

# LETTERS FROM EUROPE.

BY

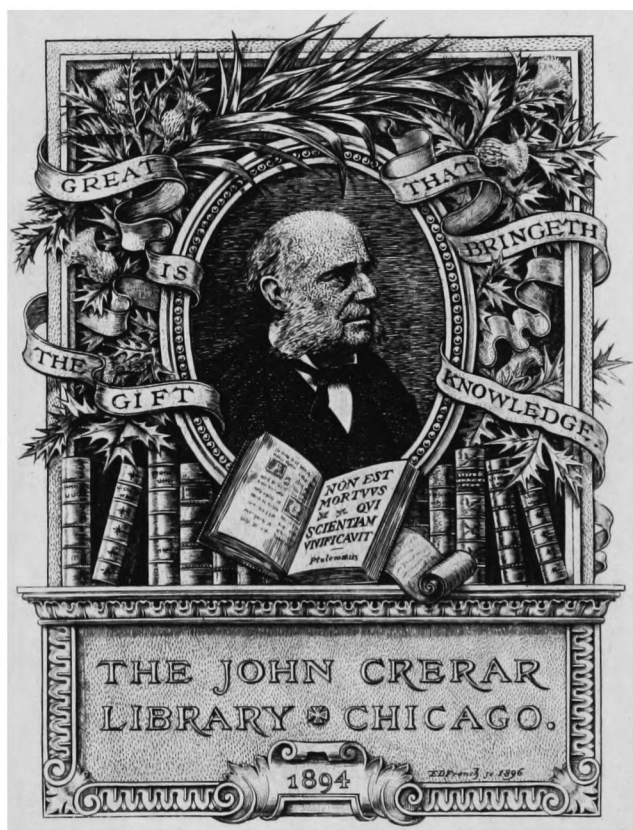
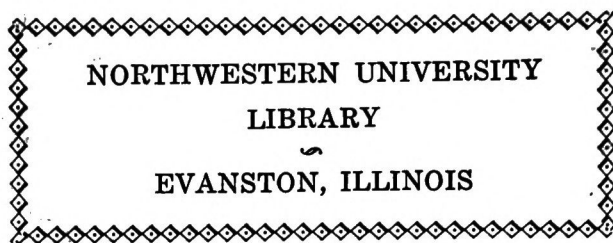
HON. WILLIAM D. KELLEY.

SIX LETTERS WRITTEN TO THE PHILADELPHIA TIMES  
DURING THE SUMMER OF 1879.

WITH NOTES BY THE AUTHOR.



PHILADELPHIA:  
PORTER AND COATES.





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THE following letters were written with no thought or suspicion that they would ever appear in collective form. They have been reprinted in compliance with many requests from intelligent correspondents on both sides of the Atlantic, and have been annotated because the author was led by his correspondents to believe that, by this pleasant labor, he might shed light on the question of bi-metallism—a question of grave and world-wide importance.



## A RETROSPECT.

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ON BOARD STEAMER ZEELAND,  
OFF LIZARD POINT, June 17, 1879.

The Zeeland sailed on the 5th instant, and, if my memory serves me, at the same hour at which on the same day of June, 1852, I left Philadelphia for Liverpool on the City of Glasgow. The interval marks just twenty-seven years—a long period in the life of a man, but one which is as but a day in the life of a people. It has, however, been prolific in national vicissitudes, a glance at some of which may be a fitting prelude to the occasional observations I hope to submit to the readers of *THE TIMES*.

The names of Victor Emanuel and Bismarck were, in 1852, unknown to our countrymen. But to speak of the Kingdom of Italy or the North German Empire is now to name them. He would have been laughed at who had then ventured to predict that in less than a quarter of a century Italy, united under a liberal monarchy, would have fixed her gaze upon the future and moved forward in production, trade, and popular intelligence with such notable strides as she has done. Victor Emanuel's great achievement astonished the world, for never had an appeal to the sentiment of nationality elicited such a response or brought into unity so many discordant elements and conflicting interests.

For Bismarck's success, others had prepared the way. Such profound students and observers of social phenomena as our venerable townsman, Henry C. Carey, had noted the subtle but controlling effect of progressive material development and inter-state trade, and had regarded the German customs-union or Zollverein as the precursor of Germany's political unity.

They believed that commercial, financial, and improving social forces were more direct and persistent powers than sentiment, and that the demand for general prosperity consequent upon the progress made under the customs-union would extinguish both local jealousies and loyalty to the hereditary rulers of petty states, dukedoms, and principalities, and were therefore prepared for the advent of Bismarck, Emperor William, and the North German Empire.

The story of the Zollverein should be known to every American, and especially to every Pennsylvanian. When the young German enthusiast, Frederick List, came to our State, he expected to make his home there. Germany then consisted of Prussia and a number of minor States, whose hereditary jealousies and conflicting interests seemed to defy all efforts to establish a national policy. The people were producers of raw materials, and able-bodied men were of so little value that their rulers had, till near the close of the last century, been ready at all times to sell them by battalions to either side when other nations engaged in war, as Donop's command of Hessians were sold to England during our Revolutionary struggle. List witnessed the earlier efforts to develop and utilize our anthracite coal. He studied our political theories, and not only accepted the doctrine of protection to home industry as an intellectual conclusion, but changed his whole plan of life in deference to this revelation in social science. In the theory of Mr. Clay and his followers—free trade between the States of the Union, with protective duties upon goods manufactured elsewhere—he believed he had found a process by which his fatherland, hopeless as had seemed the effort, might be consolidated and raised to its true position in the family of nations. Returning to Germany, he dedicated himself to this work. What time and effort it cost him to effect such a union between Prussia and two of the smallest dukedoms cannot be told, for, dying prematurely and in want, he left no record of his labors except in the papers which our late townsman, Stephen Colwell, collected, caused to be translated, edited with copious notes, and published under the title of *National Economy*, by Frederick List.



Though List died too early, he had lived long enough to be assured that the results of his labor were so palpably beneficent that example would accomplish what personal efforts had failed to do. The Zollverein was gradually extended, till it included all Northern Germany, and enabled the people to not only manufacture the materials they produced, but to attain commercial position for Germany by exporting their native manufactures and importing materials for others. With the establishment of each new industry the value of man increased, as a consequence of the increased demand for human service. Thus are home markets ever produced and social order and progress promoted. The wild dream of the young enthusiast has been fulfilled. The Zollverein prepared the way for German unity, as, I believe, the prevalence of the protective system, by producing inter-state dependence, would have averted our late fratricidal struggle.

The condition of France in 1852 was transitional. The citizen King of 1830 had, in 1848, followed his hereditary predecessor into exile, and the tri-color provisional government established by Lamartine, Louis Blanc, and their fellow poets and social reformers, had disappeared without having established a constitution which embraced adequate checks, balances and restraints upon executive power. It had ordered a popular election, and the ambitious adventurer, Louis Napoleon, having received an overwhelming majority of votes, had been installed as President, and now, under the title of the Prince President, occupied the Elysee and exercised almost imperial power. Preparatory to the sanguinary days of June, which he had resolved to provoke in order to discredit republicanism, he had imprisoned the National Guard in their own barracks; he confided the general control of popular education to the Church, and by an order of three brief paragraphs, which read like an imperial rescript, he commanded and provided the means for the completion of certain railroads which would connect Paris with the frontiers of France. It was when the army received and the Church—in the person of the Archbishop of Paris—blessed him, on his return from celebrating the completion of the road to Stras-

burg, that I first saw the man who was in a few months to re-establish the Empire on the ruins of the Republic, which, with such solemnity and publicity, he had sworn to maintain. By what abject servility he secured the support of the Church, how he won the working people to his side by the magnificent expenditures by which he improved Paris and completed the railroads, and how he satisfied the middle classes by his oft-repeated assurance that the Empire meant peace, are matters of history. But the day of retribution came ignobly and as the termination of a war which he had, without cause or a reasonable show of pretext, forced upon Germany. Fortunately for France the usurper and his army were captured at Sedan under such humiliating circumstances as to make the name of the Empire and its founder odious to every French patriot. The keenness with which this national disgrace is remembered must for many years plead for the maintenance of a Republic, which, in view of the number of feeble and envious descendants of legitimate royalty who aspire to the throne, seems now to be the only practicable form of government for France.

The year 1852 found England in the early and exhilarating stage of a delirium, from which not a small number of her people are now reluctantly emerging, and which may prove fatal unless alteratives of sufficient potency to effect a radical change in the patient's condition can be speedily applied. Famine, eviction, and deportation had settled the Irish question, by reducing the population of the "Green Isle" from about 7,500,000 to little more than 5,000,000. The golden treasures of California and Australia had been discovered, and those distant countries were reviving the trade of the world by offering boundless inducements to immigrants of every race and creating large demands for labor in every manufacturing centre. Appeased by the chance to emigrate at the cost of others and by the demand at home for labor at rising wages, Chartists and Repealers had ceased to agitate for political reform, and emigrated or gone to work in mine, factory or furnace. But Manchester, which then dominated England, attributed to another cause this world-wide and providential impulse to trade. Cobden and Bright had, she



believed, produced it. But for the gospel of free trade recently proclaimed by them it could not have come. It was their dogmas, and not the sudden and immense augmentation of the world's supply of money, the primary tool of trade, which had given an impetus to commerce more rapid and extended than had ever occurred, except when the infusion of the precious metals of Mexico and Peru into the contracted volume of metallic money had roused Europe from the long torpor of the dark ages.\* The privilege of buying where one can buy at the

\* "In the very front rank of this category we must place the discovery of the gold mines of California and Australia, which promise, in their ultimate effects, not only to obviate many of the greatest evils under which society has long labored, but to bring about a new balance of power in every state, and relieve industry from the worst part of the load which has hitherto oppressed it. . . .

"The two greatest events which have occurred in the history of mankind have been directly brought about by a successive contraction and expansion of the circulating medium of society. The fall of the Roman Empire, so long ascribed in ignorance to slavery, heathenism, and moral corruption, was in reality brought about by a decline in the silver and gold mines of Spain and Greece. . . . And, as if Providence had intended to reveal in the clearest manner the influence of this mighty agent on human affairs, the resurrection of mankind from the ruin which these causes had produced was owing to the directly opposite set of agencies being put in operation. Columbus led the way in the career of renovation; when he spread his sails across the Atlantic he bore mankind and its fortunes in his bark. . . . The annual supply of the precious metals for the use of the globe was tripled; before a century had expired the prices of every species of produce were quadrupled. The weight of debt and taxes insensibly wore off under the influence of that prodigious increase; in the renovations of industry the relations of society were changed; the weight of feudalism cast off; the rights of man established. Among the many concurring causes which conspired to bring about this mighty consummation, the most important, though hitherto the least observed, was the discovery of Mexico and Peru;"—*Alison. History of Europe, from the Fall of Napoleon to the Accession of Napoleon III., Vol. I., chap. i.*

"The chief usefulness of the precious metals nowadays, and the sole usefulness of gold and silver coins, lies in their purchasing-power, their value as Money; hence, a demonetization of silver would be proportionately destructive to its present usefulness, and, we repeat, would be equivalent to a willful annihilation of a vast portion of the world's stock of money. In proportion as this demonetization was carried out, it would be a voluntary throwing away of the vast blessings and benefits which mankind have

lowest figures in English currency was Manchester's infallible remedy for all the ills to which nations are subject. What booted it that every rood of English ground would maintain its man? Did not statistics prove that food could be bought more cheaply than it could be produced on high-priced British acres, and was it not therefore folly to waste labor in the farming of land which was so valuable because it was so admirably adapted to parks and game preserves?

But more and better than all this, free trade, Manchester confidently asserted, would banish war and all its horrors and bind the nations in bonds of peace and amity by making them all depend on the British Islands for wares and fabrics. That it would work this wonder had, so all England believed, just been proved by the success of the World's Fair of 1851. But time tests all theories, and fate is sometimes cruelly cynical. The intervening quarter of a century has not verified these predictions, but has been unusually prolific in wars; and while other lands feed more than half the people of England, they also supply them with many manufactured articles which idle British laborers would gladly produce from neglected native

recently enjoyed from the new mines of America and Australia. The world would be plunged back into the 'hard times' which previously prevailed, or in truth into a far worse predicament. The fact that our own country is under a single gold-standard would be powerless to ward off from us the effects of a demonetization of silver, which still constitutes by far the larger portion of the world's stock of the precious metals. Our stock of gold would be drawn upon to supply the dearth of money in other countries. Not to speak of the inevitable collapse of our monetary system as regulated by the absurd and pernicious Bank Act of 1844, the burden of our National Debt would be vastly increased, and so would that of every other country. These debts, which amount to an enormous sum, would thenceforth hang like a mill-stone around the neck of the nations. Add to these results the restriction upon trade and industry inseparable from a dearth of money, and any statesman who at present favors the general, or any extended, adoption of a single gold-standard may well shrink back from such a change, and refuse to imperil the prosperity of his own country, and of the civilized world at large, by producing an arbitrary and artificial dearth of money, which is the most potent auxiliary, we might say the very life's blood, of trade and industry, as these are, and must be, carried on under a mature civilization."—*R. H. Patterson, in Contemporary Review, April, 1879.*



materials. Meanwhile the government is seeking "peace with honor" through wars in Afghanistan and Zululand, and increasing numbers of the people are clamoring for the restoration of protective duties; for the relief from financial distress that would follow the enlargement of the basis of the world's credit by the remonetization of silver; for relief from civic burdens by the abolition of the Established Church; the reduction of the civil list, and of public expenditures generally; while others insist upon the elevation of the mentally and physically starving farm laborers of England into prosperous yeomanry, and, as an essential preliminary thereto, demand the abolition of entailments and the division of the great estates which characterize the Britain of 1879.

