

ON THE SENATE PROPOSITION TO ISSUE 3 PER CENT
BONDS FOR THE GOLD RESUMPTION FUND.

S P E E C H

OF

HON. RICHARD P. BLAND,
OF MISSOURI,

IN THE

HOUSE OF REPRESENTATIVES,

SATURDAY, FEBRUARY 25, 1893.

WASHINGTON.

1893.

SPEECH
OF
HON. RICHARD P. BLAND.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 10238) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1894, and for other purposes—

Mr. BLAND said:

Mr. CHAIRMAN: I desire to be heard. We are now, in the closing hours of this Congress, engaged in the consideration of one of the most important appropriation bills—a bill that passed the House, I believe, more than two weeks ago. The Senate has taken occasion to engraft upon the bill many very important amendments; among others one which in my humble opinion looks to a radical change in our financial policy.

Since 1878, when the act restoring the standard silver dollar was passed by a more than two-thirds vote—an act under which the coinage has reached over \$350,000,000, if I am not mistaken—in order to further increase the currency of the country Congress enacted another statute in the line of the Constitution, not altogether in harmony, it is true, with our ideas of bimetalism, but an act which at least increased the currency of the country by an issue of legal-tender notes at the rate of \$50,000,000 a year.

Since the date to which I have referred, the whole tendency of legislation and popular opinion has been toward a return to the money of the Constitution—gold and silver. We have not, it is true, succeeded in obtaining the restoration of silver to unlimited coinage; but at the rate at which the Government is becoming the owner of silver bullion, it is apparent to all that at no distant date we shall reach the point for which we have been laboring.

It is intended by the Senate amendment to which I have referred to change the whole current of our monetary legislation. We have erected in our statutes, so to speak, a statute facing westward. It is proposed now to turn the face of that statute to the east. Instead of the money of the Constitution, the gold and silver coin, and paper convertible into such coin, we are to increase the bonded debt of the country claimed to be payable in gold and gold only, for the purpose of issuing bonds upon which bank paper is to be put in circulation as the sole foundation of our currency system.

This amendment of the Senate has been adopted, in my opinion, without due consideration of its effects; and in the closing hours of this Congress it is brought here to this House and sought to be put through without due debate or consideration, so far as

many of its advocates are concerned. Now, what is this amendment? I send it to the Clerk's desk to be read for information.

The Clerk read as follows:

To enable the Secretary of the Treasury to provide for and maintain the redemption of United States notes according to the provisions of the act approved January 14, 1875, entitled "An act to provide for the resumption of specie payments," \$50,000; and, at the discretion of the Secretary, he is authorized to issue, sell, and dispose of, at not less than par in coin, either of the description of bonds authorized in said act, or bonds of the United States bearing not to exceed 3 per cent interest, payable semiannually and redeemable at the pleasure of the United States after five years from their date with like qualities, privileges, and exemptions provided in said act for the bonds therein authorized, to the extent necessary to carry said resumption act into full effect, and to use the proceeds thereof for the purposes provided in said act and none other.

Mr. BLAND. Mr. Chairman, that provision proposes to redeem the legal-tender notes now outstanding, the so-called greenbacks, and to extinguish them wholly from circulation. The resumption act, a copy of which I hold in my hand, was approved January 14, 1875.

Section 3 of that act made provision for free banking. That was the first time since the war that under our present system of banking we had what is called free banking. The third section, as I have said, made provision that free banking should exist; when associations took out bank notes on depositing the necessary bonds, the Secretary of the Treasury should, as fast as the notes went into circulation, retire the greenbacks to the extent of 80 per cent of bank notes issued.

In other words, that for every \$100 of bank notes issued there should be retired \$80 of legal-tender notes, until the volume of legal-tender notes outstanding should be reduced to \$300,000,000. The amount at that time in circulation was \$380,000,000 of legal-tender notes. Under this provision for free banking the legal-tender circulation had been redeemed down to \$346,000,000.

In 1878, on the 31st day of May, Congress passed an act providing that the legal-tender notes then in circulation should be kept in circulation and when redeemed should not be canceled or destroyed, but should be reissued, and all acts or parts of acts in conflict with that provision of law were thereby repealed.

