent decision of the Supreme Court that the enactment was in great part forbidden by the Constitution, do you refer as bringing now to the front a Federal income tax?
3. By the term "direct taxation," as used in your paper, and by the income tax there outlined, do you include the "tax" described in the fourth clause, ninth section and first article of the Constitution?

4. In the sense of that clause, what distinction do you make between a tax on land, a tax on income derived from the rent of the land, a tax on the rental value of land, and a tax on income from interest paid on government bonds?

5. Is the proposed income tax to be ultimately a single tax, exclusive of all other taxes?

6. Can the cessation of all property taxes, all taxes on consumption, all tariff duties and the making of New York a free port, be looked upon, at present, as within the range of politics and legislation?

7. Have you figures disclosing what is the annual expenditure of the State of New York, its cities, counties and towns, and what portion of the Federal expenditure is paid by the taxpayers in the State of New York?

8. Is the proposed income tax plan based on the belief that it will be expedient for the State and city of New York to defray their expenditures by a tax on incomes, and the Federal government, for its purposes, to tax again the same incomes?

9. It is generally conceded that Congress can not tax any instrumentality used by the State (as for example, municipal bonds), for preserving and carrying on its government. Is it one of the premises of your paper that as to an income tax, a feasible and safe boundary line can be drawn by Congress in a statute between a Federal instrumentality which the State can not tax, and a State instrumentality which Congress can not tax?

10. Do you maintain that indirect taxes, tariff taxes paid through the custom-houses by wage earners in the increased price of what they buy and consume, are not diffused so as to be paid in the end, in great part by capital? By the work of labor organizations, trades unions and all political parties do not, in our country, wage earners, through increased wages, shift, in prosperous times, indirect taxes from themselves upon employers? In our country will not capital really and finally bear by diffusion nearly all taxation, however levied primarily? What is your premises regarding the incidence of taxation?

11. Am I right in assuming that the general rule is that each one must bear an equal, just, proportionate share of public expenditure, that proportionate equality is the rule, that the taxing power is not to remedy inequality of opportunity, advantage, inheritance or pecuniary conditions, or to redistribute property, that a tax is to be solely for revenue,
that ability to pay or equality of sacrifice, in a sentimental sense, is not to be considered by the legislating to-day, that the rate is to be constant, and not progressive or varying, according to quantity of property or product?

12. As to exemptions, do you proceed on the ground that every one is, as a rule, to bear his equal and just share of taxes on incomes, earnings and profits, under a fixed and uniform rate, and that no exceptions or exemptions are to be made unless when the State would give alms or bestow aid to State supported objects? Also do you proceed on the theory that a large class of exemptions (say one or four thousand) will restrict an income tax to a class? Can any income tax be on that basis made equal as between labor and capital?

Of course, I do not wish you, unless you prefer it, to answer each question, and yet your replies would be very instructive and helpful for me—and I use the questions as the briefest way of indicating my doubts regarding the premises of some of your propositions. Believe me,

Sincerely yours,

PERRY BELMONT.

New York, November 24, 1896.

Hon. Perry Belmont, 835 Fifth Avenue, New York City:

Dear Mr. Belmont,—Opening your question box of 22d, I must respond thus hastily or risk indefinite delay.—though I fully appreciate that your way of replying is far more satisfactory, both as indicating your own views and suggesting just the points on which I should touch, than an ordinary letter of criticism and suggestion.

Referring by their numbers respectively to your several queries, I note:

1. My plan was not necessarily intended to cover all our taxation. It is proposed on the assumption that, should its principles and methods commend themselves to any extent in comparison with alternate plans necessary or in use to raise, or help raise, the aggregate of our taxation, it might be utilized to raise at least a part of our revenues—how large a part would be determined after experience had shown whether in comparison with other revenue resources public policy would dictate that its scope be extended or otherwise.

2. Our revenue deficit has of late brought to the front the whole subject of taxation; which would justify the reference to "circumstances." I may note, however, that the memorandum sent you is in reality of
vintage about 1893-4, coming across which, the other day, and it occurring to me that the subject might become a burning one, I had copies made, one of which was sent you.

3. I did mean to include in "direct taxation," the tax referred to at Constitution, article 1, section 9, clause 4.

4. I should not consider important in this regard any distinction between the several taxes to which you refer. The Constitution should be amended either to remove the limitation upon direct taxation or so to define it as to settle questions rather than raise them.

