A Lecture on Industrial Economy.

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In order to establish industrial economy, there must be government—a power to maintain justice and secure order. The cardinal idea is: that every man shall be assured of the benefit of his own endeavors. As civilization has advanced in the world, the necessity of government to secure industry, has been more deeply impressed on the minds of men. It is not necessary at this time to consider the reason for this, but to look at the practice that has prevailed. The plea for government is: justice and order.

Among all nations there is a governing class, who hold authority, enact and execute laws and regulations for the people. Under the forms of monarchy, oligarchy, aristocracy and democracy, there is always found in some form this governing class: and as a rule, they have shown a disposition to largely administer the government for the benefit of their own class, with but partial regard to the interests and rights of others. Looking back a few centuries, we see the governing class a small minority, who by their intelligence and power of combination, were able to control the large majority of the people, and so secure to themselves and their class an undue share in the product of the industry of the nation. This may have been done under the plea of securing order, though justice was largely lost sight of. The methods pursued were often indiscreet, and made under pretense of securing the public good. In consequence of this policy, the mass of the people suffered more or less oppression. The laborer was compelled to share the product of his earnings with his oppressor. Through the want of intelligence, the laborer did not appreciate the injustice he suffered, and could not see the strong bond of interest that nerved and guided the ruling class, who were supported by the habits and prejudices of ages.

As time rolled on, there was an occasional flash of intelligence that raised remonstrance to the wrongs that existed. At times these produced commotion that soon yielded to the power of government, and all went on again in the class interest. But repeated strokes compelled a listening ear and soon relief was had. From the fitful action of the zealous, but ill-informed, the subject attracted the attention of wise and upright men, who were able to show the injustice of the governing class, and to maintain that the true policy of government was found in measures for securing equal rights and privileges to every man. This they called civil liberty. The principle has made considerable progress in what is known as the civilized world. Its progress has often been impeded by unwise counsels.

The people from their experience of the power of government, have sometimes claimed the government should take measures to provide for their support. This idea largely prevailed in the struggle of the

French people to establish freedom. The French did not see that the proper object of government was to protect all men equally in the pursuit of such industry and enterprise as they might regard best for their own interests, leaving each man to judge for himself, while he was secured in the full results of his own endeavors.

The government has nothing to give, except what they obtain through taxes, and if one class is favored it must be at the expense of other classes, and it is the very object of civil liberty to grant nothing to one class that is not enjoyed by all. To waive this principle would be to go back to the old class system. We have a notable example of this in our revolutionary struggle. The English government at that time, endeavored to make our industry subservient to their interest—a measure the colonies successfully resisted and were able to establish the system of civil liberty we now enjoy. I think we may say no large nation now enjoys it in as high a degree as we do.

The grand principle of civil liberty is, to maintain individual right, and allow no class favors. So far as we seek to establish class favors we depart from civil liberty. Its legitimate scope and purpose is; to hold the shield of justice and order over every man, so as to secure him in the full enjoyment of his powers, to do the best he can for his own well-being.

Under civil liberty the government is charged with the duty of maintaining justice and of providing for defence against a foreign enemy, and to subdue domestic disorder. Without this, no industry could be successfully and justly prosecuted. It is also the duty of all civilized governments to provide a medium of exchange, or the money of commerce. No doubt there are other duties, but these as connected with industry form the basis of government under civil liberty, and no measure can be permitted that is not clearly of so general application, as in no way to be chargeable to a class interest.

It is important to keep distinctly in view that civil liberty does not propose the government shall interfere with the personal pursuits of men in any respect, so long as they do not interfere with the rights of others. While civil liberty secures to every man his rights and privileges, it does not provide for his support; but, with the great privileges it confers, it holds the man to the responsibility of providing for his own well-being. Any other view throws us back to the old class system of government, and when this is adopted there is, in the same degree, restriction of civil liberty. This does not exclude the charity provision that may be made for those who by untoward circumstances have become unable to provide for themselves. This is a mere duty of humanity, justly chargeable on the whole people.