Had Cobden and Bright been less confident and dogmatic, and condescended to collate and consider facts, especially those furnished by the experience of the United States, they might have discovered that their panacea was not of universal application. In the light of experience it is now seen that they generalized too largely, and that what England then needed was the freest possible trade in food and every species of raw material, and that this freedom should be coupled with the largest possible home market for British manufactures that could be created by protective duties, steady work, and high wages.

Prior to 1852 free trade had, with the exception of the brief periods between 1824 to 1832 and 1842 to 1847, prevailed in the United States, and our exports were consequently confined to bulky raw materials. We shipped the cotton of the South to Liverpool, to be spun and woven for our use; the grain and provisions of the North went to the same port, to feed the foreign laborers we there employed; the gold and silver of the whole country went there also in exchange for commodities which our unemployed people could have produced, to swell

\* "This table demonstrates clearly that the increase in metallic money from 1848 to 1870 of 40 per cent., was accompanied by an increase of 300 per cent. in commerce; and in 1872 the increase in British exports exceeded that of 1848 by 400 per cent. Whatever share inventions and free trade may have had in this increase, it is evident that the copious supply of metallic money afforded the medium for development in the greater measure."—*The Decline of Prosperity*, by Ernest Seyd, London, 1879, chap. 8.

the colossal fortunes of British manufacturers. A consequence of this absurd system of keeping our workshops and making our domestic exchanges in a foreign country was, that in the absence of promising industrial enterprises in which to expend our energies, sentimental politics were the prevailing pursuit of the people, and a growing tendency to national disintegration was disclosed with each new cause of excitement. This tendency culminated in 1861, and brought into armed conflict compatriots who were involved in war because, instead of trading directly with each other over roads owned in common, they had made a foreign port their place of exchange. The disbursements demanded by the war compelled Congress to impose duties on imports, which, for the first time in our history, were fully protective. Have the palpable consequences of this action confirmed or confounded the bold generalizations of the free-trade philosophers? Let us see. "Free trade," said Manchester, "will extend our trade, because nations can only buy from those who in turn purchase their productions. Foreign trade is the exchange of commodities." Not only our recent experience, but that of Britain herself, derides this and all kindred dogmas with the bitter irony of fate.\* Every Eastern-bound craft the Zeeland has passed has been, as she is, freighted to its utmost capacity, while those bound for the West have all, as their light draft of water showed, been without cargo. It is protective America and not free-trade England whose foreign exports increase. Our exports were never so large, valuable, or varied as they have been in 1878-79, while those of England for 1879 will not exceed, if they equal, in value those of 1866. May we not, in view of such facts, safely conclude that a growing and prosperous inter-state trade, created and fostered by protective duties, is, by harmonizing once discordant elements,

\* "Many of our 'professors' of commercial economy know nothing whatever of the plain motives which guide trade and exchanges. All that they can do is to preach to the British public that the rules of 'supply and demand' must conquer from the 'British manufacturing' point of view. Foreign nations *must* take British goods, they fancy! The fact that our own importing power has so quickly declined within the last year is bitter sarcasm on so great an error."—*Ernest Seyd, The Decline of Prosperity*, chap. 11.

doing for the United States what the Zollverein did for Germany?

I was led to this train of thought by remembering that the City of Glasgow and her companion steamer were soon withdrawn. Philadelphia could not, experience had decided, maintain a line of foreign-going steamers. She was off the routes of the cotton and grain trades, and was consequently unable to offer cargo for the outward passage. The Delaware was not lighted sufficiently to enable even steamers to traverse it at night. The ice accumulated at the Horseshoe in such masses as to interrupt winter navigation, and the upper bars were a menace to steamers of even less than two thousand tons. But now the American and Red Star lines of steamers, some of which carry over three thousand tons, come and go with as much regularity as those of any of the New York lines, and occasional vessels of larger tonnage come to our wharves for cargo. Domestic commerce is ever the progenitor of foreign trade, and the necessities of our growing coasting trade have compelled the improvement of the river. The city ice boats, arriving and departing steamers, and the sturdy and swift tugs that tow sailing craft to and from the capes, keep the ice afloat in the coldest weather. Our railroads offer ample cargoes of grain, provisions, oil, tobacco, and cattle, and the workshops of the city furnish part of almost every foreign cargo. It is a curious fact that for about sixty years the merchants of Philadelphia had seemed to despair of maintaining direct transatlantic trade, and had not, during that long period, asked Congress to provide for the improvement of the Delaware or Schuylkill, and it will probably surprise intelligent readers of *THE TIMES* to hear that more work has been done in this direction in the last fifteen years than had previously been done, or than Philadelphians had asked for, from the foundation of the government. It needs—and I speak from experience—but persistent appeals to Congress to secure the removal of every bar and to locate a lighthouse on every point on which it is needed. The Delaware will then be a more important river than the Clyde, and the expanding foreign trade of Philadelphia will soon exceed that of Glasgow.

## BELGIUM AND HOLLAND.

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### AMSTERDAM.

Among the readers of *THE TIMES* are doubtless convalescents to whose complete restoration moderate exercise in the open air and the diversion afforded by changing scenes and conditions are essential, and to whom European travel is prescribed. To all such persons I am justified in commending Antwerp as the port for which to sail. On arriving in England a Pennsylvanian feels that he has come to another and older State of the Union. The language he hears is his own; the signs he reads would not be out of place on the streets of Philadelphia, and the prevailing style of architecture is equally familiar. But Antwerp is in the heart of Europe. It is itself a curiosity worthy of study. The sights it presents are all strange. American ears are unused to the prevailing language, which is not French, German or Dutch, but Flamand. The immediate approach to the city is strikingly beautiful. At Flushing, four hours distant, we enter the Scheldt, on either side of which we see in panoramic procession glimpses and sometimes quaint and charming views of Dutch villages. Nearer the city the river becomes the boundary between Holland and Belgium; the dykes seem to be lower, and we can view more closely the passing scenes with all their Flemish minuteness of detail. The view of Antwerp, with its grand old cathedral, and the new quarter of the city as we have them from the outer harbor is, I think, finer than that of any city I ever entered from the sea, though not so picturesque as that of San Francisco when approached after the street lamps have been lighted and the whole hillside on which the city stands seems to have been illuminated for a joyous occasion. Here one need not travel far for novelties. The costumes of the



Paysannes are not only novel but picturesque or grotesque, as it may happen, and the pursuits in which many of them are employed surprise a Philadelphian. While the steamer was hauling into her berth, and before officers had come to examine the trunks, I had noticed one of these women over whose shoulders hung from a wooden yoke large tin vessels of water, from which she refreshed thirsty laborers at the rate of a centime, or one-fifth of a cent, per glass, and every one of them that stood or walked upon the quay and did not carry or attend a child, how deep soever she might be in gossip or dispute, plied her knitting needles as rapidly as did her less voluble neighbors. And before we reached the hotel we saw that the women of the humbler classes all knit as they walk, and that old women, whose wooden shoes and rude occupation offered strange contrast to their immaculate lace caps with side pendants falling to their shoulders, were employed indifferently with men in sweeping the streets. In England the little donkey and his cart attract attention, but we have all seen their counterparts at home, while it is a strange sight to see dogs of even less than medium size commonly used as substitutes for donkey or horse. But here the slender girl who as porter pulls a hand-cart, the matron who serves milk from door to door or vends vegetables, and the burly fellow who pushes a load heavy enough for a horse, all avail themselves of the assistance of a dog or dogs. Every change of scene in the old part of the city illustrates the moral of Burns' *Twa Dogs*, for nowhere is the aristocratic dog more petted and fondled or his plebeian kinsman more hardly worked than in Antwerp.

Here we are not only, as I have said, in the heart of Europe, but at a point from which every city in the kingdoms of which our countryman, Motley, was the ablest historian, may be reached by journeys involving less than three hours on the rail. Each one of these cities has its own historic monuments, and is rich in old and rare specimens of architecture, painting and sculpture, and each one, if it be only in the costume of the country people, also retains some early characteristic of the province of which it was once the noted and well-defended

capital. The contrasts between the cities of Belgium and those of Holland—for, dating from Amsterdam, I write of both—are very positive, and both present attractive novelties to the fresh traveller. Antwerp is the busy entrepot for world-wide commercial exchanges. Brussels, less than two hours distant, is a quiet and beautiful little capital, the residence of the king, his ministers, and those of foreign countries. Here, too, is the Parliament House, and now, while the Chambers are in session, the boulevards and parks swarm with equipages every afternoon from 4 to 6 o'clock. The French language prevails, and an air of refinement and elegance characterizes this *Petit Paris*. From Brussels a ride of less than two hours carries one to Ghent, a grand old town, which centuries ago was famed for its manufacture of cotton goods and the turbulence and prowess of its spinners. These have, however, disappeared, and Ghent is now the centre of a large linen trade, the factories supplying which are in neighboring towns. Its oldest architectural monument, now a ruin, but sufficiently preserved to attest its antiquity, dates from the sixth century. On the foundations of a temple of Mars erected by the Romans were subsequently built a church and monastery, which, except the crypt of the former, have now also disappeared. A further ride of two hours carries one to Bruges, a capital once famed for its commerce and the wealth and courage of its people, and of whose old belfry Longfellow sang while yet but “a promising American poet.” But it is essentially a city of the past, and forgetting its historic renown, puts forth no sign of energy or enterprise, and is therefore, to an American, all the more curious.

The cities of Holland are, I think, more interesting than Bruges and Ghent, or than Brussels and Antwerp, each of which has its old city and beautiful modern extension. In a country reclaimed from the sea, they are built on piles, and all are below, some of them, it is said, quite three hundred feet below the level of the sea. Nothing can be more quaint or picturesque than views one gets while riding through the narrow and winding streets of the older parts of Rotterdam and Amsterdam, or on those that bound the broader canals, which are shaded by rows of

elms, and upon which front the residences of many of the richest bankers and merchants of the world. That Pennsylvania and New York derived their earliest domestic architecture largely from these cities is very apparent, and I wish our city fathers would incur another obligation to them by adopting their admirable system of street paving. I have never been in Venice, but what I see in Amsterdam, whose canals divide it into ninety islands, frequently recalls descriptions I have read of that city. From my window I look upon the river Amstel, which is at this point about three hundred feet wide, and is the outlet for the longest of the canals. This is the newest quarter of the city, and the residences which line the banks of the river are evidently those of people in easy circumstances. In front of many of them are moored handsome sailing yachts or tiny steamers, and at the mouth of the canal is the house of the boat clubs. Last evening's sky was cloudless, and as I watched the boats glide noiselessly over the moonlit water it was difficult to believe that I was in Holland and not in Venice.

I have not referred to Hague, the capital of Holland, because, like Brussels, it is not commercial and is in all respects unlike the seaports. It is less pretentious than Brussels, but is, in my judgment, as beautiful and richer in precious works of art. Its collections—though not large enough to weary one—embrace works of high repute of many of the old masters. The ball room in the Palace in the Woods, so called because it is embowered in the woods which constitute a large portion of the park, is a marvel of beauty. Its walls and ceilings were decorated by seven of the most distinguished artists of the school of Rubens, whose joint work was completed in 1749. From the centre of the city a ride of less than thirty minutes in a street car through a beautiful suburb carries one to Scheveningen, one of the most charming seaside bathing places I have ever seen. To the overwrought student or man of business whose summer vacation is restricted to about six weeks the route I have indicated offers special attractions, as a few hours will take him from Amsterdam to Paris, and going thence to London he need not retrace any of his steps.

Our train passed through Delft while they were burying the late Prince of Orange, and near enough to enable passengers to distinguish persons in the crowd that gathered about the church, and we entered Hague near the close of a day of formal mourning. The streets swarmed with thrifty-looking citizens and soldiers in full dress, who, having escorted the funeral cortege to the station, had been dismissed for the day. I had come to regard the Prince as a mere reprobate, whose early death none would mourn. But whenever the people spoke of him it was in terms of sympathy and regret; and when I saw his portrait at the age of eighteen, as it hung in the room of his mother, "the old Queen," in the Palace in the Woods, I could account for a measure of this kindly feeling, for it is the likeness of a beautiful youth, the features and expression of which betoken a more than usual mingling of force and gentleness. The Prince's story, as I gathered it from the people, was this: When about twenty-seven years old he loved and wooed a German countess of ancient and honorable pedigree and large estates, whose amiability and accomplishments are said to have commended his choice. But, as the sequel proved, he loved not wisely. He was Prince of Orange and heir apparent to the throne, and the King, protesting against any other than a royal connection, forbade the marriage. The young man hoped his father might relent, and as occasion offered urged his plea, when one day, so the story runs, the King, while in a tempest of rage, met him on the palace stairs, and by a blow sent him reeling to the floor of the landing. This indignity was too great to be endured. It had been inflicted in the presence of others, and was soon whispered abroad. Transferring his household and duties to his chancellor, the Prince left for Paris, whence he returned less than two years ago, and then only to attend the funeral of his mother, from which he went direct to France. Thenceforth, whatever restraints he might previously have imposed upon himself, his career was one of wild dissipation. To the vices attributed to his father the King, he added gambling, and is said to have squandered more than a million of florins a year. He died in



his forty-fourth year. Meanwhile the King, who is in his sixty-third year, married a German princess of twenty. The wedding was a notable occasion, but one in which the then heir to the throne did not participate.