5. It had not occurred to me to suggest that the proposed "income tax" should be a single tax, exclusive of all other taxes. While each of these is subject to its peculiar objections, some of them, such as may be involved in excise, those on corporate franchises, and succession taxes, have much to commend them, even in comparison with the general plan of taxation proposed by me. If this letter were put into operation for the purpose of raising a limited amount of revenue, experiment could determine whether its operation was so comparatively free from hardship and injustice as to justify extending it so as to permit others to be abrogated.

6. Yes, I should say that such a plan as you propose might be looked upon at present as within the range of politics and legislation, but scarcely within the range of present politics or legislation in the near future.

7. I have had approximations of such figures, but they were from sources which did not permit me to consider them exact, were therefore only taken into consideration for the particular purpose for which I secured them, and have been both lost and forgotten. So far as concerns the proportion of Federal expenditure paid by taxpayers in the State of New York, I once attempted to arrive at this, but concluded that it was doubtful under our present system whether even an approximation could be reached.

8. I did not assume that it would be expedient for our State and Nation respectively to defray their expenditure by similar taxes. In the very nature of things excise and succession taxation, and in the main franchise taxation, would be exploited by the States.

9. The question of the right of Congress to tax the instruments of State government (for example, State or municipal bonds), is a hard one as our law now stands. In view, however, of our Federal law taxing State bank circulation, not to mention the encroachments on what was once believed to be the application of the principle you suggest, two suggestions are in order; first, that there is but little beneficent vitality left in the principle, and, second, that, if it is to be preserved at all, this
should be done by constitutional amendment so definitely stating it as to protect it from judicial invasion. This statement could be adjusted as well with reference to income taxation as to the other matters which make definition necessary; and, personally, I see no objection to subjecting income from State and municipal securities to the same taxation as that on the income of other funded property.

10. I have always believed that indirect taxes were, in the end, largely paid by capital; but have also believed that the real hardship of indirect taxation was even more in the burden involved in its method of collection than in the final incidence of any amount thereof finally gained by the Treasury. And I certainly do believe that the hardships of indirect taxation oppress much more, and more keenly those in poor or moderate circumstances than others more fortunate.

11. If your suggestion is as to a theory which, if practicable, might be commended, I make no objection. As a practical matter, no plan of taxation has ever been suggested that approached in practice the theory suggested. While the suggestion you make should be kept in mind, the real question is the practical one of how, with least interference with the liberty of individuals, least hardship upon those who, in the common interest, should be protected or encouraged, least waste and least obstruction to the prosperity of the Nation and the individual, and most effectively for the support of government, the requisite revenues can be raised. In the balancing of the evils involved in every plan which human ingenuity has suggested, I believe that the general one of which I have attempted to suggest details is least objectionable. While I appreciate that there are strong arguments to justify in theory progression in the rate of taxation according to quantity of property or product, it has always seemed to me that the weight of argument, even on theory alone, was against this; and in practice I should consider any attempt at progression as most dangerous playing with communistic fire; and excused only by such social conditions, or the inequalities of complemen tal methods of taxation, as would make gradation of income, etc., taxation necessary to satisfy the sense of justice of the masses — whose belief in the equality with which governmental burdens are distributed is the only guarantee for the safety of person or property. In other words, while progressive taxation seems approved elsewhere, both on theory and experience, I do not believe that conditions here are such as either to demand or justify it.

12. Answering this by reference to what I have noted under 11, I can only add that to my mind the question of exemption from tax is equally dangerous with that of gradation of tax, and I do not believe that
any petty inequalities or hardships would justify attempt to meet them by a scheme of exemptions. In other words, the only principle upon which any exemption whatever can in my opinion be conclusively defended is this, that the benefit to be derived by the general encouragement of a comparatively high standard of living involved in the exemption of incomes other than from invested capital to the extent of not to exceed say $1,000 per annum, would probably be greater than the possible benefit from the net revenue to be derived from those whom such an exemption would relieve; and while I believe that the necessary inequality of indirect taxation is such as to make compensation of the classes otherwise most unfairly burdened a really important matter, I should not wish to press this alone as justifying the exemptions in question—which, indeed, I should be glad to see fixed by a lower standard, but which, if limited by $1,000, as suggested, would, I believe, give little legitimate ground for exception.

I shall be glad to be favored with your suggestions to the fullest possible extent; and glad, in turn, to attempt to meet fully and fairly considerations suggested by you.