Now the act, the resumption act so called, that authorized the issue of bonds I will read:

On and after the 1st day of January, A. D. 1879, the Secretary of the Treasury shall redeem in coin the United States legal-tender notes then outstanding on their presentation for redemption at the office of the assistant treasurer of the United States in the city of New York in sums of not less than \$50. And to enable the Secretary of the Treasury to prepare and provide for the redemption in this act authorized or required he is authorized to use any surplus revenues from time to time in the Treasury not otherwise appropriated, and to issue, sell, and dispose of, at not less than par, any coin either of the descriptions of bonds of the United States described in the act approved July 14, 1870, entitled "An act to authorize the refunding of the public debt," etc.

It will be observed, Mr. Chairman, that the resumption act provided for retiring the legal-tender notes in two ways: First, by issuing bank notes in their stead, which was to be continued until the legal-tender circulation was to be reduced to an outstanding sum of \$300,000,000; after that to be redeemed in coin, but after the amount had reached \$346,000,000 the act I have already referred to of May 31, 1878, stopped the cancellation of greenbacks.

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But the Secretary of the Treasury had executed the resumption act by selling these bonds and procuring some \$92,000,000 in gold prior to the act of May 31, 1878. From the time of the passage of the resumption act in 1875 until 1879, when it went into operation, the Secretary of the Treasury had four or five years in which to prepare for resumption. The act was passed on January 14, 1875, and was not to go into effect until January 1, 1879. The intermediate time elapsing between these dates gave him an opportunity to sell bonds and procure the necessary coin to liquidate the greenback debt.

What was meant by the resumption act was the resumption of specie payments, and to put coin in circulation in place of the greenbacks, redeeming the greenbacks then in circulation and retiring them. That was the act and the intention of it and nothing else. That was the purpose of procuring the \$92,000,000 in gold coin, to be used in their redemption.

Now, Mr. Chairman, two very important questions arise here. The first is, that the amendment put upon this bill by the Senate provides that the coin procured from the sale of these bonds shall be used for the purposes prescribed in the resumption act and in no other way. What were the purposes of the resumption act? The purposes were to retire and cancel all greenbacks, so that practically the act of 1878 prohibiting the retirement of greenbacks is repealed by this amendment.

I do not claim, sir, that the gentlemen who advocated this proposition in the Senate intended to do such a thing as that. I do not suppose that their idea was, when they insisted that the money procured from the sale of these bonds should be used for the purposes prescribed in the resumption act, that the legal-tender notes should be taken out of circulation—should be taken up and cancelled.

But if this becomes law, it not being a question wholly as to the intention of the Legislature, but the effect of the law, I claim that the necessary effect of the amendment is that all of the coin secured by the sale of these bonds shall be used for the purposes mentioned in the resumption act, which was to retire and to cancel the greenbacks.

And we see, Mr. Chairman, how it is in the closing hours of Congress, when appropriation bills are pressing for consideration, when other legislation is pressing for consideration, when all is excitement, when gentlemen in the Senate and in the House are pressing their own private bills, that no proper consideration is given to legislation of this kind, and it frequently happens that bills of this sort creep through both Houses and become laws, and their legal effect astonishes the gentlemen who voted for them and advocated them.

Mr. HOOKER of Mississippi. Will the gentleman from Missouri [Mr. BLAND] allow me to ask a question bearing upon this subject, for information?

Mr. BLAND. Certainly.

Mr. HOOKER of Mississippi. I want to know, if the gentleman's view is correct about this matter, whether it would not have also the effect of releasing the reserve of one hundred millions of gold which is put in the Treasury for the purpose of redeeming these greenbacks?

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Mr. BLAND. I was coming to that phase of it in a moment. Now, Mr. Chairman, unless I am very much mistaken in the history of this transaction and the statistics, all the gold or coin that was provided by the sale of bonds was procured before the act of 1878, that stopped the retirement of the greenbacks and virtually repealed the resumption law in that respect.

After the passage of that act there was not a single bond sold for the redemption of the greenbacks under the resumption law, because this act of 1878 changed the whole tenor of the resumption law and to a certain extent repealed it, and while the gold procured by the sale of bonds for resumption purposes has been held under another act, of 1882, for the redemption of the greenbacks, yet it never was claimed that the resumption act meant that you should sell bonds for the purpose simply of keeping the par between greenbacks and coin.