After this bit of personal gossip let me return to Belgium. Pennsylvania is about to erect an additional penitentiary, and I beg leave to request those to whom the work may be entrusted to learn something from that government which was the first in Europe to accept our example and adopt the cellular or separate system, and which, while adhering scrupulously to our system, has materially improved its means of administration. Thanks to the courtesy of our justly popular minister, Hon. W. C. Goodloe, of Kentucky, I was, while at Brussels, honored by the Minister of Justice with an invitation to make a thorough inspection of the prisons of the kingdom. This my time did not permit, but I found pleasure and instruction in devoting a morning to the Maison de Force at Ghent. The construction of this prison was begun in 1772 and completed in 1825. Since then, however, a wing embracing one hundred and fifty-eight cells, with amply lighted and ventilated work-rooms adapted to the Auburn or silent system, has been added for the use of prisoners "en perpetuite," or, as we say, for life. As the pardoning power is not part of the political machine in Belgium, as it so often is in our country, such prisoners are never returned to society to endanger it by their evil tendencies, and, though each has his separate cell at night and on Sunday, all are permitted to work in silence in each other's presence. But in all other cases the "separation of the convicts by day and night, at work, at meals, at church, in the school or at exercise in the prison court," is absolute. In the important matters of light and ventilation this prison is much superior to either of ours, and is a positive reproach to that part of the County Prison of Philadelphia which is devoted to convicts.

The political condition of Belgium is interesting. Though the passing traveller is not likely to observe the fact, the kingdom is profoundly agitated. Indeed, it is said by those who have

the means of knowing, that popular feeling is more intensely excited and more sharply divided than it has been since the revolution of 1830. The law of 1842, regulating the public schools, has just been repealed, after a protracted debate, which was in each chamber as free, though not so violent, as that now proceeding on the same subject in France. The changes provided by the new law are very far-reaching, and the bill passed by the meagre majorities of six in the Chamber and but two in the Senate. So deep is the feeling engendered by this measure that many partisans of either side refuse to trade with those of the other side or to mingle with them at cafés or elsewhere, and I was more than once assured that a Catholic clergyman who should be known to visit any member of the ministry unofficially would lose caste with his brethren and superiors. Nor is this intensity of feeling surprising. Belgium is as essentially Catholic as Italy. The King and his family belong to the church, and under the law of 1842, the schools, though supported by the State, were governed by the church. No book could be introduced into any of them till it had received the approval of the archbishop. The clergy constituted the supervisory committees, and could enter the schools and interrupt the exercises at any time and proceed to administer religious instruction. The new law not only qualifies but repeals these privileges. It secularizes the schools and puts them in charge of the State, whose agents are to select books and appoint teachers. Under its provisions a clergyman cannot visit the schools officially or address the pupils in any of them within thirty minutes of the opening or closing of a session, and may then address the children of such parents only as have filed consent thereto. But what is protested against with most popular vehemence is that provision of this *loi criminelle*, as it is called by its opponents, which provides that none other than a head of a family can serve as a school committee man of any degree, which is an ingenious exclusion of the clergy, though it is not absolutely invidious, as they are not the only men in Belgium who do not marry.

Other grave questions also threaten to demand early solu-

tion. The depreciation of values produced by the demonetization of silver is felt in Belgium as it is in Germany, India, the United States and elsewhere.\* The new quarters of Antwerp and Brussels, with their boulevards and parks, have been created since 1852. From that year till 1873 real estate in both cities appreciated steadily. An eager occupant or purchaser was ready for each new edifice before it was completed. Prices and rents increased, yet the people were prosperous and paid increased charges out of current profits. But 1873 brought a reaction which continues and intensifies. Building is almost entirely suspended, great numbers of buildings are tenantless, rents continue to fall, and, as a consequence, there

\* "The quantities of gold and silver procurable will prove no more than sufficient to meet the exigencies of an enormously increased population and an augmenting commerce and industry. Providence seems to have originally adjusted the relative values of the precious metals, and the fact that these relations have remained the same for ages will survive all theories."—*Sir Roderick Murcheson*.

"But, upon the whole, it seems to be most advisable, as has been observed, not to attach the unit exclusively to either of the metals; because this cannot be done effectually without destroying the office and character of one of them as money and reducing it to the situation of a mere merchandise, which, accordingly, at different times, has been proposed from different and respectable quarters; but it would probably be a greater evil than occasional variations of the unit, from the fluctuations in the relative value in the metals, especially if care be taken to regulate the proportion between them with an eye to their average commercial value."

"To annul the use of either of the metals as money is to abridge the quantity of circulating medium, and is liable to all the objections which arise from a comparison of the benefits of a full with the evils of a scanty circulation."—*Alexander Hamilton*.

"Suffocation, strangulation, are words hardly too strong to express the agony of the industrial body when embraced in the fatal coils of a contracting money supply! At a time when the production of the two historical money metals, jointly, is diminishing, this most unfortunate occasion is taken to throw one of them out of use as money of full value, to remit it to the uses of token-money, and to banish what of the accumulated stock of three thousand years' production cannot thus be employed, to be hoarded in the East as treasure, or devoted to personal ornament. Against so great a wrong to civilization and to the hopes of mankind, the representatives of the United States here present raise their earnest protest and warning."—*Gen. Francis A. Walker, Report of the International Monetary Conference, p. 78.*

is an earnest demand for a large reduction of taxes. Nor is this confined to the cities. The cheap cattle and wheat of America are ruining the tenant farmers of Belgium, who demand a reduction of rent, in response to which demand landlords turn to the government and ask for such a reduction of taxes as will enable them to comply with this palpably reasonable request. For the present these are but financial questions, but behind them grave political problems are looming up, and the cheap land and improved agricultural implements of the United States are as threatening and troublesome to European farmers and statesmen as cheap Chinese labor is to the working classes and politicians of the Pacific coast.



## GERMANY.

### PRINCE BISMARCK AND THE SILVER QUESTION.

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BERLIN.

I have been in Berlin more than a week, and though my overcoat and umbrella have been required each day, my visit could not have been more opportune. The Reichstag is not only in session, but is engaged upon a tariff bill, which proposes to reverse the trade policy of the empire, as all its provisions recognize the principle of protection. My devotion to the protective system, though it has secured me through twenty successive years the support of a constituency of whose continued confidence any statesman in the world might well be proud, has also won for me, not only at home but here in the capital of Germany, where it appears to be accepted as a title of honor conferred by my countrymen in evidence of their appreciation of services, the sobriquet of Old Pig Iron. Nor is my advocacy of bi-metallism, involving as it does the restoration of the dollar of "the Daddies" to its original position in our monetary system, regarded as a heresy by the German government, the president of the Reichs-Bank, through which the government sales of silver have been made, nor by a pronounced majority of the members of the Reichstag, though it still constrains most of the gentlemen who control our metropolitan press to classify me with pretenders to financial knowledge, inflationists, swindlers, and repudiators.

Few of our countrymen have—indeed, I think I am justified in saying that not one of them has—an adequate appreciation of the influence which Henry C. Carey, the late Stephen Colwell, and their disciples, are exercising in Germany, Austria and Italy. At the risk of the charge of egotism I propose to sustain this assertion by references to my personal experience.

My Berlin letters of introduction were to Professors Reuleaux and Dührling, Drs. Stoezel and Grothe, and Baron Kardorf. The American friends of Professor Reuleaux, who feared that his report on the Centennial Exhibition, with its severe strictures upon German mechanical methods and productions as compared with those of the United States, would injure him with his countrymen and government, will be glad to learn that he has been sent as Chief Commissioner to the exhibitions at Sydney and Melbourne. Nor could I pay my homage to Dührling, whom I have been taught by Mr. Carey to regard as foremost among the intellectual giants of his generation. His story, as I have heard it from his former co-laborers, is sadder than that of Milton in his blindness. For he lacks Milton's sublime faith, and sightless and sick he has, as he believes, for opinion sake, but, as his friends admit, by reason of his irascibility, been deprived of his license to lecture at the universities and has sought obscurity in Munich. As Dührling's name is familiar to but few Americans, it may not be improper for me to introduce it to the readers of THE TIMES. Remarkable for his physical and intellectual powers, his learning, and the vast fund of information he had gathered from all sources, he had, though not called to a professor's chair, been licensed to lecture to volunteer classes at any of the universities. While much employed in this way, and deriving most of his income from his lectures, he wrote and published works on many subjects, including an elaborate exposition and commendation of Mr. Carey's Social Science. But the strongest men can overtask their powers, for Nature will permit no man to labor incessantly with impunity; Dührling's nervous system yielded, and he soon became totally blind. His two sons, the eldest of whom has not yet attained his majority, were but children, yet thenceforth they must be eyes and right hand for their stricken father. For more than ten years they have served him as amanuenses, and have educated themselves by conducting his immense correspondence and reading aloud the books of whomsoever their father regarded as a master in any department of thought or knowledge. His last great work

was a voluminous one on "The History and Philosophy of Mechanical Science," which, it is to be hoped, will soon be rendered into English. That it is a masterpiece, is proven by the fact that it was written in competition with all the world for a prize offered by the government for the best essay on the subject, and even his competitors approve the judgment that awarded the prize to Dühring. His last book was an elaborate and defiant defence of social democracy, to the publication of which it is said he ascribes the withdrawal by the government of his license to lecture, from which he derived most of his income. I hope to see him in Munich, but am told that, embittered toward all men, he causes himself to be denied, and thus refuses personal conference even with his old friends. Poor, blind giant, look to posterity and take courage. The time is within your memory when Frederick List was driven to suicide by neglect and destitution, and in your concealment you must have heard that your countrymen are busying themselves with the question to whom they shall confide the preparation of the monument with which they propose to commemorate his services and their gratitude.\*

\* The following letters, explanatory of Judge Kelley's foreign letter in THE TIMES in regard to Dr. Dühring, are published as a matter of justice to all parties:

TO THE EDITOR OF THE TIMES:

Coincidentally with my return to Philadelphia, Mr. Carey received the enclosed letter from our common friend, Mr. Ernest Koch, for which I bespeak a prominent place in THE TIMES. The regret I felt at my failure to find Dr. Dühring is greatly enhanced by the consciousness that I was in the same city with him for about ten days. I shall, however, feel compensated for my loss, and in some measure for any pain I may have given one whom I regard as intellectually an heroic giant, if the publication of this correspondence shall attract the attention of any of my countrymen to his writings, especially to his "History of Political Economy" and his prize essay on "The Progress and Philosophy of Mechanical Science."

In justice to myself I think it proper to say that I presented myself, with Mr. Carey's letter of introduction in hand, at the address through which he has communicated with Dr. Dühring for years, whence, as I now learn, he had removed to another quarter of the city, and fearing that I might not have made myself understood, or thoroughly comprehended the assurance that he no longer resided there, I returned with a companion, who was alike

With my other letters I was more fortunate, and was cordially greeted by Doctors Stoepel and Gröthe, both of whom are editors and advocates of protection and bi-metalism. Each of

fluent in German and English, and again left with the assurance that he did not reside there, and that the person interrogated could give me no clue to his whereabouts. It is also due to Dr. Dühring and those with whom I conferred, to say that any information I received about him in Berlin came from gentlemen to whom I expressed the regret I felt at my inability to meet him, each one of whom confirmed or increased the estimate I had formed of his heroic labors and their grand results.

Yours very truly,

WEST PHILADELPHIA, September 29, 1879.

WILLIAM D. KELLEY.

TO THE EDITOR OF THE TIMES:

In your issue of the 4th of August Hon. William D. Kelley, whilst reporting the impressions he had received during his recent stay at Berlin, has inadvertently reproduced some statements concerning Dr. Dühring which the latter desires to have corrected. Considering the profound esteem which both Henry C. Carey and Mr. Kelley entertain for Mr. Dühring, it will no doubt be a matter of the highest regret to Mr. Kelley that he has been prevented, through some mishap, from seeing Dr. Dühring, to meet whom had been one of the objects of his visit to Berlin. Dr. Dühring writes as follows:

"DEAR SIR:—Mr. Kelley communicates that he had a letter of introduction to me, but had learned from people who professed to be my friends that I had retired to Munich into the obscurity of private life. I reside now, as ever, at Berlin, nor was I absent on any journey. Mr. Kelley has evidently been mystified, in order that he might not have an opportunity of seeing me and hearing from me what I have to say about those who pretend to be my friends and about German politico-economical affairs. As to my obscurity, it finds ample illustration in the various writings, new, or in new editions, which are every year published by me, and through the much frequented public lectures which even during the present year I have delivered at Berlin.