Sincerely,

JOHN DE WITT WARNER.

December 1, 1896.

Dear Mr. Warner,—Your letter of the 24th ult. unfolds a clearer view of your income tax project. I am unable to agree to its conclusions. Were I to write all my present impressions regarding it, this communication would be much too long. I can now mention only a few in the order of your answers to my inquiries:

I think the claim that the income tax is the most equitable of all taxes is true only when the tax is an exclusive tax. It is not suitable for our dual governments, State and Federal. It would be disastrous for New York if Congress and New York were both to tax the same income. It is not feasible for Congress to now tentatively try an income tax in association with other taxes and with duties on imports. Your statement that your proposed income tax is a direct tax, unconstitutional, unless apportioned among the States, will compel a constitutional amendment before its working can be tested. That reason makes the plan impracticable. Another constitutional impediment must also, as your reply discloses, be removed, which is the present inability of Congress to tax any instrumentality a State may employ to carry on its government, and of the State to tax any Federal instrumentality.
APPENDIX.

A State can not now tax greenbacks because they are a debt and a Federal instrumentality, nor can Congress tax the income of any investment in any enterprise, whether railroad, bank or trust company which a State may use to maintain its government. Congress can not define or describe in advance a practical line of division. If no division should exist, and Congress leave it free to tax a State instrumentality, or its income, then the existence of the State itself might be endangered.

Your project requires, I think, a more careful consideration of the enormous sum of State taxation in comparison with Federal taxation, in order that there may be caution in Federal invasion of the area and source of State taxes. My own clear present impression is that the Federal supply should come chiefly from the custom-houses and a few internal taxes on spirits, beer and tobacco, levied at the places where they are produced; thus leaving all other forms of taxes to be exploited by each State in its own way.

What you concede in regard to the final incidents of custom-house taxes cuts out by the roots the complaints that a tariff must be unjust to wage earners. Your belief that the real hardship of a tariff is in its "method" of collection seems to me to show that the collection of an income tax must be a greater hardship. I have never been able to understand why duties on imports, adequate for all needs, can not be arranged in schedules and collected without injustice to any one interest or class, and without unduly vexing the importer. A good tariff always has seemed to me to be only a question of the competence of the government at Washington.

I have not failed to think of what, in reference to my eleventh inquiry, you say of theory and practice in tax legislation, and what you add regarding that which you describe as the "real question." Your test of an ideal tax law appears to me vague. The allusions in that connection to "social conditions," "sense of justice of the masses," "high standards of living," might indicate that Congress has somehow the power in levying taxes to provide thereby for the welfare of individuals and classes, to increase thereby the rate of wages for wage earners as well as interest for money lenders, and thereby redistribute saving and property.

The theories that I have seen of large tax exemptions, of progressive income, succession and death taxes, and of protecting customs duties, are tainted with somewhat of that communism. Possibly our State governments are in a condition to try such plans, but the Federal government is not.

I have often wished that someone would point out the clause or clauses in the Federal Constitution that impart to Congress a power to lay taxes,
imposts, or duties, in order and with a primary motive to benefit individuals or classes.

Congress can tax, first, in order to pay the debts of the United States; second, to provide for the common defense of the United States, and third, to provide for the general welfare of the United States: to "provide for," means to "legislate for." Legislate for whose "welfare?" Not for individuals or classes, but for the "Government" of the United States. The pecuniary efficiency of the "Government" is to be the only object. Is not that so?

The clause is treated by socialism and communism as if it read to promote the general welfare of the people as individuals.

If the legitimate object of Congress is by taxes to aid individuals or classes, it can, by means of taxes and appropriations, transfer the property of one to another, and unlimited communism has, if that is so, been placed by the framers of the Constitution into the taxing power, which I do not believe.

It may be said that the first tariff law declared that "the encouragement of manufactures" was a legitimate object in levying tariff duties, but that is not the same as taxing solely to benefit individuals, as Mr. McKinley declared in the recent campaign he would do when he said we should tax arriving foreign articles, "sufficiently not only to supply revenue for the uses of the government, but sufficiently to protect the American people in their occupations." If Congress has power to lay an income tax to benefit individuals as distinct from the government, then why not do as Mr. McKinley seeks, to which I certainly can not agree. The Democratic platform of 1892, under which Mr. Cleveland and a Democratic Congress were elected, demanded tariff duties for revenue only limited to the necessities of the government. Even if that reversed former theories the voters certainly must be taken to have accepted and adopted it.

