

attach much importance to it in that sense, as I believe in low duties, unless in certain cases and for certain reasons, high duties are rendered necessary.

5th. Our silver standard encourages the investment in Mexico of capital from rich countries having the gold standard, since every gold dollar when sent to Mexico is converted into two silver dollars, at the present rate of exchange, and, when invested in lands, wages, and other expenses for the raising of agricultural products which are sold for gold in foreign markets, like coffee, the proceeds are so large that they constitute a very great inducement for the investment of capital. Besides, if at any time in the future silver should be reinstated as a money metal by the leading commercial nations of the world, and rise in price, the capital invested in a silver country would be actually duplicated in gold.

6th. The development of the country has increased considerably the local traffic of our railroads, and that increase is very encouraging, and goes far to compensate the companies owning them for the losses which the depreciation of silver entailed on them in the payment of interest on their bonded debts.¹

may not be out of place to remark that, to the observer in the East, it seems inexplicable that the gold-currency countries, while striving to extend their trade, should resolutely ignore the fact, so clearly demonstrated by the decline in the demand for piece goods, that to the millions in China the tael, or ounce of silver, is still a tael of undiminished purchasing power, whether the sterling value be 6s. or 3s.; and that so soon as the discredited tael fails to buy the same quantity of foreign goods as heretofore, the consumer ceases to be a customer, and will supply his own wants by manufacturing textiles from home-grown materials. Indications are not wanting that the erection of cotton mills at ports extending from the Gulf of Tonking to Chungking (some 900 miles up the Yangtse) is contemplated, and there is abundant evidence of great local activity in that direction. A nation whose inexhaustible supply of laborers excites such alarm among Western people and governments, is not likely to prove less formidable when it brings similar forces of cheap, silver-paid skilled operatives into competition with the textile industries of the gold wage-earning classes of Europe and America, and the effect will be felt more acutely and cause greater consternation than the presence of Chinese labor abroad whenever it comes into rivalry with the handicrafts of Occidental races. The condition of Indian finance is known to be precarious, owing chiefly to the increasing cost in silver of India's gold obligations, together with the perilous growth of Indian State expenditure. On the latter subject, Sir David Barbour spoke at the Mansion House last May in very positive terms, while another ex-finance member of the Viceroy's Council in India (Sir Auchland Colcin) wrote to the same effect in the *Nineteenth Century* of October last. The masses of the population are poor, and they have been impoverished by additional taxation to provide for the increasing burdens caused by the falling exchange. Further new taxes may lead to serious discontent among the people, for it is generally believed that the extreme limit of taxation has been reached."

¹ In the chapter on the railways in Mexico, pages 193-220 of the first paper of this volume, entitled "Geographical and Statistical Notes on Mexico," I give the full details of the increased earnings of the Mexican railroads. In foot notes to the Silver

7th. There is another very great advantage that Mexico has derived from the silver standard, although this may be peculiar to us. Before our railroads were built the only articles which we could export were silver and gold dollars—coinage being then made compulsory by law—because no other product could pay the very high expense of transportation. The result was that to pay for our imports we had to export almost all of our annual output of silver, so that very little was left for our home circulation. Thus we were almost constantly suffering from a contraction of currency; money became very dear, while the price of labor was very low. But now the conditions are reversed. The low price of silver abroad makes it unprofitable to export it, and its value at home makes it useful in all industries, and we send out our agricultural products to pay for our imports and for our gold obligations, keeping at home our silver and thus increasing our circulation,

Standard paper which I prepared for the *North American Review*, I inserted a statement of the earnings of the Mexican International and Mexican Northern Railways for the year 1892, which the editor of the *North American Review* did not publish, and which will be found in the present edition of the paper.

I now give a statement of the earnings in 1897 of the Mexican Central, National and International Railroads, taken from the respective reports and not embraced in the data above mentioned.

Mexican Central Railroad.—The following table, taken from the report of the company for 1897, shows the gross earnings for each of the last thirteen years, both with and without the amount derived from the carriage of construction material, and also states the average mileage operated each year on which the earnings were based, and the earnings per mile.

