
FREE COINAGE IN MEXICO.

A FEW days ago, while in the mint at the City of Mexico, I stopped to look at the final balances in which the Mexican silver dollar is weighed before it is turned loose upon the public. In one side of these balances is placed the weight the equal of which the silver dollar must contain ; in the other, the dollar is placed. If they balance, the dollar is pronounced ready for circulation. If the dollar is lighter than the weight, it is cast aside.

I stopped the weigher for a moment, begging him to test the weight of a United States silver dollar by his balances. The United States dollar went up. It was lighter than the weight in the other side of the balances. It contained less silver than the Mexican dollar. A few minutes later, I went into a restaurant. The price of my dinner was just a dollar. I handed the cashier the United States silver dollar. He gave me back in change a Mexican silver dollar. Because of the difference, therefore, between the stamp of the United States and of the Republic of Mexico, I received a larger dollar than I gave and got my dinner besides.

This simple illustration is conclusive proof that the United States silver dollar, but for the stamp which gives it a fictitious value, is worth only half a dollar. The friends of free and unlimited coinage at the ratio of sixteen to one claim that the United States Government is so very rich and powerful that it can sustain, in unlimited number, this kind of dollar. The United States Government *is* very rich and powerful. It is so rich and powerful that it is now sustaining over four hundred and nineteen millions of standard silver dollars, more than one hundred and twenty-seven millions of uncoined bullion represented by treasury notes, and nearly seventy-seven million of subsidiary silver—making a total stock of silver of six hundred and twenty-four millions—which, without its stamp guaranteeing redemption, would be worth but fifty cents on the dollar. Suppose, though, that it tried to sustain at par an unlimited number of such dollars. It would be only a question of time when the great United States Government would be ready for the hands of a receiver. Its dollars would then be worth by comparison with gold, like the Mexican dollars, only half a dollar each.

Revert for a moment to the mint at the City of Mexico. If the United States should declare for free coinage, does any one think that this mint would coin any more dollars than the necessities of trade absolutely required? Certainly not. A large number of the fifty thousand dollars that it is now daily coining would be sent for coinage to the United States mints and would double their value at the United States' expense. The other mints in Mexico would also suspend, and the silver bullion that they are coining would be sent to the United States for coinage. Very few of the fifty million dollars now in circulation in Mexico would be spent in their present form. Practically every dollar bearing the Mexican stamp would be sent up to secure the stamp of the United States. The thirty odd million dollars' worth of silver bullion that is annually exported from Mexico would be sent to the mints of the United States to await coinage at double its present value. The United States would also have the pleasure of trying to coin seventeen million dollars' worth of silver bullion annually produced by Australasia, seven million dollars' worth produced by Germany, fifteen million dollars' worth produced by Bolivia, nearly three million dollars' worth produced by our friends the Chilians, and hoarded silver from every quarter. To coin all this bullion would be impossible. But enough would be coined to bring us to a silver basis, and this evil would be intensely aggravated by the scramble of the world's nations for precedence at the United States mints.

The condition of silver in Mexico is rendered worse by the fluctuations in its value. At Laredo, Tex., just across the Rio Grande from Mexico, I went into the "Bank of Laredo" to exchange United States for Mexican money. The cashier gave me eighty-eight cents premium. Another bank near by gave me ninety cents premium. The depot agent gave me ninety-two cents premium. The keeper of a lemonade stand received Mexican money at fifty per cent. discount; that is, when I gave him a Mexican dollar for a fifteen-cents glass of lemonade, he gave me back thirty-five cents in change—valuing my Mexican dollar at fifty cents, and pricing his lemonade in United States money. Many stores in Laredo and the eating-houses across the river in Mexico very cheerfully exchanged Mexican money for United States money at the rate of two for one. Mexican money is quoted in the market like wheat, or cotton, or sugar. It may go up any day or it may go down—most likely down. It is very noticeable, too, that when the price of money decreases, the price of products increases. The simplest illustration of this is in the eating-houses. In Texas, meals at the dining stations are fifty cents in United States money. Cross the Rio Grande into Mexico and the price of a dinner becomes a dollar. Cheap money also produces extravagance. When a dollar is worth but half a dollar, one spends it three times as quickly as when it is worth a dollar. A United States wit who was visiting Mexico said he never made money so fast as he made it there, because every time he spent a dollar he made a half. Acting on this idea, he struck the Mexican Monte Carlo and came away broke.