"Mr. Kelley has been quite as seriously misinformed and misused by those pretending friends of mine with regard to the cause of my expulsion from the university as he has with regard to my residence and my activity. He states that I believed myself to have been removed on account of my opinions, while my friends admitted that it had happened on account of my irascibility. In this there are three discrepancies: In the first instance I have never believed that the government caused my removal because of my line of thought. The real cause was to be found in the too great influence which I exercised at the university, and in the jealousy of my competing savants. The pretext was taken from a scientific critical passage in my Prize Essay, which Mr. Kelley mentions, on 'Mechanics,' and from



them hastened to congratulate me on the already assured triumph of the protective principle in Germany and on the hopeful signs of the speedy triumph of the friends of the remonetization of silver. In this connection each of them mentioned the fact that Herr Von Dechend, president of the Reichs-Bank, by whom the sales of silver had been conducted, had recently reported that the sales already made had caused a loss to the government of nearly 100,000,000 marks (\$25,000,000), and that he shrunk from contemplating the loss a continuance of such sales would involve. It was, each also added, Von Dechend's statement that had induced Bismarck to prohibit further sales. Though each of them edits two weekly journals devoted to specific branches of industry, Drs. Grothe and Stoepel have published many controversial pamphlets, to which the latter has added translations of the abridged edition of Mr. Carey's

a general non-personal critique on the 'Abuses of University Tactics.' Secondly, I have never associated with Berlin professors, consequently no opportunity could have been afforded of coming in contact with them pleasantly or disagreeably, and of showing any irascibility. In my university lectures I never mentioned these gentlemen, being endowed with a keener sense of propriety than customarily prevails at the university. Thirdly, it is only on the part of my most empoisoned enemies that I am charged, and that chiefly in the remotest parts of the world, with universal irascibility. Had Mr. Kelley not been kept away from me against his will, he would have learned who are my friends and who my enemies. He could then have satisfied himself that his statement that my nervous system is deranged is quite as benevolent an invention as the tale of my obscure corner existence at Munich.

"I have never followed the fashion of being nervously affected or of breaking down. I am hale and hearty and more vigorous than ever, and more active than is desirable to those pretending friends, my enemies. Through the medium of Mr. Kelley they have, although against his will, made me appear as good as dead. I am sorry I cannot serve them in this way as yet. I am still living at Berlin, much to the disappointment of those who never, even through their offers of professorship abroad, could prevail on me to abandon the breach in the centre in order to be buried in insignificant situations of no influence whatever. I remain, dear sir, yours truly,

DÜHRING.

"Grossbeeren Str., 51, Berlin, Prussia, Sept. 1, 1879."

Trusting that you will readily give space to this letter in your columns,  
I am yours truly,

ERNEST KOCH.

"Social Science," his "Unity of Law," and of E. Peshine Smith's "Political Economy," and Dr. Grothe proposes to translate Professor Robert E. Thompson's recent capital handbook of "Political Economy." I cannot express the gratitude I owe these earnest and learned men for their many courtesies.

Baron Kardorf, a Silesian, represents his native district in the Reichstag, and for eight years, during which the cause seemed hopeless, has made himself heard in that body and before the people as a protectionist. He is tall and slender, nervously active and graceful in action. His long, light hair is brushed back from his forehead. His voice, though incisive, is pleasant, and his speech, whether in German or English, is fluent. He leads the Conservative, as Herr Windhorst does the Ultramontane, section of the Protectionist party in the Chamber, and both are members of the Tariff Committee. Like our Committee of Ways and Means, when a tariff or tax bill is under consideration the committee on the tariff meets daily, and I therefore contented myself with leaving my card and letter at Kardorf's hotel at an hour when he must be absent. On Sunday, his only day of leisure, he returned my call, and passed two hours in talking instructively about German affairs and inquiring about men and things in the United States, with which he showed surprising familiarity. He seemed to find pleasure in recalling parts of some of my tariff speeches, saying he had quoted them in debate, and when informed that Bismarck had intimated to our minister, Hon. Andrew D. White, that it would be agreeable to him to meet me that day, he said, with much animation: "He will talk with you on the silver question, for only last week, in debate in his hearing, I quoted from your speech on the costliness of financial mismanagement your remark, 'that if the nations persisted in the attempt to demonetize silver, the administrations of Beaconsfield, Bismarck and Hayes would be scored in history as among the most disastrous their countries had ever known.'" Two of his remarks were of such general import that I must report them. One was as follows: "As the German people come to understand it, they prefer the social science of Philadelphia to the

political economy of Manchester, by which so many schoolmen have been misled," and the other that "the extremely exaggerated statement made by Dr. Linderman while Director of the American Mint, of the amount of silver he had seen when inspecting the mines of Nevada, had done much to mislead German opinion on the money question." But the hour of my other engagement approached, and, for the present, we parted.

As the clock struck two Mr. White's carriage entered the courtyard of Prince Bismarck's official residence, which, fronting on Wilhelm strasse, surrounds three sides of a quadrangle. As we entered his room, Bismarck advanced and put me at ease by the cordiality of his greeting. His personal appearance was a surprise to me. Portraits, busts, and statutes had made me familiar with his face and head, but had not told me that his height is more than six feet three and that his frame is broader than was that of General Scott, to whom in all physical respects, except in the contour of his face and head, he bears a closer resemblance than any man I have ever seen. Having turned his back upon the broad table, on which, from the papers spread upon it, it was evident he had been at work, he remarked that he was not so vigorous as formerly and could work but five hours a day at his desk, though he ought to work sixteen, and proceeded, with the easiest familiarity, to tell us how his habit of working far into the morning, and the pre-occupation of his thoughts by practical questions, had made it impossible for him to sleep in the quiet hours of the night. "The silence that follows midnight is terrible," said he. "It wakens all the evil spirits of my mind; they lead me into phantasies, and to escape them I get up and walk or read or write. On many such occasions I have anticipated debates and supposed what would be said in opposition and what I should say in reply, and fearing that I might not remember my thoughts and words, which seemed so effective, have risen and carefully written them out. But I have never once found them of use. They were always too fine to be available among practical men, and the paper and pen which are always beside my bed have, on these occasions, been useless and wasted. When the noises of the day begin, I fall asleep and sleep till eleven o'clock,

sometimes till twelve and even one o'clock. At my home in the country I should not, I think, sleep any, but that the great burden trains, with three engines and more than one hundred wagons, pass each other on a railroad about three hundred feet from my house, and during this time, soothed by the noise, I go to sleep."

To these remarks Mr. White made appropriate rejoinders, and in a few minutes Bismarck, addressing me directly, said: "You are doubtless interested in our action on the tariff. We can," he proceeded to say, "produce what we need as well as our neighbors, but cannot do it so cheaply as they, especially as Hungary and Russia can raise cattle and grain almost without cost, and to relieve our farmers of part of the land tax, which is oppressive, it is proper that we should make those who compete with them for our market pay something for the privilege." He then gave a most interesting account of how vast tracts in those countries are cultivated by people who neither own nor rent the land, and who, therefore, need not, as he said, pay taxes or earn interest on capital. On parts of these free lands their herds of cattle range, and at the proper season hundreds of horses and plows are brought there, and land outside the cattle ranges is prepared for seed. This service is paid with cattle, and when the grain is ripe the same horses come to cut and thresh it, their owners receiving a percentage of the crop. "To raise and gather 200 kilos of wheat in that way," continued he, "does not cost as much as the German farmer is taxed on the quantity of land that would yield the same amount of grain; and the experience of a few years has taught us that the people of the empire need such duties as protected them from unequal competition, under the Zollverein."

Nothing in the interview surprised me so much as the freedom with which Bismarck spoke of men still in positions of influence. His contempt is intense for the arrogant pretenders who regard the doctrines of the British school of free trade as absolute and indisputable propositions. He characterized them as doctrinaires and closet men, and said: "Doctors, clergymen and lawyers, but few of whom know anything of the details of public affairs, are generally on that side, and they are

led by those who know nothing on the question but what they have learned from the books of men who have plausibly formulated impracticable nonsense.\* I have," said he, "had much annoyance from blockheads who ask impossible answers to irrelevant questions, and, as the French proverb says, 'Go about seeking for noon at two o'clock.' " Fearing that we might be trespassing we proposed to leave, when saying, "But you will look at the garden," he arose, took his cane and cap, and, snapping his fingers to the large black dog that had lain quietly at his side, moved toward the door; but, as if upon sudden impulse, he turned and said, "But I must introduce you to these friends of mine," pointing to the two sides of the room, on which hung a few portraits. Most of them were engraved, and but one of them indicated that the subject was other than a private citizen, although they included his wife and daughter, the Earl of Beaconsfield, "My dear friend Moltke," and several other notabilities.

In view of the grave international significance of the conversation which followed, I must omit what he said about them, with his account of the garden, with its arcade of trees, illustrating the growth of Berlin, and his response to my remark upon his striking personal resemblance to General Scott. In the garden Bismarck, recurring to the subject of customs duties, said that each government should regard the welfare of its own people. "You have done this by your tariff, and your national progress is unparalleled. You can compete in manufactures with England in many markets, and by means of your ingenious machinery and cheap transportation can send food even into Germany." Here I found my opportunity, and said: "That is true. But many of us believe that by your demonetization of silver you have arrested our progress, and, by restricting our trade, have driven bankrupt traders and unemployed

\* For eminent English authority in support of Bismarck's contempt for the prevailing school of political economists, see the lecture delivered in the Section of Economic Science and Statistics of the British Association for the Advancement of Science, by the Professor of the Section, John K. Ingram, which was republished in the *Penn Monthly* of November. Also the recent volume, by Cliffe Leslie, entitled *Essays in Political and Moral Philosophy*.



artisans into agricultural pursuits, and by thus reducing prices have increased the competition with which you have to contend." The frankness of the response to this challenge seemed as much of a surprise to our minister, who is evidently on the easiest possible terms with Bismarck, as it was to me. "Yes," said he, "in that matter we have gone too fast and too far. We have not been wise. As each State had its own monetary system, the Empire found many coinages within its limits, and must unify them. It also found itself in a condition to use gold, and it seemed wise to do so. One man cannot understand every specialty, and men must select those which they would master. I had not made finance a study, and had to choose an agent to conduct these changes. Herr Delbruck had great reputation as a financier abroad and at home, and to him the matter was confided. But great as was his reputation, results have shown that, as the country people say, he carried only water in his kettle (which proverb signifies that workmen whose poverty is such that they cannot obtain meat or broth carry a kettle of water in order to conceal their poverty). I therefore had to call other counsellors and make a special study of the subject. It is clear that we did not need to abolish silver money—we should have supplemented it by a gold coinage. The sale of silver has reduced the price of that metal, has cost the Empire an immense sum, and cannot be continued without ruinous loss, as Von Dechend, President of the Reichs-Bank, has shown, and I have therefore prohibited further sales."\*

\* "We have withdrawn from circulation 629 millions of marks in coined silver and sold 439 millions. About one-third of this amount was sold in the first four years, and the remainder in 1877 and 1878. The loss on these sales amounts to  $14\frac{1}{3}$  per cent., or 89,487,073 marks. If the loss by abrasion of the coins, amounting to 24,479,000 marks, be deducted, there still remains a loss on sales of 64,911,980 marks. The average price of the silver sold was 54s. 8d. Within the last seven months, from October 14 of last year to the 19th of May last, silver has again been sold, but the average price realized was but 50d., and at one time the price was as low as 48 $\frac{7}{8}$ . We therefore lost 21 per cent. on our silver sales, and could not help it. On the silver sold this year we have suffered a further loss of 7,000,000, and the aggregate loss on our silver sales amounts to 96,000,000 marks, and if the loss by abrasion is deducted, still 72,000,000."—*Report of Herr Von Dechend to the Reichstag, June 17, 1879.*

At this point I suggested that our government was about to invite Germany, France, England and other nations to meet in joint convention for the purpose of determining the relative value of gold and silver and providing for the general recognition of silver as a money metal. With an expression of mingled surprise and gratification he quickly asked: "Is the measure definitely determined?" I replied affirmatively, saying that I had my information from President Hayes and our Minister of Foreign Affairs, Mr. Evarts, and that Congress had appropriated 120,000 marks with which to defray the expenses of our commissioners. Turning to Minister White with an earnestness of manner which caused me to think he would be pleased if the remark should be transmitted to Washington, he said: "That proposition will not need protracted consideration. Its acceptance will be immediate." The publication of these facts may impair the mysterious value of future formal diplomacy, but is justified by the freedom of the interview, which imposed no restraint upon my pen.

Moving toward the door by which we had entered the garden, my steps were arrested by the question from Bismarck, "What will you probably do if the governments you address do not respond favorably?" Premising that I could give but my personal views on that question, I said that I was confident that our people would in less than two years imperatively demand the full and unqualified remonetization of silver, which measure I ardently supported. "But," said he, "can you do that? Will not all debtors then pay in the least valuable metal?" "I will," said I, "let American and German history answer your questions," and proceeded to explain that, from the inauguration of our government by Washington until 1873, gold and silver had, as provided by the Constitution, both been legal tender; that the first Congress, upon Hamilton's recommendation, had fixed the relation at 15 to 1, and for a time both gold and silver coins had circulated freely; that, after France established for Europe the relation of  $15\frac{1}{2}$  to 1, which she did in 1803, our gold coins were all exported, and our trade had been conducted and our debts paid exclusively with silver down to 1834; that in that year Congress so far reduced the weight of

the gold dollar as to fix the relation at 16 to 1, which made it profitable to export silver when not only our dollars, but all other silver coins, were exported, even to the dime, worth but 40 pfennigs; that this had compelled us to revise our subsidiary coinage and reduce the weight of every coin for the fractional part of a dollar, and that none of these changes had brought upon the nation the charge of dishonesty or invoked the suggestion that American debtors were defrauding their creditors by paying them with constitutional dollars of either metal.