The people under civil liberty should be ever jealous of any subsidy, even though it may be presented with plausible arguments, and claimed to be for the public good. Any measure of this kind will certainly be a precedent, and though the first step may be a very slight departure, it will sustain the next. So, from step to step, the shades of difference may be small, until the departure will raise up a class interest which will control the policy of the government. It is a plausible, but very erroneous idea, that government should do something to aid industry. They should, indeed, secure justice and order, and so execute the functions of government, that all industries would be equally and fully protected in their

operations. Those in charge of public duties should be held to a strict account, selected for their known ablilities for the work assigned them, same as men are selected for any business. It must be kept strictly in view: that individual skill and enterprise is the best reliance to give strength to every branch of industry, and the only function of government in this respect is to secure to every man the just results of his own endeavors.

We must have civil liberty under institutional law, or, a more or less class government. The latter has most prevailed in the world, and many claim, no other is practicable in the present condition of mankind. That the mass of any people have not the intelligence to maintain civil liberty, and finally the intelligent class will come into control and establish government on the class basis. No doubt the maintenance of civil liberty demands an intelligent, upright and watchful people. Shall we confess we do not possess these qualifications in a sufficient degree? I am not prepared for this, and though there are people among us that disturb our confidence, there is too much good sense to yield our privileges, and take the risk of anarchy, despotism or what is called a strong government.

We cannot be indifferent to the nature of our government, for in all ages the government of a country has had large influence on the industry and happiness of its people. Therefore, we are to consider carefully the kind of government that will most promote our happiness. Liberty is not unrestrained license, but justice reduced to order. It means no class favor, but the equal rights of every man to conduct his affairs as he may judge best for himself, doing no wrong to others.

It would be vain to suppose or to flatter ourselves this principle will maintain itself. The honors and emoluments of governments have always been a strong temptation for selfish men not to work for a just salary that may be adequate to the labor and responsibility of the duty required; on the contrary, there will be those who will be continually managing to obtain places of trust, the duties of which they do not intend to fulfil, except so far as they can make them subservient to their own interest. We cannot escape this influence, and we may expect it will be exerted as far as practicable to undermine civil liberty. The remedy is in the intelligence and watchfulness of the people. As a body, the people are interested in good government; it is indispensable they give it such attention as will secure it in its integrity; allow no plea for subsidy or extravagance to undermine its foundation.

Civil liberty and religious freedom have engaged the noblest minds of ages. Good progress has been made, and we have the most favorable position of any nation to hold what we have, and to strengthen its foundation. It is the great principle of individual right secured to every man.

It is not material in the discussion of this question what class may be proposed to favor. The class most likely to disturb our institutions is the working class, or rather the poor and less informed of this class, who naturally excite sympathetic regard. And this is the very class that civil liberty most effectually protects, and to which it affords the most promising means for the alleviation of the ills they may realize, and they should be the most earnest in resisting every form of class interest in government. It should be kept steadily in mind: that a class interest of any kind which ignores the rights of other classes, is sure to be guided by ambitious men

to the destruction of civil liberty, on which the true progress of civilized industry depends. No intelligent working man can fail to see the highest interest to his industry is found in the firm establishment of civil liberty, under which he has full scope for his powers, and the satisfaction of knowing his industry and prudence will not be diverted to the benefit of another class.

So long as human nature is what it is, there will be classes in society, and all that can possibly be done by the best government is, to maintain impartial justice to all classes, leaving each and all to do the best they may be able by their own industry and prudence.

The more intelligent classes will usually work by indirect methods, and aim to satisfy the public of their measures, while they aim to secure for themselves and class special privileges. These are equally at war with civil liberty. It is of great importance to all that appreciate and value the just rights of men, to resist every subsidy to any class that taxes the public industry for a class benefit.

God said: "I know Abraham, my servant, that he will command his children and his household after him, to keep the way of the Lord to *do justice and judgment.*" This is the basis of civil liberty. Justice and judgment is here understood to be the forming of just laws and the impartial execution of the laws. We have here an epitome of civil liberty. Let it be carefully studied.