The whole object of the resumption law was to sell bonds to procure coin to retire greenbacks and to put coin in circulation; and nowhere can there be found upon the statute book the power given to the Secretary of the Treasury, in my opinion, to sell bonds for any other purpose. Now, I state that. I know it is a mooted proposition, and it is claimed that the Secretary of the Treasury still has power under the resumption law to sell bonds for the redemption of the greenbacks. Lawyers of ability insist upon that construction, and it may be the true one; but I make that point at least as being worthy of consideration in this committee, and I say again that it does seem to me that this amendment is intended to meet an objection of that character; that this amendment is intended to revive the resumption law and to make it mean and to apply to a different thing from what it did when it was originally enacted.

It provides that 3 per cent bonds, or any of the bonds described in the resumption act, may be sold for the purposes of carrying out the resumption law. If my contention is true, it means the greenbacks must be destroyed.

If, on the other hand, the contention of the other gentlemen is true, then it means simply to keep up the interchangeability of the two moneys, and then what happens? Why, you may pass your bill to-day, giving unlimited discretion to the Secretary of the Treasury to issue bonds—because there is no limit to it. Under the resumption law the limit to the issuing of bonds was the amount of greenbacks outstanding. To-day there is no limit whatever, and the law never intended that state of the case.

The Secretary of the Treasury may sell fifty millions of bonds for gold, and take his gold and put it into the subtreasury at New York to-day, and to-morrow these very gentlemen who bought the bonds to put the gold in the subtreasury can take the greenbacks and draw the gold out again, and you stand right where you commence. You have got no more gold than you had in the beginning. He can take the very same gold the next day and buy another \$50,000,000 worth of bonds, and then the next day take his greenbacks and draw his gold out again, and you are right where you commenced.

You can repeat that operation until you have millions and billions of public debts heaped upon the people of this country. And I say that any Congress that will give to the Secretary of

the Treasury—I do not care whom he may be or to what political party he belongs—the unlimited power claimed to-day under this resumption act and sought to be enforced by this amendment, ought to receive the condemnation of the American people.

Take either horn of the dilemma. If you say that it does not mean the destruction of the greenback and the limitation of the issue of the bonds to the amount of the greenbacks outstanding, then there is no limit whatever to the issue of the bonds.

Mr. BACON. Will the gentleman from Missouri [Mr. BLAND] yield to a question?

Mr. BLAND. Certainly.

Mr. BACON. The gentleman from Missouri referred a moment ago to the act of 1882 as affecting this matter. If it will not inconvenience the gentleman, will he give me the date of the act to which he refers, so that I may not misunderstand him?

Mr. BLAND. I can not give the precise date.

Mr. BACON. Very well.

Mr. BLAND. That act was part of the act that extended the charters of national banks. It was a Senate amendment to that act which provided—

Mr. CULBERSON. I will state that the act the gentleman from New York [Mr. BACON] inquired about was dated July 12, 1882.

Mr. BLAND. The gentleman from Texas informs me that the date of that act was July 12, 1882.

When the proposition to issue gold certificates was under consideration in the Senate there was an amendment offered providing that the Secretary of the Treasury should not issue any certificates when the redemption fund, or the gold held in the Treasury for resumption purposes, ran below \$100,000,000, or that he should cease whenever it got to \$100,000,000. Now, under that law, it is construed to mean that \$100,000,000 of gold has been set aside practically for the redemption of the greenbacks; but that was gold already in the Treasury.

Whether it was obtained by the sale of bonds or from the operation of that portion of the redemption act which provided for the use of surplus revenues, does not matter. But the most that can be contended for that act is that it seized upon the \$100,000,000 of gold in the Treasury to be devoted to keeping greenbacks at par; but that does not authorize the sale of the bonds for that purpose. But you use nothing but that \$100,000,000 of gold.

Mr. Chairman, it will be observed that before the resumption law went into effect, in 1879, the Congress of the United States had passed an act, known popularly as the Bland-Allison act, restoring the silver dollar. That was in February, 1878, nearly one year before the resumption was to operate. That act provided that that dollar should be a legal tender for all debts public and private, except where the contract otherwise stipulated, and it is as much a resumption fund, under the laws of this country, as the gold dollar for the greenbacks and all other currency in this country not specifically payable by contract in gold.

We are told, Mr. Chairman, that our difficulties to-day arise on account of what is called the Sherman act. I am not in favor

of the Sherman act, and never was. I did not believe at the time it would accomplish the purpose for which it was enacted. I believed when that act was passed that we would have the very difficulties we have to-day, because it limited the coinage of silver bullion purchased to the discretion of the Secretary of the Treasury.