YEAR.	AVERAGE MILEAGE.	GROSS EARNINGS.	LESS CONSTRUCTION MATERIAL.	GROSS COMMERCIAL.	EARNINGS PER MILE.
1885	1235.90	\$3,559,560	\$26,741	\$3,532,819	\$2,858
1886	1235.90	3,857,705	none	3,857,705	3,121
1887	1235.90	4,886,578	301,317	4,585,261	3,710
1888	1316.40	5,774,331	471,831	5,302,500	4,028
1889	1461.85	6,337,225	475,451	5,861,774	4,009
1890	1527.20	6,425,694	303,020	6,122,674	4,009
1891	1665.11	7,374,538	431,798	6,942,740	4,169
1892	1824.83	7,963,253	397,376	7,565,877	4,146
1893	1846.64	7,981,768	none	7,981,768	4,322
1894	1859.83	8,426,025	none	8,426,025	4,530
1895	1859.83	9,495,865	68,256	9,427,609	5,069
1896	1869.60	10,208,020	200,442	10,007,578	5,352
1897	1955.66	12,845,819	31,198	12,814,621	6,552

It will be observed that over the gains in all the previous years there was in 1897 a further increase in amount of over \$2,807,043, or about 28 per cent. The gross earnings per mile rose from \$5352 in 1896 to \$6552 in 1897, the addition in this case being nearly 22½ per cent., which is the most striking evidence of the growth that has been going on and is still in progress. The report well says the showing is a most re-

so that we now have an ample supply of money in our banks. That fact, of course, stimulates industry, keeps up prices, and increases the demand for labor.

8th. Most of our millionaires, and many rich Mexicans having large fixed incomes, preferred formerly to live in Europe, and used to spend their money there, but the higher rate of exchange has reduced their incomes so materially that a great many of them are returning home, and now spend their incomes in Mexico.

Disadvantages of the Silver Standard to Mexico.—The disadvantages brought to Mexico by the silver standard are the following:

1st. Importations are considerably reduced, because foreign commodities almost double their price when sold for silver, and they are therefore beyond the reach of the middle classes with limited means, while the poorer classes have never used them.

While the amount of import duties in Mexico has not decreased, it has not increased in the same proportion as the other taxes, especially the internal revenue. They formerly amounted to from seventy-five to eighty per cent. of the Federal revenue of Mexico and are now reduced to about forty per cent., the internal revenue having increased greatly. The through freight going to Mexico from the United States

markable one, indicating great industrial activity and development in Mexico. The report also states that all classes of commercial traffic, and traffic in both directions on all parts of the system, record substantial and gratifying increases.

Mexican National Railway.—The following table shows the earnings, gross and net, year by year, since 1889.

	GROSS EARNINGS.	NET EARNINGS.
1889.....	\$3,660,124.24	\$666,692.70
1890.....	3,754,966.36	827,004.47
1891.....	4,206,422.74	1,159,021.18
1892.....	4,756,029.94	1,700,613.39
1893.....	4,224,804.11	1,638,437.66
1894.....	4,329,078.65	1,891,962.24
1895.....	4,513,205.91	2,071,408.50
1896.....	5,299,025.77	2,525,957.71
1897.....	6,080,663.28	2,986,237.92

It will be observed that there was a further increase in the gross earnings in the year 1897 of \$781,638 (nearly 15 per cent.) and a further increase of \$460,280 (over 18 per cent.) in the net. Since 1889 the gross earnings have risen from \$3,660,124 to \$6,080,663 and the net earnings from \$666,693 to \$2,986,238. In this last instance the total for 1897 is about four and a half times what it was in 1889. While the receipts have increased, there has been also economy and efficiency in the operation of the road. In 1889 the ratio of expenses to earnings was 81.78 per cent.; in 1897 it was only 50.89 per cent. In other words, while in 1889 it took over eighty-one cents to earn a dollar, in 1897 the expenditure of money to earn a dollar was but little in excess of fifty cents. It actually cost only \$101,000 more money to earn 6 million dollars in 1897 than it

is decreasing on all the roads, while the local traffic is increasing considerably, the difference being such as to result in increased yearly earnings of all the Mexican roads.