After a brief pause I added: "But the recent monetary history of Germany fully illustrates the point in question. Before the establishment of the Empire, German law authorized the coinage of 20-gulden pieces of gold and made them legal tender, in common with silver, but no German paid his debts in gold. In the then state of trade you found it impossible to keep gold pieces in circulation and ceased to coin them, though you did not repeal the law which made them legal tender." "All that," responded Bismarck, "is true and pertinent; but what effect upon your trade will it have if you alone make the experiment?" Speaking for myself, I said: "I hope that England and other manufacturing and commercial nations will reject our proposal. It is a mistake to suppose that we alone should in that event use silver as the standard of payment. We should have most of the people of the world with us. China, Japan, British India, Mexico and Central and South America all use silver, and in a few years we should monopolize their trade.\* They could not sell their raw materials to or purchase their manufactured goods from people who used a much more costly standard of payment. We should have nine-tenths of the people of the world as our customers, as the gold-using nations include but about one-tenth, and I prefer that my country should be at the head of the many non-manufacturing countries rather than at the tail of the small group

\* "The fact that the British Empire is the largest holder of silver is exceeded by a much more important consideration. *England has also the greatest interests in silver, because more than three-fourths of the whole of her outward commerce is conducted on the silver basis, one-fourth only resting on gold.*"—*Ernest Seyd, Decline of Prosperity, chap. ii.*

of gold-using nations, with whose cheaper labor we should have to compete even in our own market. That trade between countries who respectively use gold or silver as the standard of payment will be impossible is proven by the fact that even now, when the work of demonetization has but commenced, neither England nor Holland can safely trade with their own Indian dependencies. This the failure of great trading companies in each country during the past year has shown.”\*

“Your country,” said Bismarck, “has great geographical advantages. Your occupation of the Pacific coast makes the hordes of Asia your neighbors and opens their trade to your enterprise, and the South American States are open to you on both oceans. But in this matter you must not act alone. Others must co-operate with you. I have told you that no more of our silver will be sold, and you may also know that the people want the coins for business, and that they will go into circulation again. It is already ordered.”

A few minutes were then passed in general conversation, when, after pleasant parting salutations, the organizer and ruler of the German Empire returned to his desk.

\* “These conclusions by no means exhaust the category of untoward results. The picture could be greatly heightened in coloring, but they are enough for our purpose, accounting as they do for the greatly diminished demand there now is for our textile fabrics, railway materials, machinery, and other things, from vast and populous regions of the globe, whose money is now useless to us, and unsuitable for the discharge of our trade accounts. Merchants are at their wits’ end. They are shut up to refuse credits in silver-using countries. They are baffled in all their exchange calculations. They are driven to restrict their operations. The malign and adverse influence acts and reacts. The distress intensifies. Manchester warehouses are filled to repletion with unsalable stocks. Iron rails go down to a point lower than ever known. Many good opportunities for developing the resources of other countries, and of investing English capital, pass unheeded and unavailed of. Men inquire what will the silver dollar or the rupee be worth six months or six years hence in the London market; and the deduction from late monetary legislation prompts the reply that there is no bottom to the fall. India may be ruined—our investments may be worthless; and the inevitable conclusion is that we must minimize our risks, restrict our operations, draw in our capital from silver-using countries, and let things take their chance.”—*Contemporary Review*, April, 1879.

# THROUGH AUSTRIA TO GERMANY AGAIN.

## OUR NATURALIZATION TREATIES.

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MUNICH.

After a delightful excursion through part of Austria I am again in Germany. Munich is the capital of South, as Berlin is of North Germany, and its monuments are Bavarian, as those of Berlin are Prussian. Notable among them is the bronze statute of Bavaria, the harmonious proportions of which are so colossal that six men may stand together in its head and enjoy a view of the city and suburbs, while to encircle its middle finger requires a cord longer than did the waist of a lady who stood by as I scanned a plaster cast of it in the bronze foundry.

Coming abroad, as I did, in pursuit of health, I have not underestimated the value of sleep to a convalescent, or the danger of violent or protracted physical effort, and, avoiding night travel, have rested long enough at Dresden, Prague, Vienna, Linz and Salzburg, to take a leisurely, though necessarily superficial, view of each of these cities. I have thus seen all the country through which I have travelled, and been able to observe the extent of the holdings of lands and the methods, age and sex of agricultural laborers.

I forget the date at which Livingston came as our Minister to France. It was, however, before the adoption of the Constitution, or as the representative of Washington's administration. But the precise date is not important, as I refer to him as an illustration of a general truth which social reformers should ever bear in mind. Before arriving in Paris he had been painfully impressed by the fact that most of the agricultural laborers were bowed and exhibited other signs of premature old age. He observed, also, that their chief implements



were hoes, with handles but three feet long, and sickles which required them to stoop even lower while reaping than they had done while cultivating their crop.

He was a philanthropist, and in the hope of remedying a national evil, he not only brought to the attention of many Frenchmen of influence the fact that American farmers used implements which enabled them to stand erect, but went so far as to import a large number of long-handled hoes for gratuitous distribution. Their use would, he hoped, demonstrate their vital superiority and cause their general adoption. In this he was mistaken. They were soon discarded, and Livingston's papers thenceforth abounded in dissertations on the difficulty of inducing a people to change their practical methods. Here, too, he was in error. In the choice of tools, the people whose condition he sought to improve were not free agents, but were—as the masses of mankind always are—subject to social and physical conditions. Had Livingston first asked why the use of longer hoe handles had not occurred to the French paysans, his labors in their behalf would probably have taken a more practical turn. He has, however, many successors among American travellers, who vex one's ears with the question, Why do these people not use our labor-saving agricultural machinery? though they see unmistakable proofs—such as the diversity in kind and age of the crop—that the holdings of lands in the rural parts of Belgium, France and Switzerland are not, on the average, so large as building lots in the Twenty-second, Twenty-fourth and Twenty-seventh Wards of Philadelphia. Those who own or rent these patches of land live in villages and labor in workshop or in factory. Old men and women—generally more of the latter—attend to the crops, which, even when of grain, are carefully weeded. The ground may be prepared by the spade, the old-fashioned, short-handled hoe is still frequently used in breaking it up, but much of the work is done with trowels. It is evident that Burns had not the cultivators of these petty farms in mind, when he described the farmer walking in glory behind the plow.

The prevailing appearance of premature old age which aroused Livingston's sympathies is attributable to this inevitable method of manual farming, and to the habit which the women have of carrying strapped on their backs huge baskets, often heavily loaded.

But it is not alone the small holdings of land which impose this character of work upon women, for in Germany and Austria, where the holdings are generally larger and much of the farming is carried on upon a considerable scale, women seem to do most of the work, and often the heaviest part of it. They pitch the hay upon the wagon, while the man—if there be one of the party—receives and stores it. I have seen many of them plowing, and others with scythe or sickle, holding their line with men in the harvest field. To sweep the streets of great cities, to trundle overburdened wheelbarrows or handcarts through streets crowded with swift-going droschkies, to split, saw and pile firewood, to serve as unskilled laborers in glass and iron works, foundries and machine-shops, to carry stone, bricks, sand and mortar to masons and bricklayers working on the upper stories of the highest buildings, will not seem to the average American woman strictly feminine occupations. Yet, so long as the flower of masculine youth and the vigor of European manhood are to be dedicated, as they now are, to barrack and camp, such must continue to be the occupations of the mothers of many future American citizens.

In Germany the plow has generally supplemented the spade and the scythe the sickle, but not until I had reached Central Austria did I see a cradle; and even there its use appeared exceptional. Here all our agricultural machinery might be brought into use. The land is level as the prairies of Illinois, and the extent of the wheat fields reminded me of the great ones of Minnesota. Yet here I saw but one piece of machinery. That was turning hay which had been subjected to a protracted rain.

Berlin, Dresden, Vienna and Munich are beautiful cities. My stay in no one of them was long enough, however, to justify me in attempting to describe it, or, indeed, to indicate

the leading points of attraction, since each of them is rich in historic monuments and matters of interest to lovers of architecture, painting, sculpture and music. There are two facts concerning each of them, however, that I must record, since they seem to me to illustrate a law whose force and inflexibility financiers and statesmen should comprehend. They are among the oldest of modern cities. The period of most rapid and costly growth of each has been since 1850, and the progress of each was checked by a rapid decline in the value of real estate between 1873 and 1875, and is still restricted.\*

\* "How much more serious would be the dilemma were silver demonetized in our Indian Empire. Were it to become necessary to send gold instead of silver to India, the scarcity of gold and the further destruction of the value of silver would not merely break down our own monetary system, but would seriously disturb monetary affairs generally, besides checking the great and most valuable trade between India and the countries of the West. If such would be the effects of demonetizing silver in India, how much vaster would be the calamity produced by likewise and simultaneously pursuing the present process of demonetizing silver in Europe and America? Fortunately, we can hardly believe that governments will persevere in, or that nations will tolerate, so suicidal a policy. Mankind will not allow themselves to be strangled in deference to any theories or doctrines, however well established they may be held to be. A single gold standard, no doubt, suits our own country—especially when gold is so abundant as it still is; but to preach up this form of 'mono-metallism' for universal adoption in civilized countries, and to pour contempt upon the 'double standard,' is one of the most perilous freaks of 'science falsely so called.' It would cut our own throat, to begin with, by making gold too scarce for the maintenance of our own monetary system. For the world at large, our own country included, such a change would produce the widest and most oppressive calamity that human intelligence or folly ever created. It is now acknowledged on all hands that our recent commercial prosperity, and the general well being of mankind, have been greatly owing to the large supply of the precious metals from California and Australian mines. To proceed in the work of demonetizing silver would not only undo these benefits, but would create disasters far exceeding in magnitude the past blessings. It would destroy about one-half of the entire stock of the world's money. It would not merely paralyze commerce and rob industry of its due reward, but it would intensify the worst evils of old established society. It would make the rich vastly richer, and the poor still poorer. We often hear from certain quarters, of 'bloated capitalists' accumulating fortunes at the expense of the laboring classes; but even if capitalists were the sole and unchecked legislators of the world, they could not devise any

Prague is not accounted a great city, and many American tourists pass by it as they would by a wayside station; yet no continental city has impressed me more. Its situation is most picturesque, and, having been from the dawn of the fourteenth century the theatre of memorable events, it abounds in historic monuments. It has the tower from which Tycho Brahe and his imperial patron, Rudolph II., watched the course of the stars in the closing year of the sixteenth century. Here, too, Huss and Jerome were born, and by their devotion to liberty of conscience and their pious labors earned the martyrdom which overtook both in 1415, when their ashes were thrown into the Rhine. The new city—lining the banks of the Moldau with its gardens and recent buildings—though beautiful, is commonplace. What interested me was the old buildings, which one sees as he ascends the well-paved slopes which lead to the Hradschin. Here stands the Cathedral, begun in 1344, finished in 1385, and now being restored, having been damaged not only by the fire of 1541, which reduced the height of its tower from five hundred and twenty to three hundred and twenty-three feet, but by the artillery brought to bear upon it during the Seven and the Thirty Years' wars. The imperial palace, close at hand, is said to contain more than seven hundred rooms, of which the recently refurnished Spanish and German saloons are the most elegant. But the most curious is, in my judgment, the vaulted chamber, in which were held the tournaments, the great hall of Ladislau—approached from within by successive flights of stairs, and from without by ascending avenues paved with brick. Not having recognized the fact that tournaments were in-door sports and might have been conducted in an attic, I concluded that this was an exceptional instance, but on visiting the Bavarian Mint, at Munich, I found in it a tourney hall, no larger than the one at Prague.

law so purely and exorbitantly for their own interests as one for the demonetization of silver—for the destruction of one-half of the world's currency, and the consequent doubling or quadrupling of the value of their own capital. Such a course would promote the 'social revolution' far beyond all the preaching of French Communists or Russian Nihilists."—*Blackwood's Magazine for August, 1879, pages 233 and 234.*

The building had once been a palace, and this hall, surrounded by low but heavy and imposing columns, and arched stalls for guests, had been one of its central points of attraction. But, to return from a digression, a few steps bring one from Ladislau's Hall to the old council chamber, from a small balcony of which one obtains a fine view of the city, the Moldau and the venerable bridges which span it, in themselves quaint and instructive historical monuments as well as noble highways. Rarely have such momentous associations clustered about so contracted a space as this little balcony, to which, tempted by the charming view it offers, so many pleasure-seeking tourists climb. It was from this balcony that Count Thurn caused the imperial counsellors, Martinitz and Slawata, to be hurled. Their full-length portraits hang upon the wall of the gloomy chamber but a few feet from the place of their execution, and an obelisk bearing their names marks the spot upon which they fell. This outrage was the proximate cause, if not really the first act, of the Thirty Years' War, which, after the then average life of a generation, was terminated in 1620 on the White Hill. Though it had ravaged Europe, this long war was terminated by a desperate struggle on a field less than a mile from and in sight of the little balcony from which Martinitz and Slawata were thrown.

The religious monuments of Prague are specially interesting. The Cathedral to which I have alluded is in itself a collection of such monuments, some of which are very instructive as to the spirit of several periods during the last five centuries and a half. Almost under its shadow, but nearer the river, is the old church of the Hussites, which was erected by German merchants before the expiration of the century in which Huss and Jerome had been burned. And at but a small distance from this church, upon the river bank, is the Jews' Quarter, or Josephstadt, with its synagogues. The oldest of these, erected in the thirteenth century, is an architectural curiosity. Though quite small, it bears traces of both Byzantine and Gothic schools, and is perhaps the only synagogue in the construction of which the Gothic cross was ever adopted. The



worshippers in this venerable temple seem to have lived harmoniously with their Christian compatriots. The flag presented to them by Ferdinand III., in 1648, in recognition of the bravery displayed by the Jews during the siege of the city, still hangs in the midst of the synagogue. For an admirable description of the overcrowded Jewish cemetery I refer the readers of *THE TIMES* to Bayard Taylor's "Views Afoot," contenting myself with the remark that, although it is a century since an interment was permitted within its limits, it has not yet been sold for building lots, as so many American cemeteries have been.