It seems to me that some of our Democratic friends are acting upon the theory that because the Civil War decided that a State can not revoke its consent to enter and remain in the Union, therefore, precedent constitutional restraints on the power of Congress have been obliterated. It is my conviction, subject always, of course, to correction by more inquiry, that income tax legislation and the attendant communistic arguments in favor of it were a potent cause of Democratic defeat in 1894, and Populistic ascendancy in the Chicago Convention.

In respect to greenbacks and the power of Congress to compel you to take more evidence of Government greenback debt in payment for a gold standard of value dollar debt, and in respect to an income tax the new
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Populism is only old Republicanism, and yet the Democracy of Madison, Jefferson and Jackson, and the Supreme Court during the first seventy years are now advised that it is expedient polities to throw overboard to the whale of the new Populism more Democratic principles. I shall not co-operate in that.

Very truly yours,

PERRY BELMONT.

New York, December 3, 1896.

Hon. Perry Belmont, 855 Fifth Avenue, New York City:

Dear Mr. Belmont.—In receipt yours of 1st, with comment upon my views as understood by you, I note:

I am unable to see why — if it be once admitted, as I understand is done by you, that an income tax would be the most equitable of all taxes were it an exclusive tax — it would be less so if administered through a dual government. If it would not be disastrous for a single government to levy upon incomes the whole of its taxation for all purposes I do not see why it would necessarily be disastrous for the two branches of the dual government each to tax the same incomes for that portion of the expenses of government which it must defray.

Nor do I see why it is not feasible for Congress to try an income tax in association with other taxes and with duties on imports. The experience of other governments seems to demonstrate that it is just in such association, and as experiments which experience has approved, that have been adopted the income taxes by which is raised so large a proportion of the revenue of Great Britain and other countries.

Nor can I admit that the necessity for constitutional amendment before its working can be tested makes a plan for an income tax impracticable. Should the idea of direct, including income, taxation approve itself, as I believe it will, to the American people, there is no reason why our Constitution should not so be amended as to permit it; and any movement in favor of trying the experiment would necessarily involve one for the constitutional amendment in question.

As to the mutual right, or disability, of the State and Federal Governments to tax the instrumentalities of each other, I not merely believe it a matter which should be settled or abandoned by proper amendment to the Constitution, but in the very instance which you note find examples of a tendency that way on the part of Congress. As to the rights of a

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State to tax greenbacks, you are mistaken as to the present status, that right having been expressly conferred by late act of Congress; while as to the right of Congress to tax the income of any investment, whether "railroad, bank or trust company" which a State may use to maintain its government, that was so drastically asserted by the 10 per cent. tax on State bank circulation that I think you will agree with me there is but little practical force left in the idea. And your thoughtful conclusion as to the danger of permitting mutual encroachment suggests rather the care with which limitations should be fixed than the possibility of carrying either of our dual governments to the full extent to which some of the principles upon which it depends might seem to carry it, were the effective working of the other not constantly to be assumed.

As to franchise on excise taxation, while I admit the force of the arguments against each, as well as of the considerations against regarding these as Federal prerogatives, I frankly admit the extent to which, in my opinion, by noninterference with productive industry and adjustment of their incidence so as to avoid hardship in any quarter, they are peculiarly eligible sources of revenue. And again, the very existence of a high tariff upon imported spirits, tobacco, etc., would suggest an equalizing excise upon spirits and tobacco manufactured here. Convinced, as I am, however, that direct taxation is far the most economical so far as concerns the proportion of return to treasury when compared with the burden imposed upon the community, I can not do otherwise than conclude that, directly in proportion as the needs of either State or Nation, or both, are great, the advantage of direct over indirect taxation increases in direct proportion. The greater the amount, therefore, needed by the State or Nation, or both, the stronger, in my mind, is the argument for doing away with indirect taxation and adopting the direct method. The one respect in which I have always recognized the advantage of customs taxes is in the extent to which they can be levied without petty administrative intervention by the Federal Government, with our citizens throughout the country. It would be hypocrisy for me, however, to urge this as an excuse for a customs taxation, by which the great bulk of our national revenue could not be raised without intolerable oppression of those least able to bear it, and which, in its practical working, is supplemented by Federal intermeddling to secure internal revenue, compared with which that involved in the assessment of an income tax would be far less offensive.