2d. The constant fluctuations in the market price of silver is another drawback of the silver standard, greater than the depreciation of that metal, and it has contributed still more than the low price of that metal to reduce the importations of foreign commodities in Mexico during recent years, because there has been no safe basis for any calculation.¹

A Mexican merchant, for instance, buys foreign goods, at six months' credit, when silver is at thirty pence per ounce, and sells did to earn 3½ million dollars in 1889. In exact figures, with gross of \$3,660,124 in 1889, expenses were \$2,993,432, and with gross earnings of \$6,080,663 in 1897, expenses were \$3,094,425.

Mexican International Railway.—This road shows also a large increase in its earnings during 1897. This fact, as well as the steady rising year by year of the gross and net earnings of the road, appears from the following table:

YEAR.	AVERAGE KILOMETERS OPERATED.	GROSS EARNINGS.	AVERAGE EARNINGS PER KILOMETER.	AVERAGE EARNINGS PER MILE.
1884.....	245.20	\$103,307 98	\$421 49	\$612 37
1885.....	273.58	153,916 18	562 59	905 39
1886.....	273.58	185,150 25	676 76	1,098 11
1887.....	273.58	237,394 13	867 73	1,396 43
1888.....	573.97	656,781 41	1,144 28	1,841 47
1889.....	636.34	911,698 51	1,432 73	2,305 64
1890.....	637.38	1,126,366 41	1,745 64	2,839 77
1891.....	658.30	1,197,856 55	1,819 69	2,924 02
1892.....	746.37	2,095,726 14	2,107 89	4,518 67
1893.....	922.19	2,050,934 01	2,226 15	3,579 04
1894.....	922.19	2,169,121 47	2,352 14	3,785 29
1895.....	947.23	2,664,126 08	2,812 54	4,526 28
1896.....	1,011.02	2,900,925 33	2,869 30	4,617 69
1897.....	1,060.60	3,034,126 04	2,860 76	4,603 88

It will be seen that there has been but one year when the upward movement was interrupted. The further increase in the last year, though small, is certainly worthy of note.

From the report of this road in 1897, for the year ending December 31, 1897, it appears that the aggregate freight tonnage in 1897 was 561,636 tons, and it is interesting to note that 71 per cent. of this total was composed of products of mines, the two largest items being 258,428 tons coal and coke, and 122,084 tons silver ore. Some of the items of the agricultural tonnage are also showing expansion, though the agricultural tonnage as a whole fell off in 1897, owing to the diminished importations of corn into Mexico. The cotton tonnage furnishes an illustration. Across the United States frontier there were shipped to the interior of Mexico 5197 bales, against 1573 bales the year before; while from the Laguna region the shipments were 24,133 bales, against 21,209 bales.

The following table shows how great were these fluctuations during a recent period. From the end of December, 1896, to the end of March, 1898, the prices and

them, charging duties, freight, insurance, etc., at a certain price, which includes his profit; but when the time comes to pay his debt silver has fallen to twenty-seven pence, say, and he finds that instead of having made any profit he has sustained a heavy loss. For this reason, and to prevent any serious loss, importing merchants have to charge very high prices to cover all contingencies, keeping always a very reduced stock of goods, and this is another serious obstacle to the development of foreign trade.¹

index numbers of silver were as follows (60.84*d.* per ounce being the parity of 1 gold to 15½ silver = 100).

		AVERAGE.
End December, 1896.....	29 13-16 <i>d.</i> , equal to	49.0
" August, 1897.....	23 7-8 <i>d.</i> , " "	39.2
" December, 1897.....	26 5-8 <i>d.</i> , " "	43.8
" January, 1898.....	26 3-16 <i>d.</i> , " "	43.0
" March, 1898.....	25 11-16 <i>d.</i> , " "	42.2

¹ Mr. Maitland's remarks on this subject, already quoted, confirm the correctness of my statement, although they are meant to show the drawbacks suffered by gold countries through the great and constant fluctuations in the market price of silver.

These views are also confirmed and other drawbacks resulting from the contraction in the price of silver are made apparent by the remarks of Mr. Jamieson, British Consul at Shanghai, China, at a meeting of the British Bimetallic League held in London in 1897, where, discussing the growth of cotton manufacturing in China and Japan, he points out that when one observes the amount of cotton spinning and weaving machinery that is now being exported to silver-using countries, a conviction forces itself on the mind that a change is going on which will in the end have grave consequences. This class of machinery exportation from Great Britain has risen, since 1893, some 86 per cent. By the end of this year (1897) there will be running in China and Japan close on to 2,000,000 cotton spindles. This activity in cotton manufacturing in these countries, Mr. Jamieson says, would never have come, if it had not been for the fall in silver. Great Britain is exporting cotton machinery, but at the ultimate cost of her own export trade.