But, to turn to a more practical matter, the naturalization treaties between Germany and the United States are attracting much attention in diplomatic and consular circles. The subject was several times brought to my notice while at Berlin, as it has been in this city, and always with expressions of surprise that Americans should demand their revision, or consent to it if it can be avoided. These treaties are regarded as the crowning work of Mr. Bancroft's diplomatic career, and are referred to as such by the resident ministers who were at Berlin when they were negotiated. Alluding to this subject, one who had been there during Bayard Taylor's brief service declared his belief that Mr. Taylor's illness was aggravated by anxiety concerning several cases that were pending under the treaties, and by the severe animadversion of American papers on the very judicious advice he had given to some of our naturalized citizens who were about to bring themselves under the debatable provisions of the treaties.

Another gentleman, referring to the subject, said: "There is probably no diplomatic position in Europe so laborious or so harassing as that at Berlin, and on this account,—there is a perpetual struggle to secure the rights or to investigate the supposed rights of naturalized American citizens who have returned to their native country. Much criticism was passed in certain quarters against Mr. Bayard Taylor for advice given by him to returning naturalized American citizens. Never

was criticism more unjust. The fact is, that among the causes of Mr. Taylor's premature death were his anxiety and labor on these very cases. Early and late he toiled over them, and the result was that the great majority of the persons concerned were released from German service."

I am free to confess that I had not appreciated the importance of these treaties and of the service Mr. Bancroft had rendered his countrymen of German birth in negotiating them, and I feel that I cannot better appropriate a portion of my space in *THE TIMES* than by stating some of their cardinal stipulations and the questions that have arisen under them.

The treaties were negotiated in 1868 with the German States as they then existed. Bavaria appended to hers a protocol by which she voluntarily agreed to adopt that construction most favorable to the rights of American citizens should doubtful questions arise.

. With the Prussian treaty the case is different, since its provisions are subject to the strict laws of diplomatic construction. The general terms of the treaties are these: That any native citizen of Germany who leaves the country before being able to serve in the army, who, after a five years' residence in the United States, becomes a naturalized citizen, and who then returns to Germany, shall be regarded as an American citizen. As such he shall be free for the space of two years from all claims of the government to military service. If, however, such person remain longer than that time, the government *may* presume that he has resumed his German citizenship, and may call upon him to perform his military duty. It will be readily seen that that word "may" may well give rise to delicate questions if many naturalized citizens return and stay over the stipulated time. Events have shown that it is impossible for the German government to overlook violations of this stipulation, or to grant the appeal of our minister in every case of which he is obliged to take cognizance.

It is conceded that in a vast majority of cases returned naturalized citizens have no trouble, and the fact is pointed out that while more than ten thousand such citizens are now

residing in Germany, the number seized each year for unfulfilled military service averages less than thirty, and that very few of those arrested are permanently held.

It is also said, and, according to the statements of representatives of other governments residing here, with unqualified truth, that where there is good faith in the action of the returned American, every possible concession is made, and no disposition is shown to apply the law strictly. On behalf of the German government it is urged that many young men leave the country just in time to escape the call to serve in the army. They learn the English language, acquire American ideas of trade, become naturalized and embark for Germany often within the month in which they acquire American citizenship. Such cases the government is compelled to scrutinize closely. The neighbors of such young men—often their former associates—justly complain that while they themselves are discharging their duties to the empire, these men, who grew up with them and until a few years ago lived beside them are now free, under the pretence of an American citizenship which they do not exercise or intend to exercise. It is this class of cases which has given rise to most of the difficulties under the treaty. The German government contends that these men have not become naturalized American citizens in spirit and intent, but have assumed a pretended citizenship, by which they hope to evade their duties both to Germany and the United States. It freely admits that mistakes have been made by its subordinate officials, who have, in some cases, claimed military service from naturalized citizens before the expiration of the two years allowed by the treaties, but it asserts that in every such case instant concessions have been made on proof of the facts. To those who insist that the United States ought to maintain at all costs the right of expatriation, it replies that we have this right in all *bonâ fide* cases; that the apparent exceptions are where fraud upon both governments is attempted as above described.

I have alluded to this subject because the ten years have expired in which, by their terms, the treaties should not be sub-

ject to revision, and either party can now terminate them by giving one year's notice. The attitude of the German government on the question is this: while it does not propose to demand the termination of the treaties, it has no objections to offer should the United States make the demand. It is, however, not believed in diplomatic circles, that as favorable terms would be granted by any future treaty as those we now enjoy. The general belief appears to be that, should our government act in the premises, we would simply resume the position we occupied prior to 1868, when young naturalized Americans returning to Germany were promptly arrested and harassed in many ways, if not absolutely held for military service. They then had no treaty rights, and their chance of escape depended upon the good will of the Minister of Foreign Affairs. It appears to me that to state this case is to argue it. Those who demand for personal or party ends a termination of these treaties, and propose that our government should propound and enforce the doctrine of the unlimited right of expatriation, and that other doctrine, incompatible therewith, that he who is once a citizen is always a citizen, would do well to ask themselves whether we are masters of the situation. To enforce these doctrines would require an army of not less than one million of men, whose battle-fields would be on German soil, and would involve an expenditure of money and life such as practical people would not incur for the sake of enabling a few unpatriotic men to escape duties due to the government whose protection they demand.

## HENRI CERNUSCHI.

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PARIS.

The most beautiful of the parks of Paris is Parc Monceau, upon the Boulevard des Courcelles and the Avenue de la Reine Hortense, in the northwestern part of the city. It may be entered also from Avenue Velasquez. This is probably the shortest avenue in Paris, since but seven residences and no other buildings front upon it. They are all elegant, and of recent construction. It is of number seven—between which and the park no buildings can ever be constructed—that I am about to write. Its frontage is something over sixty feet. Its style cannot be said to be plain, though it is free from any attempt at rococo. Coachmen stop their carriages in front of it to bring to the notice of strangers the likenesses of Aristotle and Leonardo, which, in brilliant mosaic, are set in panels above the windows of what we term the second story, but what is known here as the first. They are costly and exquisite works of art. Approaching the porte cochere, by which alone—as with most Parisian mansions—entrance may be had from the front, a foreigner—observing the Japanese lion on either side—might well conclude that this was the residence of the Japanese Embassy, or of some notable citizen of Japan. But no Frenchman familiar with the recent history of his country would entertain this conclusion, for in diamond-shaped panels, in the iron work of the gates, is wrought on the one hand *Fevrier* and on the other *Septembre*, the former of which marks the last month of monarchy and the latter the month in which the Empire vanished. He would conclude that he had approached the residence of a pronounced Republican, and in this he would not be mistaken, for it is the elegant and hospitable home of Henri Cernuschi.



We are at the threshold of what is at once one of the most perfectly-appointed homes of Paris and a museum of which the equal is not to be found in either hemisphere. Indeed, familiar acquaintance with the interior begets a doubt as to whether the architect who planned the edifice studied more the comfort of its master and his guests or the means of displaying with greatest perfection his immense and unique collection of works of Oriental art.

To the right of the porte cochere is a small room occupied by the concierge, and opposite is the entrance to the main body of the building. In passing one observes that the sides of the carriage-way are paneled, and that between the panels are many brackets, each of which is surmounted by a Chinese or Japanese vase or urn; and if, impelled by curiosity, a visitor venture beyond the door, he will find each panel covered by tapestry, either bits of gobelin or rare specimens of Oriental art.

On entering the building one knows not which to admire first or most, the broad stairway and the ingeniously-wrought iron-work by which the rail is supported, or the bronze figures, the like of which he has never seen, and which meet his view from points that an artist would select for their display. None are crowded, yet, look which way one may, one sees those that are unlike all the rest. The stairs bring us to a landing which constitutes a hall about thirty feet square, in which several massive specimens of Mr. Cernuschi's collection are admirably displayed, and from which I entered with him the room he calls his atelier. Here again, standing upon Persian and Turkish rugs, some of which are from the early part of the sixteenth century, one is surrounded—except for the shelves which contain his library of the writings or speeches of American statesmen and statisticians—by Oriental screens or work in glass, porcelain and bronze. Adjoining this room is a hall sixty feet long, forty feet wide and thirty feet high, lighted from the roof and by a large window that overlooks Parc Monceau.

In this apartment, in the home of a private gentleman, one may study the progress of Chinese art during four thousand years, and of that of Japan for nearly as long a period. Be-

yond the hall is the breakfast room, where on one morning I met Professor J. L. Morris, of Cornell University, and on another Mr. George Walker, who, if rumor has not misled me, is here as the representative of our government in connection with the question of the remonetization of silver. Here, again, let the guest be placed as he may at the circular table, his attention will be attracted by Chinese or Japanese productions, of which he would gladly learn the date and history. One side of the room is almost covered by vessels of glazed and colored pottery, some of which, at least in combinations of color, are of exquisite beauty. It must not be supposed that this collection is simply the aggregation of a great number of unmeaning specimens of Chinese and Japanese work. It is far more than this. Mr. Cernuschi devoted several months in each country to the selection of such works as would best illustrate its progress in art and its religion.

To afford space for the display of the multitudinous objects of which the collection consists a balcony has been built around three sides of the hall, and the staircases leading to it are concealed by a partition. This arrangement gives shelving room for hundreds of the smaller objects, some of which are no larger than pieces of jewelry; while in the centre, seated upon a lofty marble pedestal, is a colossal bronze figure of Buddha, brought from its temple in Japan.

But readers of *THE TIMES* who do not remember the names of the leading actors in the Roman revolution of 1848, or have not been officially interested in the controversy waging between mono-metallism and bi-metallism, will probably ask, Who is Henri Cernuschi? He is a private gentleman, whose susceptibilities will probably be wounded by the freedom with which I write of his affairs. Public office and honors have often sought him, but he has but once—in Rome—consented to surrender his individuality by accepting a position that required the adaptation of personal conduct to the necessities of a party or government. He is by birth an Italian, and having been educated for the bar in the best schools of Italy, the outbreak of the Revolution of 1848 found him as leader of the junior bar,

in the possession of a lucrative practice in the city of Milan. An intense Republican, he was already in correspondence with the chief promoters of Liberalism in Italy. On the breaking out of the Roman revolution he hastened to Rome and was at once recognized as triumvir with Mazzini and Garibaldi. This style of office was not recognized, but serves better than any other to express their relations to each other and to the revolutionary movement. Though not a Roman citizen, Cernuschi was elected to the Chamber of Deputies, and was immediately recognized as the trusted counsellor of those to whom the destinies of the young republic had been confided. He led the opposition to the admission of the French army, and when others were disposed to accept its pledges of friendship and protection, he denounced the proposition and warned the Chamber against the French army as the treacherous instrument of reaction throughout Europe. He could inspire and control the Chamber, but could not create an army or provide arms and munitions with which to repulse that of France, which gradually occupied positions from which it could submit to Mazzini the alternative of capitulation or the bombardment of the city. Further resistance was vain, yet Cernuschi would not consent to capitulation, and proposed the transfer of the government to Civita Vecchia. He would evacuate the city he could not defend, but would not acknowledge the extinction of the Republic, and he and his colleagues having left Rome, the French army entered the city without resistance.

From Civita Vecchia Mr. Cernuschi was offered safety and passage to England on a British war vessel, among the officers of which he found a former friend. He, however, preferred to share the fate of his colleagues, and on going ashore was cast into prison. It was more than six months before formal accusation was made against him. He was, however, finally tried by a military court on three charges, each of which involved many specifications, and, managing his own case, was acquitted. But acquittal did not bring release. He was remanded to prison, and after another interval of more than six months was brought before another military court on two of the charges on

which he had been tried, and was again acquitted. After weeks of further confinement, during which his re-trial was considered, he was given a passport and ordered to leave Italy. He came to Paris. The practice of his profession was not open to him. His estate had been forfeited, and he must accept such employment as he could find.

We next find him occupying a position in the service of one of the great financial institutions of France, of whose chiefs he soon became a trusted counsellor. "Whatever he touched," said one of his earliest French friends to me, "turned to gold." In a few years he was able to invite certain capitalists to unite with him in establishing a bank, of which he became the manager. One feature of this institution was that, to prevent speculation in the stock, it should be transferable only with the unanimous consent of the shareholders. Good fortune still attended him, and, weary of business, the affairs of the bank were closed and Mr. Cernuschi retired with a princely fortune and the resolution, to which he has religiously adhered, to never embark any portion of his means in a business operation. His surplus income is invested in government securities or expended in the gratification of his refined tastes, the propagation of his political or financial opinions, and the dispensation of a hospitality the chief charm of which is in the fine presence, happy manner and brilliant and instructive conversation of the host, whose pleasure seems to be found in eliciting information from his guests.