You mistake my concession as to the final incidence of customs-house taxation. By reference to my letter you will, I think, find that my admission merely went to that portion of customs-house taxation which
actually reached our treasury, but that I expressly suggested that the real hardship lay in the methods by which it was collected. In other words, what I meant to suggest was this — that, in my belief, for every dollar actually realized by our treasury in customs-house taxation, the wealth of this country was mulcted to as great an extent as would be the case were it taxed directly to raise an equal amount; but that, in view of the extent to which, by the methods of customs-house taxation, the burden imposed upon the people is out of proportion to the amount realized by Government, there was the additional factor to be accounted for, with the result that when all was taken into account, customs-house taxation does involve disproportionate burdens on that part of the community least able to bear them.

I differ so radically from your opinion that a "tariff adequate for all needs" could be arranged in schedules and collected without injustice that agreement to disagree is my only suggestion here. So far from a good tariff seeming to me "to be only a question of the competence of the Government at Washington," my own conviction is that proportionately as legislators approached competence to deal with the question they would be constantly still nearer to the realization of their inherent incapacity to undertake such a task. You are mistaken in thinking that I believe Congress should so levy taxes as to provide for the welfare of individuals, or to increase the rate of wages or of interest; but I promptly confess to a conviction that by repealing unjust taxation Congress might secure the welfare of individuals and the rate of wages and of interest against the unfair attacks which, by the legislation now in force, are successfully made against them. And to the extent that, by legislation already had, our prosperity has been unfairly distributed I should be willing and glad to see such redistribution as might come from the operation of natural conditions secured by just law.

I appreciate the repugnance, which I share, with which you view the growth of communism about us. In my view, however, this is so largely, if not exclusively, a consequence of paternalism, and a reaction against its results in helping the few at the expense of the many, that it can be successfully met only by such proffer of justice toward all as shall leave no excuse for the many to insist upon a division, direct or indirect, of the wealth, any portion of which has been wrongfully diverted by law from the majority of our citizens to the aggrandizement of those who control legislation.

You have misunderstood my allusions to conditions which elsewhere might excuse legislation that, in my opinion, is not called for and would be unfortunate here, I had in mind the extent to which, in other
countries, positive law, or social or military regulations which have theorce of law, guarantee special privileges to those of birth or rank without
reference to deserts or ability. I think you will agree with me that, in
such cases, any class which is given exceptional favor or opportunity
should be willing to be taxed in like disproportion, and I am sure you will
agree with me in what I had intended to suggest — that, conditions being
otherwise in our country, justice did not require here any such com-
 pensation as, for example, by graduation in income taxation was else-
where conceded. I agree with you that the pecuniary efficiency of our
government is, under our system, the only legitimate object for taxation.
That is the reason why I am in favor of an income tax, the incidence of
which is more directly fair than any other of which I am aware and
the returns to government from which are most nearly equivalent to the
aggregate of its burdens. And it is just because that I believe a tariff
tax is unfair in its incidence and burdensome upon the people at large
out of all proportion to returns to the treasury that I am opposed to it —
this though I cheerfully admit that such customs taxation as I believe you
to favor would be much less unfair and burdensome than any which we
have of late exploited.

You must excuse me for attaching little weight to any argument as to
what "voters must be taken to have accepted and adopted," drawn from
the events of 1892. In the face of recent events it is clear, not merely
that what they demand and believe now is of infinitely greater impor-
tance, but that they are deeply interested in problems of which our 1892
platform gave no suggestion.

So far am I from concurring in your conclusion as to the cause of
Democratic defeat in 1894, and the populistic wave from which we have
but just emerged, that I have personally no doubt whatever that the first
was directly due to the failure more fully to carry into effect the conv-
ictions of the Democratic masses against tariff exactions and in favor
of direct taxation; and that, if there was any one thing more than another
that assured populistic ascendency in the Chicago Convention, it was the
fact and the circumstances of the Supreme Court's action upon the
income tax — the circumstances, perhaps, fully as much as the fact.

You, of course, appreciate that in yoking together as consistent rather
than antagonistic, the principle of direct taxation and that of legal tender,
we radically differ. To me the two principles are so antagonistic, in prin-
ciple and effect, that in favoring the one I believe lies the most effective
opposition to the other.

Sincerely,

JOHN DE WITT WARNER.
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