For over a century our country has enjoyed in an eminent degree the blessings of civil liberty, and though all have possessed the equal rights and privileges it confers, we see that all men are not equal in condition. Some men have acquired large estates; others, and many more, have secured very comfortable property, and a third class have only small or no means at all. Probably nine-tenths of the whole entered on the stage of personal responsibility, with little or no means beyond their skill and power of labor. How is it they have reached conditions so different? There is no doubt some difference in the capacity and education of men; but this hardly accounts for the great difference in their development in the conduct of affairs. That which pertains to manual power and skill in manipulation will no doubt form a partial solution; difference in executive ability will afford a further and important item in the solution. Political economists have largely elaborated the subject, but there remains a wide difference

In this country, where no entail secures property in the families of a class, there can be no great or long continued estate, as division at the death of the owner must be made, and very few are so large as to appear of consequence after one or two, or at most three generations. Extraordinary skill, great executive ability and the adventitious rise in the value of property, have thrown into some hands very large wealth; but these cases are comparatively very few. Most of the number we call our wealthy men, have so many divisors to part up and gather their estates after death, that no one can take the rank of the deceased, and rarely any one of his heirs will possess the ability he had exercised in obtaining it.

Our experience under civil liberty has shown that we have our wealth more diffused than it is in any other country. The capitalists of this generation were for the most part the laborers of the last generation. Still we have not reached the full solution of this

question. Difference in natural and acquired ability does not account for all we see.

While civil liberty under institutional law puts all men on an equality as to rights and privileges, it cannot make them equal in pendence. Some men will make the most of their opportunities, others will not. No government action can remedy this. It must be left to each man to improve his condition as he prefers. The man is an individual, and on each one rest the right and responsibility of personal choice, as to the manner he will exercise his powers, and with this the responsibility of providing for his own wants. It is sometimes said of a man: "the world owes him a living." This is a mischievous error. It is only when a criminal, a pauper or a beggar, that the world or the government makes any provision for his support.

As before stated, political economists have not solved this question. Some have dealt with it very soberly and honestly, and fairly pointed out the moral lesson as the one to be relied upon; but at same time manifest small hope of this kind of improvement. The more sentimental dwell on the condition of labor in a doleful strain —deprecate its hardships and drudgery, and endeavor to lay the fault on some oppressive party. If labor is a hardship, it is one that must be borne by most men under civil liberty. When no entail or subsidy prevails, there are only few men who obtain their support without either manual or mental labor. As to the hardships of labor, it may be doubted if regular labor is a greater hardship than the vacant want of it, in a man who has to contrive in the morning in what way he shall occupy himself through the day. In any event there is no escape from labor. We cannot grow a crop of corn merely by an act of congress—the ground must be cultivated if we desire corn. As to the the drudgery of labor, it depends very much on the energy of the laborer. To labor pleasantly a man must feel an interest in his work—either in the perfection and volume of the work itself, or in the benefit he sees in the results. When these are combined in an intelligent degree most labor is a happiness instead of a drudgery.

Industry is necessary to procure the articles we need—as food, clothing and shelter. Civilized labor produces these in far greater abundance, and in better quality, than can be obtained by untutored or barbarous men. Civilized labor requires capital to provide tools, machinery, power and materials for fabrication. There are many arts that require a comparatively small amount of capital; others a large amount. It is a matter of great importance in considering any industry, that there should be sufficient capital to carry forward and maintain its operations. The French economist, "About," after showing the small power of uncivilized labor, and the progress of improvement as better tools are provided, says: "Capital is the instrument civilization has put in the hands of labor."

Property is wanted—first, to supply present wants—second, as a store laid up for use when infirmity or age will have impaired the power to labor—and third, as a stock in trade to increase the power of production. In the first case, the laborer appropriates so much of his earnings as will meet his necessary wants. In this, if wise, he will consider what he can save from his earnings, in order to provide for his future support, and how far this may be done, to provide the capital that may be useful in giving greater efficiency

to his industry. What is laid by in the second place, is termed capital, and constitutes a basis for income. This capital is merely accumulated savings from labor, not needed for present use, but reserved for the future. In the third case, it is also earnings laid aside to be used to improve the efficiency of labor. These savings become capital to provide tools and stock in trade, and is also the reserved earnings of labor. This capital obtained by labor, is converted into an instrument of labor, same as any improved tool, gives greater ease in operation and more abundant product. In these three objects we see the motive that induces men to acquire property, or, as it is in the second and third cases, capital.