But it must not be inferred that the current of Mr. Cernuschi's life through all these years was undisturbed by dramatic and painful incidents. It was impossible that one whose Republicanism was so intense and who was so true to his convictions could avoid collision with the governments under which, as an exile, he has lived in France. When the usurper, Louis Napoleon, determined to justify, by the pretence of a popular vote, his overthrow of the Republic, which as president he had sworn to maintain, he ordered a plebiscite and proclaimed to the world his purpose to insure a fair and unbiased election. With characteristic treachery he not only confided

the conduct of the election to his creatures, a prefect and curé in each district, but distributed to the people tickets for affirmative votes only. The Republicans of Paris entered the unequal contest and hoped to effect a competent distribution of negative tickets and thus produce an adverse result. Gambetta was chairman of the executive committee. A poor man himself, and representing all classes save the wealthy and powerful, how was he to procure and distribute the needed negative ballots? Among his constituents was one rich man, Henri Cernuschi, who, perceiving the emergency, promptly sent him one hundred thousand francs.

This act involved a degree of courage and liberality for which the usurper and the adventurers by whom he had surrounded himself were unprepared. Such individuality was, in their judgment, incompatible with "order and society." It could not go unrebuked. It did not, for having received a letter of expulsion, Mr. Cernuschi, before the next day's sun rose, was on his way to Switzerland. His response to the letter of expulsion was characteristic. It was not, however, in the form of a protest or appeal to the usurper, but was addressed to Gambetta, and enclosed a check for an additional one hundred thousand francs, with the simple expression of a hope that the proceeds could be effectively applied to the distribution of negative ballots. The expenditure was in vain, for the government which would not provide negative ballots suppressed those that Gambetta issued. When the authority of the Empire became absolute Mr. Cernuschi was permitted to return to Paris, but, as will appear, this incident was not forgotten. Though he had refused to accept citizenship under the Empire, he remained in Paris during the siege and the Commune, and was an active member of the committee for the relief of the poor, to the funds of which he is said to have been a generous contributor. He also purchased a controlling influence in the *Siècle* and assumed the editorship of its political columns, in which he daily advocated Republicanism as contradistinguished from Communism. His labors at this time were herculean. They were shared by Mr. Chaudey, of whom he



speaks only as "my dear friend and constant collaborer." They were inseparable, and were often admonished of the danger they incurred by their condemnation of the excesses of the Commune. At length Mr. Chaudey was arrested and cast into prison. Cernuschi, hoping to effect the release of his friend, visited him daily. When he called on the morning of the day on which the French army was entering the city, he found that his friend had just been shot by the baffled leaders of the Commune. While he was endeavoring to get possession of the body of Mr. Chaudey a detachment of soldiers, who were still under the command of Imperialist generals, entered the prison. To others the army came as a deliverer, but not so was it for Cernuschi, for before he had accomplished his object the jailer received an order for his detention.

Nobody could suspect him of Communism. Indeed, all Paris knew that while devoting himself to works of charity and the promotion of Republicanism he had been bravely outspoken in opposition to the theories and conduct of the Communists; but it was remembered by the general in command that he had endeavored to defeat the scheme for giving an apparent vote of the people for the Empire. For this, though years of acquiescence had intervened, his life was to pay the forfeit. The hour of his death was fixed. He was in the presence of his executioners—the firing squad. But lo, the fatal order was informal in this, that it was printed and not written. He demanded the production of a written order, and to put him to death, pending such a demand, might involve grave consequences to him who gave the word of command. Time was gained. Days elapsed and no written order came. The higher official who might issue it shrank from wanton murder. The general in command of the prison was, however, less scrupulous, and again Mr. Cernuschi found himself in the presence of his executioners and the moment of his death near at hand, when mutual recognition occurred between him and a functionary whose position justified him in demanding a brief respite for the condemned. This was done. The intended victim was again remanded to his cell, where, until the next afternoon,

he had time to consider the strange fortune by which his friend and colaborer, Chaudey, had been put to death by the Commune while he was to be murdered by the expiring Empire. That day, however, terminated his imprisonment and released him from impending death. It is worthy of remembrance that these incidents in the life of an unambitious, cultivated and benevolent gentleman do not characterize the French government of a former century, but that of the early years of the current decade. In view of them may we not all hope for the consolidation of the Republic, which at least promises personal security? On the fourth day after its proclamation Mr. Cernuschi took the oath which made him a French citizen—a thing he had been unable to do while that oath required him to swear fidelity to king or emperor. Rejecting all overtures from constituencies and offers of administrative position from the chiefs of the new government, he determined to seek recreation in wide foreign travel. After spending some time in our country, he sailed from San Francisco to Japan, whence, after having devoted months to collecting the objects to which I have referred, he proceeded to China, and devoted nearly five months to the same purpose. It was after his return to Paris, and with special reference to his unequalled museum, that his residence was erected.

But what Henri Cernuschi regards as his life-work remains for brief reference. He had, as I have said, counselled the chiefs of one of the great financial establishments of France, and subsequently organized and successfully managed a great bank. He had while thus engaged made the subjects of money and finance a special study, and had in 1865 published a volume entitled the "Mechanism of Exchange," which attracted continental notice and induced the Société des Economistes to tender him a fellowship. He was then, as now, an unqualified bullionist, yet he is the author of the phrase "bi-metallism," and for the last six years has devoted his means and energy to the work of promoting the universal monetization of silver on the basis of  $15\frac{1}{2}$  weights of that metal to 1 of gold. His studies had prepared him to believe that the attempt by Germany and the United States to demonetize silver, though it could not be

ultimately successful, would derange the commercial relations of the world, and work incalculable evil to states and men who were in debt and to the producing classes generally, and he at once took up this subject in the *Siècle*. In 1875 he published a volume entitled "Bi-Metallic Money," and in the next year, under the title of "Bi-Metallism," another containing his several replies to Chevalier.

The promotion of this beneficent work is, as I have said, the life-business of Mr. Cernuschi. To advance it he labors incessantly and expends his means with unstinted generosity. It was in the hope of furthering this cause, by presenting his views to the Senatorial Commission on the silver question, that he passed the winter of 1876-7 in Washington, where I had the privilege of being personally recognized by him as an efficient co-laborer. His many controversial pamphlets on the subject are distributed gratuitously, and only put on sale in order that all who will may obtain them. His collection of books on the subject, in several languages, is large, the volumes are well thumbed and the pages of many of them carefully annotated. Not only has he the American library to which I have referred, but, desiring to follow the course of the money question in America, he is a subscriber—the only one east of the Atlantic—to the *Congressional Record*. As I had frequent opportunity of observing, he receives many miscellaneous papers from our country, and is in the regular receipt of the financial journals published at all the money centres of the world. He and his secretary are busy men, for each day's mails bring him, from all parts of the world, letters of inquiry and suggestion or of thanks and approval. Will success crown his unselfish labors in this beneficent cause? That it will, and at an early day, there is, I believe, no room to doubt.

Indeed\* it may be said that success has crowned them, for the return to bi-metallism is practically determined. The Diplomatic Commission will be convoked in obedience to the demands of suffering nations, and the commissioners when they meet will find little to do but determine a relation between gold

\* What follows of the text of this letter was accidentally omitted in its original publication.

and silver, and sign treaties binding their respective governments to adhere to it as the basis for unlimited coinage. It is a mistake to suppose that Prince Bismarck acted capriciously or arbitrarily in prohibiting further sales of silver and ordering the coin which had been hoarded by the government to be returned to circulation. As I was assured during my first visit to Germany, and reassured with ample illustration by Ernest Koch, of Gelsenkirchen, and Otto Zimmerman, editor of the *Allgemeiner Anzeiger*, of Cologne, after my return to the empire, the Prince acted in response to fervent appeals from the producing classes, irrespective of party or sect.\*

Nor can the British government long refuse to name commissioners and endow them with plenary power in the premises. The demand for relief from the suffering consequent upon the attempted demonetization of silver comes from India with undivided voice, and is becoming more general, throughout the British Islands, as each week passes. He who would know the strength of the arguments by which this appeal is enforced, should consult the columns of that valuable epitome of Anglo-Indian opinion, *The Bombay Gazette Summary*, compiled for the use of British merchants and bankers interested in the Indian trade; should read the Letters of Samuel Smith, a distinguished merchant of Liverpool, on the silver question; should consider the vigorous statements embodied in the memorial presented by the Liverpool Chamber of Commerce to the government; should read the two articles, one by Stephen Williamson, of Liverpool, and the other by R. H. Patterson, of Edinburgh, in the *Contemporary Review* for April; he should read the article in *Blackwood* for August; and the exhaustive volume just published in London by Ernest Seyd, F.S.S., entitled "The Decline of Prosperity: Its Insidious Cause and Obvious Remedy," for the privilege of examining a copy of which, received in advance of general publication, I am

\* While these sheets have been going through the press I have received from Gustav Godeffroy, the eminent merchant and banker of Hamburg, a paper entitled "The Gold and Silver Question," in which he vindicates, with much ability and a fine array of statistics, the recent action of Prince Bismarck, and the necessity of international bi-metallism.

indebted to Mr. Cernuschi.\* Having done this the inquirer will be prepared to believe that the Anglo-Indian appeal thus enforced at home must soon be regarded as irresistible.

It is therefore now in order to inquire what relation between the metals will be established, and what change of our coinage it will involve. This, too, is predetermined. The relation must be  $15\frac{1}{2}$  of silver to 1 of gold. To adopt another would be to require the recoinage of all the gold money or of all the silver

\* "A remarkable pamphlet has just been issued, which derives additional interest and importance from its authorship. It is by Henry H. Gibbs, of London, who was formerly Governor of the Bank of England, and was one of the commissioners from Great Britain to the Paris International Conference on the silver question. In company with his colleagues there, he stubbornly resisted every proposal looking to international action on the question, and it is well known that the complete and not very courteous rejection of American suggestions was mainly due to the uncompromising attitude of the British representatives. Yet this same Mr. Gibbs now writes, at the close of his pamphlet:

"I have expressed in it conclusions which differ very widely from the spirit of the report of the proceedings of the Paris Conference presented to the government by my colleagues and myself. I fully concurred in that report; but the more I have, since then, thought over the subject of the Conference, the more I have been led to distrust some part of our reasoning, and to doubt in part the wisdom of the conclusion to which we came. In no case was it to be expected that the Conference would have simply affirmed the original resolutions of the Commissioners of the United States. Indeed, the evil from which we suffer had not at that time pressed so strongly upon the minds of Englishmen as it has since done, and public opinion was less prepared than I think it now is to look with favor on any change which might promise to alleviate it. . . . I have tried to show that it (remonetization of silver) is practicable; and that though universal mono-metallism would be better if it was possible, no such possibility exists; that though England has flourished long, trusting in her gold mono-metallism, there was a cause which enabled her to do so, a cause which no longer exists; and that, even granted that there would be inconvenience in surrendering our single standard, there may be a greater inconvenience still in remaining as we are.'

"The question will at once be asked with great interest, What new arguments or new facts have brought about so remarkable a change in the opinion of one of the British Commissioners? The pamphlet gives full reply, and it is exceedingly creditable to the candor and good sense of Mr. Gibbs that he not only sees the enormous evils to which the policy of England has subjected her in her commerce with India, but frankly and earnestly urges the facts upon the attention of his countrymen."—*New York Tribune*, October 10th.



money of the world except that of the United States. This is the relation established by the British Parliament between the gold money of England and the silver money of India. It is the existing relation between the two metals in Germany, France, Italy, Belgium, Switzerland, Greece, Spain, Roumania, and most of the South American States. In Holland,  $15\frac{60}{100}$  prevails; in Austria,  $15\frac{45}{100}$ ; in Japan,  $15\frac{57}{100}$ . These departures from  $15\frac{50}{100}$  are hardly appreciable, and these countries may be reckoned on to sustain this relation. But what relation do we maintain? Our coinage is based on 16 to 1. What nations agree with us in maintaining this relation? Not one; we stand alone in the world; and it cannot be presumed that all other nations will abandon their traditions and recoin their money in deference to our wishes. Being thus in a hopeless minority, we shall have to adopt the universally accepted ratio, and the result will surprise those of our leading statesmen and able financial teachers who have denounced the "Dollar of the Daddies" as dishonest, and insisted on maintaining our national honor by enlarging the silver dollar to the diameter of a coffee cup or saucer. The relation of  $15\frac{1}{2}$  to 1 cannot be brought about in that way unless proportionate weight be also added to the gold dollar; and tax-payers will hardly consent to increase the weight of the unit of payment, of a nation as largely indebted as we are, whether of gold or silver.

The process by which it will be accomplished is very simple. The end can be obtained by either of two methods: By restoring to the gold dollar one-half of the metal of which it was "clipped" by the Act of 1834, or by reducing the weight of the silver dollar from  $412\frac{1}{2}$  to  $399\frac{90}{100}$  grains. The first plan would require the recoinage of our gold coins and the addition of three cents to the value of every dollar; the second would simply require new dies for the silver dollar, and would reduce its intrinsic value three cents. These are the alternatives that are before us. We have invited the Convention, and must abide by its issue. Our countrymen are justly celebrated for their ingenuity, and he will entitle himself to eternal fame who will suggest any other method than those I have just indicated, by which we can establish bi-metallism on a basis that other nations can accept.

## ENGLAND.

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LONDON, September 6.