Mr. Jamieson also says that in the Chinese ports the middlemen, the old-fashioned merchants, bear the brunt of the petty and incessant fluctuations of silver. They have been forced into the position of mere commission agents, and he adds:

"Much of the business now is done in that way, viz., by selling to China and buying in Manchester simultaneously, and at the same time settling exchange forward through one of the banks. In this way the merchant runs no risk at all; but, per contra, he gets little profit. As it requires little or no capital to do that sort of business, a crowd of small men have come forward who have cut down commissions almost to the vanishing point. Now, some of you manufacturers may say that is all the better for us—the cheaper they do business out there the more will they want to buy. But there is another side to the question. The extension of your business into new fields depends solely on those whom I may term your agents, the merchants out in foreign parts. The manufacturer sits at his door till somebody comes to buy. The middleman goes out into the world seeking new outlets for British products. They are the people who conquer the world for you, whose energy and push have made British trade what it is. But they won't do that for nothing. If you starve them they won't work. Now, that is largely the position that the destruction of the par of exchange has

3d. The reduction of imports referred to diminishes proportionately the import duties, which, until very recently, were in Mexico the chief source of the federal revenue.

4th. The national expenses are considerably increased by the payment in gold of the interest of the national debt held abroad, and other expenses of minor account, such as salaries of diplomatic and consular officials. As we have to buy exchange to pay that interest it is, at the present rate of exchange, actually increased from six to twelve per cent. when paid in gold. But we can now purchase exchange from our own people, drawn against their own agricultural exports, and they make some of the profit.¹

5th. To meet the reduction in the import duties and the increased expenses of the gold obligations, it is indispensable to increase the burden of direct taxation to make up for both losses.

6th. Our railroads are similarly affected. They collect their freights in silver, but pay in gold the interest on their securities, and for the foreign articles needed for their roads.

7th. The transportation of foreign commodities by railroads is much reduced, but the local traffic has increased in such a way as not only to make up for that loss, but to leave a large surplus.

8th. While the prices of the necessaries of life for the poorer classes brought our merchants to. The uncertainty of the trade has chilled their energies. They work on the lines to make bread and butter, hardly venturing to initiate any new. They hesitate to invest their money in new enterprises, not knowing how it will come back to them. This, though it may seem a small matter and rather savoring of personality, is, in my opinion, one of great importance. It is essential to the development of British trade that your merchants, the great distributors, should be men of wealth and intelligence and energy, and this you can only secure by making it worth their while—in other words, when there is money to be made in it."

Mr. Jamieson's remarks are applicable to Mexican conditions. The lack of stability in exchange has transformed our trade there; the telegraph and the railways have made the new way of doing business possible; competition has been vastly increased and the strong mercantile houses of the old-fashioned sort are not multiplying in Mexico, and, in so far as those existing fail to adopt the new methods, they lose trade.

¹ The burden of this charge to the Mexican Treasury appears quite clearly from the following figures taken from the report that President Diaz addressed to his fellow-citizens on November 30, 1896, giving an account of his administration in Mexico during the last twelve years.

The Treasury Department estimated the expenses of exchange to pay the interest of the gold bonds in London during the fiscal year 1888-1889 to be \$729,178.14. These expenses amounted in the following years as follows:

1890-91.....	\$2,314,477 77
1891-92.....	3,225,246 77
1892-93.....	5,101,223 57

Similar losses are suffered by the railroads, that have to pay in gold the interest on their bonds and the supplies they buy abroad. I take from the report of the Mexican Central Railroad for 1897 the following table, which shows in a graphic way

who do not consume foreign commodities, have not increased, except in the case of a small number of home products whose prices are fixed by foreign gold markets, the living expenses of the middle and wealthy classes who use foreign commodities have been increased.

There are many other disadvantages resulting to Mexico from our having a silver standard; but I have mentioned the most noteworthy and important ones, and most of the disadvantages omitted by me are the results of those already pointed out.