As before stated, the large majority of men, on coming to the age of personal responsibility, have little or no inheritance from the saved labor of their predecessors, and must depend on their own savings to provide for improvement in their own affairs. Some regard this as a hardship, and feel it a misfortune they are not better provided for. If a man has been properly educated in the responsibilities of life, and has no resource to look to from the labors of his predecessors, he is more likely to succeed than one who has never known want. So far as my observation of men has enabled me to judge, the men who had no other resource than their own efforts, have manifested the greatest energy, and secured the best success. The limits of this paper will not allow me to dwell more on this point.

Civil liberty puts all men on a par, and bids each do the best he can for himself. No one is to expect from government any thing but justice and order, with such incidental and proper benefit as may be secured to all. While every man has his rights equally with all others, he is at same time responsible for his own well-being. This is not only just, but lays the best possible basis for individual progress that can be laid by government.

The question recurs: "Why do we find so great disparity in the condition of men?" In what has been noted we do not find a full solution. Experience shows us, there are two classes among those regarded as equally able and skillful in work, who elect to pursue different lines of proceeding. They both know their industry is their stock in trade. One class will pursue this with a pleasure in the beauty and volume of their work, which relieves toil and gives them enjoyment in the work itself. They have a pride in doing well their part, and thus enjoy the approval of their patrons, and satisfy their own sense of dignity. The great advantage of this is, to give contentment in their occupation, and thereby wean from their thoughts the desire for amusements, which consume time and waste earnings. These have acquired a knowledge of their occupation, with the distinct impression their industry is the basis of their success in life, and their minds rest on the importance of so performing their work, as will commend them to the patronage of those who need their services or wares. In any large industry this class will furnish the candidates for promotion.

We now come to the next consideration operating on this class, which may be considered the governing one, namely: The disposition to be made of their earnings. Like all men they have present wants that must be provided for. Realizing the need of some property, they are careful in their current expenses, in order to secure a saving for future use. At first this may be small and not appear to others or themselves of great importance. But patient

perseverance will continually add, and they see the value of these small aggregations as they swell into hundreds and thousands. This gives them the character of thrifty men. They are careful not to assume any pecuniary responsibility beyond their ability to discharge it, and never such as will impair ability to save. This is the benefit that results to the workingman from civil liberty, and is the way, for the most part, capitalists are made. This class have the moral energy to deny a present desire, where a future and greater good may be obtained by such denial. It is the great characteristic of civilization, as contrasted with the habits of savage life.

Though with pain, it must be admitted, there is also the following class: These are able and skillful workmen, and command the same rate of wages as those just described. But they have in general less love of their work, and pursue it mainly for the earnings they obtain. On this account their work at times becomes irksome, and they are restless for some amusement as a recreation, and are ready to suspend work for such amusement. This involves loss of time and expenses. But this is not all, for amusement begets a fondness for dissipation that occupies the thoughts, and impairs the efficiency of their regular work. A cardinal evil in this is: its tendency to create an undue appetite for present indulgence. If a man is ready to sacrifice his time in order to gratify his taste for amusement, he is very likely to so far sacrifice his earnings for this and other unnecessary objects, that he has nothing left for savings. His idea of life is to enjoy his means on current gratification, not having such impression of the future as to forego present indulgence. Excellent workmen are often found in this class. Their essential characteristic is: a desire for the present, in disregard for the future. They take little thought of the day, when by infirmity or age their power of labor will be curtailed or lost. Under civil liberty they have the right to the course they elect to pursue, and are justly entitled to its results. It is for every young man to consider which course will best promote his happiness. Civil liberty secures to each class the choice they will pursue. It would be manifestly unjust for the class that consumed as they earned, to call on those who denied themselves the same gratification, and adopted the process of saving, and claim division after they have wasted their own.

It is often said, wages are so small there is nothing to be saved over expenses. It must be understood, I begin with a young man, and I have known farm laborers to rise by saving from their earnings until they owned and worked their own farms. Then surely a skilled laborer can provide for himself. This whole subject resolves itself into the question of self-control. It is the same for the man occupied in manual as for those in mental labor. No man rises in a pecuniary condition that expends all his earnings on current gratification.