Again, it declared that the Secretary of the Treasury could use gold, in his discretion, in redeeming the notes used in the purchase of silver bullion. And to day what have we? Notes issued for the purchase of silver bullion are held to be exclusively gold notes. They are being redeemed in gold and thus depleting the gold in the Treasury, instead of paying them as they ought to be paid and as the law contemplated they should be paid, by the coinage of the bullion purchased. That is one of the vices that I see in giving the Secretary of the Treasury the power to pay in gold the notes issued under the Sherman act.

Mr. Chairman, we are now told that that act is alone responsible for the depletion of the gold in the Treasury. But let us think for a moment. Since that act was passed, if my memory serves me correctly, we have paid about \$250,000 of public debt, and that has gone far to deplete the Treasury of its gold. Since the passage of that act, the Congress of the United States has increased our appropriations from about \$800,000,000 every two years to over a thousand millions in every two years; and by the extraordinary appropriations of Congress the Federal Treasury is drained of all of its money, gold, silver, and greenbacks; and they are scraping the tills, I am told, now for the subsidiary coinage.

Now, that is the objection I have to the proposition. I am not willing to sell bonds for the purpose of putting into the Treasury sufficient money to run the Government in its ordinary expenses; but what I want here is to reduce the appropriations of the public money so as to have means to resume or to provide that the surplus revenues shall become a surplus fund, and let it go into the Treasury for that purpose, and not be drained out by extravagant appropriations of Congress. There is our objection.

First, the Sherman law that provided silver certificates should be paid by gold certificates; second, the extraordinary appropriations of Congress that have drained the Treasury of all of its reserve except that set apart by the act of 1882. Are you going to submit to that, Mr. Chairman? Now, you may as well, as I have said awhile ago, take \$50,000,000 of your gold and buy bonds, and those bonds could be paid for again by \$50,000,000 of silver certificates.

Take for instance the New York Clearing House Association, which is so closely connected with the Treasury Department that that Department always keeps an agent there to deal with the Clearing House Association. Now, suppose these associated bankers take \$50,000,000 of bonds, pay the gold into the United States Treasury, and next day present greenbacks or bullion notes and draw out this same gold. These legal-tender notes thus paid in for gold become surplus revenues in the Federal Treasury and can be paid in the ordinary expenses of the Government, so that you are not holding the proper amount in reserve, but making a way to increase the bonded debt of the Gov-

ernment for no other purpose than to pay out the extravagant appropriations made by the Federal Congress.

I do not know whether this amendment is intended for that, or what it is intended for. I do not know whether it means that the Treasury has been so depleted that they have not money enough to run this Government and pay its ordinary expenditure until Congress meets again, and that therefore it is necessary to get funds in this way, or whether it is meant to prop up stocks in New York and convince Europe that we are financially sound. We all remember that about a month ago we were threatened with a financial panic in Wall street.

Stocks were running down, especially the trust stocks, the sugar trust, the lead, the cordage trust, all the various trusts and combinations which are organized conspiracies against the free trade and commerce of this country for the purpose of putting up commodities against the interest of the people, the combinations that have watered their stocks and desire to maintain them at high prices. They desire this legislation, and they may succeed in maintaining those watered stocks at high prices if they can induce the Federal Treasury to load itself up with gold so as to satisfy Europe, I suppose, that there is no danger but that the interest will be paid in gold.

In that way they can float their inflated stocks and thereby doubly rob the people of this country. [Applause.] Take the Reading Railroad, which formed its combinations, a syndicate of roads and monopolies, with its large coal fields, with its coal and iron trust, with its endeavor to put up the price of coal to the great detriment of the suffering poor of this country, that combination got into trouble. How? Through their inflated stocks and their rascally manipulation of the money market. They were threatened with a slump in their stocks and they come here to Washington.

They did, I believe, induce the Secretary of the Treasury to go to New York to investigate the matter, and, if current history is true, they induced him to believe that an issue of bonds was necessary in order to prevent a financial panic, but when the matter was submitted to the President of the United States he simply put his foot upon it. And, although I differ with the President of the United States in politics and as to a great many of his public measures, yet I say that in that instance he did exhibit that integrity of heart and that backbone which this House ought to emulate and to follow. [Applause.]