Conditions Resulting in Mexico from the Silver Standard.—The disadvantages of the silver standard are considerably lessened in Mexico because of the fact that we have used coined silver for over three hundred years as our currency, and therefore we have not had to suffer the disturbances and drawbacks of changing the standard, but have continued with the same currency, regardless of the market price of silver bullion in foreign countries and this of course has prevented any serious derangement in business and in prices.

In consequence of these causes, we have had fewer business failures than other countries; our internal traffic has greatly increased, with much benefit to our railroads, which, with only one exception, have not gone

how the growing premium on gold has added to the expenses of the company on purchases made in the United States.

YEARS.	COST IN UNITED STATES MONEY.	—PREMIUM—		COST IN MEXICAN CURRENCY.
		AVERAGE RATE.	AMOUNT.	
1891.....	\$1,549,998 60	128.83	\$446,841 39	\$1,996,839 99
1892.....	1,386,065 68	143.16	598,277 01	1,984,342 69
1893.....	1,213,270 38	160.04	728,475 62	1,941,746 00
1894.....	1,089,472 37	192.69	1,009,829 98	2,099,302 35
1895.....	929,677 49	188.94	826,880 83	1,756,558 32
1896.....	1,048,481 21	188.65	929,442 18	1,977,923 39
1897.....	1,447,530 13	209.39	1,583,446 21	3,030,976 34

The foregoing brings out the fact that in United States money—that is, in gold—the purchases made in 1897 actually cost less than those made in 1891, the comparison being \$1,447,530 against \$1,549,998. But as the purchasing power of the silver dollar has in the meantime so seriously declined, it took \$3,030,976 of Mexican money to pay for the purchases in 1897, against only \$1,996,840 in 1891. The loss in the comparison of these two years, it will be observed, is over a million dollars.

The International Railroad suffers in the same way from the steady depreciation in the price of silver, which diminishes the gold value of the Mexican silver dollar. The average price received for the dollar in 1897 was only 47.80 cents, against 51.31 cents in 1896. Working expenses increased \$107,072 over the year preceding (on a gain in gross earnings of \$133,201), and the report notes that the fall in the price of silver contributed in part to this increase by the arbitrary augmentation of cost thus forced upon all imported supplies consumed during the year.

into the hands of receivers, notwithstanding that they have to pay in gold the interest of their bonds and the increased price of the foreign commodities which they need to operate the roads.¹

We do not suffer in Mexico from one of the principal causes of the present (June, 1895) financial distress in other countries—the low prices of agricultural products. In fact, in some cases, the prices of domestic commodities have gone up considerably, when they are fixed by the value of the commodity in gold markets. This is the case with coffee, for instance. As the largest portion of our crop is exported and commands cash, its price is fixed by its value in gold markets, and in con-

¹ The conditions of our railroads appears very clearly from the following extract of Mr. Raoul's report, December 31, 1894, to which I have already alluded:

"It was observed in the last report that there had been no appreciable diminution in the purchasing power of the Mexican silver dollar, as applied to labor and materials of Mexican origin, and that this had stimulated the effort and had made it practicable to neutralize, in some degree, the bad effects of the fall in the bullion value of silver outside the country, by increasing the number of articles we can economically manufacture in our own shops, and the quantity and variety of native supplies and materials that can be advantageously purchased in the country, as against buying in a foreign country for gold. This condition remains practically unchanged, and to it is due, in large part, whatever success has attended the efforts of the managing officers in Mexico in maintaining economies already established and effecting others to the same purpose. . . .

"A comparison of the traffic with last year shows that, with the exception of passengers, a loss has been suffered only on those classes that are affected by the condition of the exchange market between Mexico and gold standard countries. The local traffic, which fairly is a register of the internal trade, has made satisfactory progress—sufficient to offset the losses on the external traffic, and yield the increase shown in the general result.

"The increase and decrease on the several classes of business have been as follows: Revenue from imports has decreased 15.14 per cent. Revenue from export of silver ores has decreased 49.18 per cent. Revenue from other exports has increased 7.80 per cent. Revenue from internal traffic has increased 13.23 per cent. Revenue from express business has increased 14.12 per cent. Revenue from passengers has decreased 6.14 per cent."