It is perfectly clear that the masses of Mexico—the laboring people—suffer most from their depreciated currency. They are never paid off in anything else. They never buy with anything else. The premium on good money over bad never comes to them. They pay premiums. They never get them. The exporters of Mexico who send abroad coffee, tea, hemp, hides, henequin, and tobacco get paid in foreign money, and make profits accordingly. The laborers who cultivate these products are paid in Mexican silver. And these laborers get a miserable pittance by comparison with the

wages paid the laborers of the United States. The question of wages in Mexico was very ably discussed by Mr. Matias Romero, Mexico's excellent Minister to the United States, in the *NORTH AMERICAN REVIEW* of January, 1892. According to Mr. Romero the minimum wages per day paid to laborers in the State of Hidalgo was twelve and a half cents; the maximum, thirty-seven and a half cents; the average, twenty-five cents. The State of Mexico, which adjoins the district in which the City of Mexico is located, duplicated the wages of Hidalgo. The minimum for the State of San Luis Potosi, one of the best known in the republic, was eighteen and three-fourths cents; the maximum twenty-five cents; the average twenty-two and one-fourth cents. The State of Sonora, where wages are considerably higher than in any other, paid a minimum of thirty cents a day; a maximum of a dollar a day; an average of sixty-five cents. The general average of all the States, according to Mr. Romero's table, shows a minimum of twenty-three and a half cents; a maximum of fifty cents; an average of thirty-six cents. These wages, remember, are paid in Mexican money, which is worth only half as much as United States money. This condition does not suggest any reason why the laboring people should demand free coinage of silver.

All friends of silver regret its depreciation in value. But in considering the policy which the United States should pursue in regard to it, we must face "a condition and not a theory." The leading countries of the world have quit coining silver. We cannot undertake to coin their silver for them.

The greatest reason for the reduction in the price of the metal is the increase in its production. In 1873 the world's production of silver was estimated at \$81,800,000. In 1892 it was estimated at \$196,605,000. This shows an increase in annual supply in twenty years of over 140 per cent. An increase in production of 140 per cent. is a very fair reason for a decrease in market value of 100 per cent. The growth in population, to be sure, has tended to increase the demand for silver, but this has been offset by modern facilities for doing business by means of checks, railroads, and telegraph wires.

All earnest bimetallicists are anxious for the day when silver can be circulated around the world, at a reasonable ratio, on a parity with gold. It is fortunate that the United States now recognizes bimetallicism by circulating over \$600,000,000 in silver and notes representing it. Not a dollar of this \$600,000,000 is demonetized. Every dollar of it, by the friendliness of the Government, circulates at par just as well as if it contained a dollar's worth of silver instead of fifty cents' worth. But the United States cannot carry this kind of dollar in unlimited number.

When the balance of the world will join with us in recognizing silver currency as equal to gold, when a ratio can be so adjusted that we can keep silver in unlimited quantity on a parity with gold, or when any safeguards of legislation shall insure this parity—that moment our mints should be opened to the free and unlimited coinage of silver. It now appears that the shortest road to this much desired consummation is by the coöperation of the leading nations of the world—a coöperation that will result from reduced restrictions upon trade and consequent increase of international commerce. The longest and most difficult road would be by following the plan of Hon. Thomas B. Reed in seeking to couple the evil of free coinage under present conditions with the greater evil of protection.

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