Here we see men standing on the same platform secured by civil liberty in the results of their choice, adopt quite different methods, and reach results that are the legitimate outgrowth of their own proceedings. This is a matter the government cannot regulate—it grows out of the necessity that civil liberty must treat men as individuals—maintain justice to all, special favors to none. Under this principle we have made good progress as a nation. We have reached this result, and our wealth is more diffused than in any other country. No system of government has been so beneficial to

the workingman as ours. All we have to do is to make a wise use of our powers as men.

The saving class do not all reach equal success. Difference in ability and the varied circumstances of life and education produce different degrees of success; some make large wealth, while the great mass of the thrifty class only reach a condition of comfortable support. Time does not allow for the discussion of the causes of this difference, nor is it important, as the main object is to show, that whatever difference there is, it cannot be attributed to the principles of our government.

It is not claimed our government has always been conducted on the strict principle of civil liberty; some departure has been made, which I may briefly notice hereafter. The departure has not so impaired individual rights as to affect my argument, and it will be corrected when the errors are clearly seen by the people.

Complaint is made against capital, that is: the men who have property. No one can doubt property is an aid to labor in production. The value of property in the affairs of men is the very reason why men practice abstinence or saving in order to accumulate it. It is mainly acquired by savings from the earnings of labor. If a man inherit property, it is the same—we only go back to the labor of his predecessor. If property was not secured to the owners, it would not be acquired, and our civilization would be at an end. But, it is said, capitalists are oppressors and demand a larger share for the use of their capital than it is worth. This only shows that every man should make greater effort to secure a thing of so great value, especially so far as to provide for his own wants. Capital, like everything of value, will only command what it is worth. So long as it cannot be denied, capital is an indispensible instrument in production, it is clearly the interest of all producers it should be abundant—that being the condition that makes it cheap.

There are many industries that may be carried on by an individual with such amount of capital as any prudent young man may acquire in a few years; other industries, by a partnership of two or three, putting their means together and doing their own work. Larger industries may be conducted by any number of workmen combining in a joint stock company under corporate laws. In all these cases our institutional laws make adequate provision. All there is needed is the industry, uprightness and the intelligeuce of the men. No doubt, as we rise in the scale of civilization, these several methods will provide for the greater part, if not for all our industries.

At the present time however, onr industries are largely dependent on the capital of men who have no expert knowledge of the work, and go into them with a view to obtain income from the investment. These must have workmen, and can only obtain them by paying the market price of labor. They must pay such wages as it may be the interest of the workmen to accept. So long as the latter have not the capital to conduct their industry on their own account, this is a large and valuable field for their employment. A field on which any industrious and prudent man may thrive These are all advantages secured to the working man under the institution of civil liberty. It is the best the world has known for any man, and especially for the working man. It puts every man on his individual rights to make the best use of his powers to promote his own happiness.

It is replied to this, that notwithstanding civil liberty has done so much, there are large numbers who do not have the moral power to improve the privilege, and are thrown dependent on society. It is properly claimed, this evil should be corrected if possible. Noticing sundry philanthropic propositions, I do not see any practicable remedy suggested. They often charge the blame on capital. No doubt capitalists, as other men, do wrong, especially when they do not do as they agree, or when they treat their men in a rude or otherwise oppressive manner. It is said the capitalists do not consider that the low wages they sometimes pay, are inadequate to the support of their men. This charge, often made, is a very indefinite one. No doubt they must pay their men the market rate of wages, and if they pay more will not long obtain the cost of their goods, and must close their mills. The idea of regulating the matter by the law of demand and supply is often referred to as a severe and unjust rule. But I have seen no other practical method of adjusting this, or the price of goods on which the labor was bestowed. In fact any other would defeat individual right, and break up any party that should attempt it.