"The Mexican Northern Railway, running from Escalon, a station on the Mexican Central Railway, to the mining region of Sierra Mojada, in the State of Coahuila, was organized in 1890 under the provisions of Chapter 468 of the Laws of 1881 of the State of New York, the articles of association being dated on the 24th of June of 1890, and the certificate of incorporation on June 26th, 1890. The following is taken from the last report of the Company:

"The whole line of the road is completed; gauge, standard; rails, steel, 56 and 60 lbs.; equipment, seven locomotives, two caboose cars, two combination passenger cars, five water cars.

"The capital stock is \$3,000,000, the number of shares 30,000, par value \$100.

"Bonded debt, \$1,660,000, represented by 1,660 first mortgage twenty-year coupon bonds of the par value of \$1,000 each.

"A portion of the line of the road was first opened for freight on December 15,

sequence of this its price in Mexico has been almost doubled, with great advantage to the producer.

We have greater stability of prices, wages, rents, etc. Although our wages are low, there has been in recent years a marked tendency to their increase. Our factories are not only in operation, but they

1890, and during the remaining period of construction until September 30, 1891, the road was operated by or for the account of the construction company.

" STATEMENT OF THE YEAR ENDING JUNE 30, 1893.

Gross earnings.....	\$1,160,147 89
Operating expenses.....	604,595 88
	555,552 01
Miscellaneous receipts.....	2,133 87
Net earnings.....	557,685 88
Fixed charges:	
Payments to sinking fund.....	\$58,007 39
One year's interest on bonds.....	99,600 00
Betterments:	
New construction and rolling stock.....	\$73,572 50
	231,179 89
Surplus earnings.....	\$ 326,505 99

" From which our quarterly dividends of 1½ per cent. each and one extra dividend of 2 per cent., amounting altogether to \$240,000, were paid."

The annual report of the Mexican International Railway Co., for the year ending December 31, 1894, made by its president, Mr. C. P. Huntington, and dated at New York City on March 6, 1895, is not less satisfactory. After stating that the total length of the road is 629.93 English miles, and speaking of the earnings of the road, Mr. Huntington says:

" The transportation earnings and expenses (in Mexican currency) for the year have been as follows:

" EARNINGS.

	1894.	1893.	Increase.	Decrease.
Passenger earnings ..	\$ 208,551 86	\$ 219,624 38		\$11,072 52
Express " ..	20,073 78	20,598 10		524 31
Freight " ..	1,873,974 91	1,743,140 42	\$130,834 49	
Car mileage " ..	25,273 86	19,896 99	5,376 87	
Locomotive mileage earnings ..	7,993 13	4,681 91	3,311 22	
Telegraph earnings ..	7,558 43	7,094 02	464 41	
Sundry " ..	6,200 35	16,391 84		10,191 49
Rental " ..	16,447 95	13,776 42	2,671 53	
International bridge earnings.....	3,047 20	5,729 93		2,682 73
Totals.....	\$2,169,121 47	\$2,050,934 01	\$118,187 46	
Operating expenses..	1,281,815 83	1,301,394 33		\$19,578 50

are being greatly extended, and new plants and industries are being established. Instead of diminishing the demand for our laborers, we find occupation for them all, and we need to import them for the work to be done in some localities, and, as our laborers find occupation and increased wages, we have no strikes. Our silver mines have not stopped work, and we find them still quite profitable. We have more ready money with which to transact our increased business; we offer greater inducements to foreign investors than formerly; and the country is undoubtedly more prosperous than it has ever before been, although the silver standard is not the only cause of our prosperity. One of its principal causes is, undoubtedly the building of railroads, as already stated, but they could not have been as remunerative as they are without the production and coinage of silver.