"Look!" said the omnibus-driver beside whom I was snugly seated, as he pointed with the stock of his whip to Rotten Row, "there is nobody there now—not a soul. Six weeks ago they were crowding each other, and there was not room for all the splendid turnouts that wanted to get in." In reply to my responsive question whether there was any day on which a stranger might hope to see any of them there, he said, "No; London is hempty now. The season's over, and all the swells and nobby people have gone to the country or over to the continent." Parliament had adjourned, and the world of fashion had undoubtedly left London, but the comparatively small number of people which that world embraces are not missed by strangers. I have been here a week, and have neither presented a letter of introduction nor left a card for any of my old friends. I preferred to see the great human hive, the world's financial and commercial centre, as I could while loitering in its crowded highways, from the open front of a hansom, the top of a 'bus, the deck of a Thames steamer, or the window of a car while following a locomotive to some of the suburban stations to which trains go every few minutes. Social engagements would have interfered with my plan. Had I arrived while Parliament was in session, the case would have been different, and I should have made an effort to see some of the distinguished men whose appearance must be a matter of interest to every intelligent American.

My friend of the whip indulged in a violent figure of speech when he said London was empty. Its business quarters are rarely more crowded than now. Earnest-looking men swarm and jostle each other on their thoroughfares, and a casual

observer might readily conclude that each man was conscious that he was making successful strides in pursuit of fortune. Unhappily this is not the case. It would be more nearly true to say that each one is contemplating past or prospective losses ; for let the Englishman look where he may, he encounters the frown of fortune.

While on the continent I read in one of the London dailies a comparative annual abstract of the business of the savings banks of Ireland, the result of which seems, as I am at present advised, to epitomize the condition of the people of the British Islands, whose accumulated capital probably never shrunk as rapidly as it is now shrinking. The abstract referred to shows that through twelve successive years following 1863 there was at the close of the official year a steady annual increase of deposits in the savings banks of Ireland. In 1876, though the increase was one million pounds, it marked a decline in the ratio of augmentation which was regarded as exceptional. Events have, however, proved that it was not exceptional, but the first of a series of disastrous years. The story of the intervening years is thus told by the Registrar of Irish savings banks in his midsummer report, which has just appeared :

“ It will be seen from this table that the uninterrupted progress of deposits and cash balances from £12,967,000 in December, 1863, to £32,815,000 in 1876 has since shown a change for the worse. First the increase of £1,956,000 in 1875 was followed by an increase of only £1,000,000 in 1876. This was changed into a decrease of £69,000 in 1877, followed by the decrease of £1,001,000 in 1878, and now a decrease of £1,554,000 in 1879. So there have been decreases for three years in succession. Taking the actual decreases in the last three years, they amount in the aggregate to £2,624,000. The falling off in bank deposits in 1860 was £433,000; 1861, of £604,000; in 1862, of £616,000, and in 1863, of £1,422,000, very closely resembled the present crisis ; the aggregate of withdrawals in three years was £2,642,000, only £18,000 more than in three years now, and in four years was £3,075,000, whilst in the third year of the present crisis we have reached

a falling off of £2,624,000. The present crisis has been more acute in the second and third years, as the £1,001,000 falling off in 1878 is greater than the £616,000 in 1862, and the £1,554,000 in 1879 than the £1,422,000 in 1863."

Are the poor Irish people withdrawing their deposits for investments in land or trade? I wish it were so; but it is not, as is proven by ample testimony obtained from many authoritative sources. The owners of British railroads have recently received the reports of their earnings and expenditures for the last six months, and every report I have been able to see, except that of the London and Southwestern—and they have been many—shows a decrease of receipts from both passenger and freight traffic.

Sanguine gentlemen attempt in their reports, in a few instances, to account for much of this loss by the bad weather, which has undoubtedly diminished pleasure travel; but the accounting officials of most of the roads frankly ascribe the loss of income to the depressed condition of agriculture and trade. It is evident, however, that the people of Ireland have not been special sufferers. The following extract from the letter of a Dublin correspondent of a leading London daily furnishes figures which may be accepted as representing, at least approximately, the condition of affairs throughout the British Islands:

"The speech of Mr. Colvill, chairman of the Great Southern and Western Railway of Ireland, on Saturday, afforded the most striking evidence of the agricultural depression which has this year existed, his shareholders being informed that the decline of revenue (causing a 4 per cent. dividend) in six months was £28,443; the falling off in first-class passengers, 10,850; in second-class, 6059; and in third-class, 32,401. Passenger traffic fell £11,471; goods, £10,893. The number of cattle carried was 91,479 less; the artificial manures less by 3274 tons; butter by 358 tons. There had been no alteration in rates, and these decreases were entirely accounted for by the state of general business. It appears from the Registrar General's report that there are 20,000 less milch cows in Ireland than last year; and, although the total number of cattle has

increased, the increase is in young beasts, the most valuable having been exported. In sheep there has been a decrease of numbers in the country of 77,245, and of pigs, 197,409. The cattle exports from Dublin have fallen off 31 per cent."

This is the fifth consecutive year of bad harvests, and the failure is almost total. No crop will give the British farmer a remunerative return. Nearly incessant rain has ruined them all, including hay, potatoes, and hops, and the accepted estimate of loss to farmers and landlords is £60,000,000, or \$300,000,000. Formerly increase of price would have partially compensated the farmer for deficiency of crop, but now it does not. Last year, in the face of four successive short crops, the price of wheat in London was, I am informed, lower than it had been in ninety-eight years. Despair has overtaken the British farmer, and those who assume to advise him can formulate no encouraging theory that does not involve the abandonment of the whole system of husbandry hitherto pursued and the conversion of the land into vegetable and fruit gardens.

Let it not be supposed that there is exaggeration in this statement. It is but a few days since an editorial in the *Telegraph* said that land owners must be content to hold land as diamonds are held, as a non-productive investment. Hoping to suggest a means of averting the total loss of income from British farming land, Mr. Thomas C. Scott, of Knaphill, Surrey, addressed a note to the editor of the *Times*. It is so accurately descriptive of the condition of the British mind on the matters to which it relates that I enclose it at length:

"It was hoped a month ago that the bad weather had done its worst, but its continuance is still further militating against the farmers' prospects. To bring up the corn crops now to an average yield or earliness would require something like a magical influence, such as we are not accustomed to in this country. This is the more to be regretted, as the great farming class never was so much in need of good and early ready-money crops. The light hay crop, which has been mowed in a good many places, is being spoilt on the ground; the corn crops are being checked in their growth by the prevailing low temper-



ature, and more or less weakened in their roots by the saturating rains; and the important potato crop throughout the three kingdoms is daily being rendered more sensitive to ruinous blight by excessive moisture. There may probably be an average of green crops, but the returns from these are so deferred that they are of very little account to needy farmers. Under these unfortunate circumstances there appears no present prospect of this year's corn or root crops compensating farmers for the deficient ones of the previous four years. It would be hoping against the evidence of one's senses to look for such a result. Those who are fortunate enough to have other resources will, therefore, in innumerable cases, in all probability, have to draw upon them to meet their liabilities; but what is to become of the numerous class who are now short of capital? Unfortunately, the farming class of this country is less qualified or inclined to change its occupation than any other in the community. Should the above anticipations be realized, it will be a double misfortune to agriculture, as it will still further reduce the farming capital of the country at a time when its increase has become indispensable. It thus appears more than probable that the present farming class, in England especially, will before long have to be largely recruited from other classes in the country. Many townspeople possessing acquired means prefer a country to a town life, and could easily be induced to hire farms under certain conditions and to ignore farming profits to a certain extent for a country residence and occupation; and it is to this class, therefore, that landlords must to some extent look to help them out of their present and increasingly embarrassed positions."

A wiser suggestion was offered on the occasion of the annual dinner of the Devon Agricultural Association in May last, by my old friend Mr. J. H. Puleston, the senior member of Parliament from Devonport. I may say in passing that I have several times heard Mr. Puleston referred to as the American member, and rejoice in knowing that the zeal with which he promoted the spread of Republican sentiment in Pennsylvania between 1854 and 1860, and his labors in behalf of the Union

cause at Washington throughout the whole period of the war, seem rather to have aided than prevented his political advancement. His knowledge of the extent and resources of our country enabled him to make a rapid statement of our growing annual and our possible future production of grain and provisions which must have astounded most of his auditors. He proposed no remedy broad enough to meet the whole case. Drawing attention to the fact that, though the use of fruit and vegetables is beyond the means of a majority of the people of the British islands and unknown to them, the annual importation of these articles cost from \$35,000,000 to \$40,000,000, he expressed the hope that the land might soon be used more as a garden than as a farm, unless it were for the breeding of fine horses, sheep and cattle. This suggestion, which is less chimerical than that of Mr. Scott, has been elaborated in other quarters, and seems to have simultaneously forced itself upon many minds.

If it be true that misery loves company, farmers and landholders may find some grains of comfort in the fact that all classes are suffering with them. Even great capitalists, while making frequent losses, cannot find safe employment for their funds at one per cent. per annum.\* A correspondent of the

\* "After full deliberation and discussion, the following conclusions were unanimously arrived at:

"1st. That the recent shrinkage in the value of the world's silver money, measured in gold, is very large, and there is every reason to fear that, with the prospect before us, the depreciation will continue to increase.

"2d. That there has besides been much diminution in the value of investments of English capital in the public funds, railways, &c., of silver-using countries.

"3d. That we are now compelled to look upon the silver of the world as in large measure cut off from its previous sphere of usefulness as one of the two agents for the liquidation of international indebtedness.

"4th. That the serious diminution of the world's money, caused by the disuse of silver, may, in the future, lead to frequent panics, through the inadequate supply of gold for the world's wants.

"5th. That the uncertainty regarding the course of exchange in the future, largely prevents the further investment of English capital in the public funds of silver-using countries, or in railways, industrial enterprises, and commercial credits.

*Times*, in its issue of the 30th ult., tells the story of some seventy cotton-mills in Oldham "constructed on the latest principles, with the best-arranged machinery, and managed with the strictest regard to economy, which are declaring no dividends, and which are quoted in the share list at a decline, in many instances, of from 50 to 80 per cent. on the amount of paid-up capital." He tells, too, a like story of the coal and iron mining companies, in which Lancashire, from which he dates, has invested heavily. Of building societies and owners of improved property he tells even a sadder story, and closes his gloomy picture by saying:

"Machine shops and paper works also come under the category of unprofitable undertakings, and those which have been thrown on the market during the past month have only realized from 6 to 9 per cent. of their cost; and these works were built within the past twenty years at a cost of from £120,000 to £150,000 each. All the foregoing point to a most calamitous state of affairs, and are only a few of the most salient indications of the general depression which exists among us; nevertheless, they are quite sufficient to show that some radical change is necessary to draw us out of the deep slough of despond into which we have fallen. India, which consumes about one-third of our cotton productions, is getting poorer and poorer every year. The United States, which used to take a considerable amount of our calico, is now independent of us, and actually competing with us in many of our markets—aye, and even in our own Manchester market; the con-

"6th. That the friction and harassment now attending business with silver-using countries, as India, China, Java, Austria, Chili, Mexico, and others, naturally lead merchants to curtail their operation in the export of our manufactured goods, and to restrict the employment of English capital in such business.

"7th. That this is a most serious question for India, which many believe to be so impoverished as not to be able to bear increased taxation.

"8th. That the depreciation of silver seriously affects the power of silver-using states to purchase English manufactures, and leads to increased taxation, thus further curtailing the trade which has hitherto been carried on in English commodities."—*The Report of the Special Committee on the State of Trade to the Incorporated Chamber of Commerce of Liverpool, March 21, 1879.*

continent of Europe is leaving us gradually but surely, as it is yearly supplying more and more of its requirements from its own spindles and looms."

The truth is, the depression is complete and almost hopeless. I have before me a paper by Richard Seyd, F.S.S., brother to Ernest Seyd, entitled "Statistics of Failures in the United Kingdom during the years 1877, 1878, and the first half of 1879." The list embraces financial institutions, manufacturers, wholesale and retail dealers, professional men, builders, publicans, etc., and presents the following totals: In 1877 the failures numbered 11,022; in 1878, 15,059; and in the first six months of this year 8990.

What shall be inferred from this combination of disastrous conditions, and the infinite number of facts with which they might be supplemented and confirmed? May they justify us in speaking of "effete monarchy and aristocracy," and prophesying the bankruptcy of England? I think not. My impression is that the throne of England was never more firmly seated in the affection of the people, and that, apart from other favoring considerations, the influences which are sometimes supposed to control legislatures in the election of United States senators have done much to confirm the faith of the people in an hereditary peerage. Nor is the bankruptcy of the British Islands impending. England is the world's creditor. Every nation is in debt to her, and there is no field for the investment of her accumulated capital, as is shown by the fact that, though money may be borrowed in London at less than one per cent. per annum, the bank now holds more gold than it ever held before. Her losses will be immense but not ruinous, as are those which debtor nations are suffering from the same world wide cause—the attempt to demonetize silver. As creditor she loses by the failure of individuals, corporations, and states, the world over; but while ruin overtakes them, what happens to her is but a reduction of surplus capital so slight relatively, as to leave her the means with which to buy in, at her own price, the assets of her debtors, and to hold them until the repeal (pursuant to universal treaty stipulations) of

unwholesome laws shall restore the value they possessed before the volume of the world's metallic money was arbitrarily reduced. Bonaparte said, "Though the empire were adamant, political economists would reduce it to powder." British subjects in all climes are suffering from the baneful influence of these doctrinaires; but the spirit of compromise that controls the government in all great crises will preserve the empire, and London will continue to be the monetary centre and the creditor of the world.