I yield to none, as favoring the idea that men should, in all cases, pay their engagements, and treat their fellows with kind consideration, doing them a favor or kindness when they may be able, and even making personal sacrifices on suitable occasion. Any man who successfully conducts an industry, may be kind and even liberal at times; but he cannot forget the cardinal object of his enterprise, by neglecting the market he works for. I have looked at this subject with care and sympathy, and feel bound to state what I consider the truth, that the difficulty is a moral one. It cannot be corrected by any government proceeding, without destroying civil liberty—the very thing most valuable to the workingman, and which has enabled great numbers who had the moral nerve to improve its advantages to raise themselves to conditions of independence.

It is the moral sense that makes the difference in the condition of men. This term is not used simply as relating to uprightness or honesty—though this is cardinal in itself; but to that capacity of mind that gives the power of self-control, by which a man may wisely consider the emergencies that surround him, and judge of the value of present desire, as related to future good. This is a matter for every man to consider for himself. It is the essence of his individuality, and no government can invade this right, and its necessary responsibility, without impairing the principle of civil liberty.

There are theories afloat claiming the government should make special provision for men who do not find employment. No doubt they should extend aid of charity for the relief of such as from any circumstances may be unable to provide for their own support. This is a dictate of humanity. But what is this to the recipient? A mere charity to save from actual suffering—a resource any free-born American, having the power of labor, should despise. These theorists would establish a class favored beyond that of other men—a principle at war with civil liberty. If the government set to work on this theory, no man can estimate the corruption which would follow in the wake of their proceedings. If we value civil liberty we must resist this and all other subsidies.

We must not forget, civil liberty implies that every man has the right to his own labor and enterprise, and is secured in his own earn-

ings, and held to the responsibility of providing for his own support, leaving him free to devote his earnings to present indulgence or make a discreet saving for future use. It is the highest position reached by any government, and affords the best possible field for individual endeavors. It maintains the right of the individual man as against the combination of class interests. It has been the struggle of ages, and is nowhere established so firmly as in this nation. I desire to impress this view on every young man, so he may see he has the full right and privilege of exercising his natural powers for his own well-being, assured he will have the benefit of his own earnings. But he must bear in mind manual and mental labor will be effective only so far as he may be capable of self-control. This last is a cardinal principle of civilization, and, unless by some rare accident, no man rises to personal independence without it.

As I have intimated, our government has not fully maintained the principle of civil liberty. We have strayed somewhat into the region of class favors. There is time only for general notice of these, which I do in order to put you on your guard against those plausible but erroneous measures, that, while claiming to be for the public good, undermine civil liberty. All subsidies, of every kind, proposing favors to one class at the expense of other classes, are of this character. These will always be presented under the plea of public good, though it be manifest they would make no progress if there was not a party that expected special benefits. They will only be presented and urged by an interested party, while the great public who are to be taxed, are not in a situation to understand the object, or to resist its enactment. Usually a subsidy begins with so small a favor, the public do not see its significance. The entering wedge is small and sharp, and when once entered, it will find auxiliaries to aid in driving it further, until it will be difficult to withdraw it.

I have aimed to show civil liberty is the workingman's friend, and the best principle in government he can possibly have. With this he has the right and privilege of exercising his individual powers for his own benefit, and it is of the utmost importance to him that the principle be maintained in its integrity. This can only be done by vigilantly watching and resisting every effort that may tend to undermine it, even by the proffer of individual favor to one's self.

Let it be distinctly understood. A subsidy is any favor granted by government to one man, or class of men, not equally enjoyed by all other classes, and which implies a tax on the unfavored classes to provide for the favor granted. This is manifest from the fact the government has nothing to grant, except what it gathers by taxes, and of necessity the favor can only be bestowed by taxing the non-favored classes.

There has been, and probably will continue to be, great pertinacity in pressing for government subsidies of one kind and another. The most specious arguments will be put forward to blind the public in relation to their true character, and these will be aided by local and special interests in order to carry them through Congress. Connected as this subsidy-interest naturally will be with the spoils-system in politics; it is a most dangerous, if not the most dangerous enemy to civil liberty.

I am a little puzzled when I speak of workingmen as a class. The fact is, under civil liberty, we are essentially all workingmen.

