(*The History of Money, Jack Weatherford, Three Rivers Press, New York 1997, pg 175-177)*

The Wonderful Wizard of Oz

The most memorable work of literature to come from the debate over gold and silver in the United States was The Wonderful Wizard of Oz, published in 1900, by journalist L. Frank Baum, who greatly distrusted the power of the city financiers and who supported a bimetallic dollar based both gold and silver.  Taking great literary license, he summarized and satirized the monetary debate and history of the era through a charming story about a naïve but good Kansas farm girl named Dorothy, who represented the average rural American citizen.  Baum seems to have based her character on the Populist orator Leslie Kelsey, nicknamed “The Kansas Tornado.”

After the cyclone rips Dorothy and her dog out of Kansas and drops them in the East, Dorothy sets out on the gold road to fairyland which Baum calls Oz, where the wicked witches and wizards of banking operate.  Along the way she meets the Scarecrow, who represents the American farmer, the Tin Woodman, who represents the American factory worker, and the Cowardly Lion, who represents William Jennings Bryan.  The party’s march on Oz is a re-creation of Coxey’s Army, a group of unemployed men led by “General” Jacob S. Coxey to demand another public issue of $500 million greenbacks and more work for common people.

Marcus Hanna, the power behind the Republican Party and the McKinley administration, was the wizard controlling the mechanisms of finance in the Emerald City .  He was the Wizard of the Gold Ounce, abbreviated, of course, to Wizard of Oz – and the Munchkins were the simpleminded people of the East who did not understand how the wizard and his fellow financiers pulled the levers and strings that controlled the money, the economy, and the government.

In the Emerald City ruled by the Wizard of Oz, the people were required to wear green-colored glasses attached by a gold buckle.  Beyond the city, the Wicked Witch of the West had enslaved the yellow Winkies, a reference to the imperialist aims of the Republican administration, which had captured the Philippines from Spain and refused to grant them independence.

In the end, all the good American citizens had to do was expose the wizard and his witches for the frauds they were, and all would be well in the bimetal monetary world of silver and gold.  In the process, the farmer Scarecrow found out how intelligent he was, the lion found his courage, and the working Tin Man received a new source of strength in a bimetallic tool – a golden ax with a blade of silver – and he would never rust again as long as he had his silver oil can encrusted with gold and jewels.

In the book, Dorothy’s magic silver slippers got her back to Kansas , but in movie starring child actress Judy Garland, the magic slippers were ruby red, a more dramatic color on the screen than silver.  By this time, however, few people realized that the book, which they now perceived as a children’s story, had anything to do with U.S. monetary policy at the opening of the nineteenth century.  In the same year that Baum published his allegorical tale, Congress passed the Gold Standard Act of 1900, further committing the United States to a currency based on the single commodity of gold.

The Populists continued to press the United States to follow a policy of bimetallism using gold and silver, but they eventually lost the struggle.  The discovery of vast new deposits of gold in South Africa , Alaska and Colorado roughly doubled the world’s supply, thereby ending the currency shortage.  The Populists got their inflated money without having to switch to silver, and between 1897 and 1914 prices rose nearly 50 percent in the United States and about 26 percent in Britain .  The United States and most of the rest of the world stayed on the gold standard, and yet there was more money for everyone.