CONCLUSION.—Summing up the effects produced in Mexico by the

Earnings over operating expenses.....	\$887,305 64	\$749,539 68	\$137,765 96
Earnings over operating expenses as above.....		887,305 64	
Exchange estimated at 200 per cent. on purchases in U. S. currency and charged to operating expenses at that rate.....		209,838 66	1,097,144 30
Less stamp tax paid.....			13,712 42
Leaving in Mexican currency.....			\$1,083,431 88
which, converted into U. S. currency at the rate of 53.13 cents for the silver dollar, would be.....			575,627 36
And balance for account of express contract.....			52,000 00
Interest on deposits.....			14,660 30
Miscellaneous receipts.....			4,777 44
Total U. S. currency.....			\$647,065 10
Against this is chargeable in U. S. currency, viz.:			
One year's interest on bonded debt..	\$560,000 00		
General expenses.....	10,112 85		570,112 85
Balance U. S. currency....			\$76,952 25"

After explaining the manner in which Mexican silver is reduced to United States currency, Mr. Huntington says in his report:

" The net results from the year's operations show an increase in the gross earnings of \$118,187.46 or 5.76 per cent., and a decrease in operating expenses of \$19,578.50 or 1.50 per cent., making a total gain of \$137,765.96 or 18.38 per cent. over 1893. This is quite a gratifying showing, when it is considered that the general business depression in the United States, and the low price of silver, have not been without their unfavorable effect upon the year's business."

silver standard, I can say, with perfect truth, that while it is a drawback, a great inconvenience, and a serious loss to the government and to the railroads to have our currency depreciated when we have to use it abroad, either to pay for foreign merchandise or the interest on our gold obligations, and while that depreciation increases our burdens to some extent, because our gold obligations and the price of foreign commodities are nearly doubled by it, the advantages we derive from the use of silver money in all our transactions are so great as, in my opinion, to fully compensate, if they do not outweigh, its disadvantages.

Notwithstanding the views of those who desire that the present depreciation of the Mexican money should continue in Mexico, I, for one, and I think that I express the views of a majority of my fellow-citizens, would like to see our silver commanding the same price as it had before it was demonetized in 1873, and we believe that the world will have to come back sooner or later to bimetallism, as the only way to have a common and a more stable level of values and to avoid most of the financial troubles from which the commercial nations of the world are now so keenly suffering.

APPENDIX.

I will insert in this supplement the following papers: 1st, my remarks delivered on March 30, 1891, at the fifth meeting of the American International Monetary Commission on the position of Mexico on the monetary question; 2d, a list of papers bearing on the silver question, printed by order of the Senate, from 1893 to 1898, published by the Senate on June 6, 1898; and 3d, comments on the Mexican Central Railway earnings in silver and reduced to gold, and on the deficit of that road to pay the interest of its bonded indebtedness.

I.—M. ROMERO'S REMARKS ON THE POSITION OF MEXICO ON THE MONETARY QUESTION.

Remarks of M. Romero, delivered on March 30, 1891, at the fifth meeting of the American International Monetary Commission, on the position of Mexico on the monetary question :

GENTLEMEN : While I shall cast my vote in favor of the propositions of the Delegates of the United States to this Conference, because I think they are advisable, and because they come from the representatives of the inviting country, still I cannot refrain from expressing my regret that said propositions were not introduced after some attempt had been made for all the American nations represented at this Conference to come to an understanding on the subject of a common coin.

The American nations are all bimetallists, but they have adopted different ratios between gold and silver, and they have coins differing in weight and alloy, and, therefore, in my opinion, it would be desirable at least to arrive at some understanding which should secure the establishment of a common ratio between gold and silver, and a unit of coin of the same weight and fineness, even though the coin of each country should not be a legal tender outside of its own limits, in case it be found impossible to agree upon its being received as a legal tender in all the American countries.

I, for one, would have had no difficulty in accepting the ratio of 1 to 15½, which prevails in the other countries of America, and I venture to presume that the United States might accept this same ratio, since one of its most distinguished Senators, well versed in financial and monetary matters, recently introduced a bill for that purpose, to which I imagine the country is not averse. In that case we might secure the advantage of at least having a uniform ratio in America to be the same as that prevailing in Europe.

There is no doubt that an international agreement upon a common coin, to be a legal tender in all the contracting countries, would require the concurrence of the nations of the world to make it complete and work smoothly; but for the present it seems unlikely and quite difficult to obtain this concurrence, so far as England and Germany, and especially England, are concerned. This matter has been discussed several times in conference wherein Great Britain was represented, and she has never given her assent, and I see no new reason why she would give it now.

I have been for some time of opinion that if all the American nations should reach an agreement which would secure to them a common coin, and especially if this were to be a legal tender in all of them, the effect of such agreement would be so marked in Europe, and especially in England, that it would be likely to induce that