We begin life by working our own way to the possession of those things we desire, and are successful as we wisely or unwisely employ our powers. In this, there is no ground for jealousy, and certainly not for complaint of one as compared with another. All have had the same rights and full liberty, each to do what was regarded best for his own interest.

It has been stated: government is necessary to secure industrial economy. It is especially so to secure the rights of civilized labor. No property can be accumulated when the laborer is not secured in the product of his own labor. In this view, one of the admitted functions of government is to coin the money of exchange In this operation the government purchases the metal, (they do not create it,) and put their stamp on the pieces. This stamp is the certificate of the government, that the piece contains a specific quantity of metal, of specific fineness, and these pieces are called coin. Some nations of low civilization, as the Turkish, debase their coin, giving it a nominal that is much above its intrinsic value. As nations increase in civilization, they make the nominal the representation of the intrinsic value of the coin.

Money or coin is of an exchangeable value, introduced for the convenience of commerce and a means of settling balances in trade. Coin is received as a convenience to facilitate the barter for goods, and to pay for labor, and should be of the same value as the goods or labor, and possess the same power to purchase other goods of the same value. It is obvious the metal used for coin should have the greatest value in a given weight and bulk, and least exposed to fluctuation in value. For this purpose the highest commercial nations have adopted gold as the standard, with metals of less value for subsidiary or token money. The latter only as a convenience for change and small transactions.

As we are the second commercial nation of the world, we should have money equal in value to that of the highest commercial value, which is gold at this time.

Though coin or money is the legal medium, the large part, probably ninety per cent., of our commercial transactions are made in paper of various kinds. But this paper is all in some way a promise to pay coin on demand, or at a certain time. What is called paper money or currency is a promise to pay coin on demand.

Previous to the late war, currency or bank bills were issued by authority of the State governments, under varied conditions of security. The State of New York, the Eastern and some other States, the security provided to secure the bill holders, was such as to make the bills a good currency; but in several other States the security was inadequate, and great loss was sustained by the public. At the outbreak of the war this was felt to be a serious evil. All the State currency was wanting in nationality of character. In order to correct these evils, the national government early in the war passed a banking act, providing that all bank bills issued as currency should be prepared by the government and delivered to such banking companies as complied with the regulations of the banking act, and for which the bank deposited government bonds as security for the redemption of the bills, in the event the bank failed to pay them on demand. The principle is similar to the security as adopted by the State of New York.

As the national government is the only authority to coin money, and as bank bills to a large extent take the place of money, it was

their proper duty to provide security for the bill-holders, who could not know the situation of the banks. The government charged to the banks the expense of preparing the currency or bills, and also imposed certain taxes on the banks. It is not my purpose to discuss other features of the bank act, as I am only concerned at this time to consider the safety of the bills. I know of no other method that offers better security. It has the responsibility of the banks in addition to the deposit of government bonds.

Money must be a thing of intrinsic value, in order to be exchangable for goods or labor of intrinsic value. If it be paper money or currency, it must have a credit that will insure its convertibility into coin, and its value or acceptability as money, will be the credit it may have of such convertibility.

We must keep in mind the important fact: it is not possible to accumulate property except by the savings of labor, and no money can be property if it has not intrinsic value, or is convertable on demand into intrinsic value.

Young men, civil liberty under institutional law, gives you the best possible basis to make the best of your powers, securing to each the benefits of his own endeavors. It is for you to see it is maintained in its integrity. It is the most perfect method of securing to each and all men the highest results of industrial economy. At the same time, every man should consider the high privilege involves the responsibility of each providing for his own well-being. In this you may be encouraged in view of the large number of our citizens, who by these means have been able to raise themselves to conditions of comfortable independence in their affairs. All you require to secure the same result is: intelligence, industry, frugality and an upright purpose. These, with the aid of the great moral teachings of the Christian scriptures, are the basis of industrial economy, and the sources of the highest happiness of men. Do not be deluded by the hope that any legislative scheming can be a substitute for the cardinal principles above set forth, and which are fundamental in true civilization. Allow no vigilance on your part to be wanting in your scrutiny of any measure, however plausible, that may have the appearance of danger to our institutions that now surround us with their benign influence—giving dignity to our labor and opening a wide door for the most beneficent improvement of our powers.