He refused, and if current history is true, he assigned as the ground of his refusal that this was a mere stock-jobbing operation, and the consequence was that the Reading Railroad, with its inflated stocks, went to the wall; where it ought to go, and where all these stocks that have been watered and inflated and all these combinations organized to rob the people of this country ought to go, and will go if the Congress of the United States refuses to come to their relief by issuing gold bonds.

And I stand here, Mr. Chairman, to appeal to the patriotism of this House. I appeal to you gentlemen upon this floor, if you are opposed to organized trusts, to inflated stocks and to a gold trust, I appeal to you to stand as men against this scheme of Wall street. When the elections come round we go home to our

constituents, and to them we are in the habit of denouncing trusts and the inflation and watering of stocks; we talk to them about fifteen, twenty, or thirty thousand men in this country owning the great mass of the wealth of the country, but when we come back here we seem to get into a different atmosphere altogether.

When we go home and face the free people, the tolling masses of this country, who have to bear these enormous burdens; when we appeal to them for their support we are their friends, and we remain so until after the election; but when we come here to Washington we get under the shadow of Wall street—we get into poisoned atmosphere that fills these lobbies with the gamblers of Wall street, demanding all possible kinds of legislation in their own interest. We are told that we are to have a panic; we are told that we must come to the rescue, and, I am sorry to say, that, forgetting the interests of the great people who send us here and the promises that we have made to them, we bow the knee to the golden Baal, and, so help me God, I hope that every man who does it will be remembered by his people when he again asks their votes! [Applause.]

I do not believe there is a member of this House, no matter whether he lives East, West, North, or South, who can take this proposition and go before his constituents and get them to send him back to Congress upon that platform if he is confronted by an opposing candidate who will denounce it and expose it as it ought to be denounced and exposed. I say that the result of the election in any such case is a foregone conclusion. No man could stand before his constituents and advocate this measure successfully in opposition to an antagonist who was opposed to it.

What are we to do here? Are we not sent here to represent the people by whom we were elected? The people can not be here themselves to cast their votes individually, so they select men in whom they have confidence, whose word they think they can rely upon, whose principles they believe in, and they confide to them the power of casting their vote. And I do not believe, Mr. Chairman, that there is a single district in the United States outside of the great commercial centres where the yeomanry will indorse any candidate for Congress advocating this measure. Therefore, any man who votes for it misrepresents his constituents; he is not their true representative.

Now, Mr. Chairman, this comes to us. I admit, with a very specious plea, as all such schemes do. They say they now have the power to issue bonds without limit under the resumption act—4 per cent and 4½ per cent bonds; that these bonds will run forty years; that the Treasury Department already has the power to issue bonds; and we are asked, are we not willing to limit the rate of interest to 3 per cent, and to limit also the term of the bonds? Certainly we are willing to do that, if that is all there is in the proposition.

If that were the statement of the whole case, the proposition would meet no opposition here or anywhere. But it is not. In the first place there is in my opinion, as I have already said, grave doubt whether the Secretary of the Treasury has power to issue another bond, but admitting that it may be done, no administration up to this time has ever dared to enter upon that policy. For what purpose is this amendment asked? If it is asked for

anything, it is asked in order to induce Congress to take the responsibility of authorizing and directing the issue of these bonds; and if this scheme becomes law, the country will understand that Congress has practically authorized the issue of bonds bearing 3 per cent interest for the purpose described in the resumption act.

If this bill becomes a law, it is a practical confession that there is a necessity for the issue of bonds, when in fact there is not. If this bill becomes a law, the Secretary of the Treasury will have the responsibility of Congress at his back for the issuing of these bonds. If this bill becomes a law, Wall street will insist that Congress meant the bonds should be issued; and it will have them. It will not get them if it does not pass. That is the difference; and it is a vast difference. These men know how to get the things that they desire.

Now, I have nothing to say against the present Secretary of the Treasury or the incoming Secretary of the Treasury. They are nothing but human; and it is not well to legislate relying upon weak humanity. We remember very well that when we undertook to negotiate a 3 per cent bond for the retirement of a 5 per cent bond, an amendment was put on that bill on motion of Mr. Carlisle—an amendment called “the Carlisle amendment”—which compelled national banks to float a 3 per cent bond. The bill passed.

What was the consequence? The same gentlemen who are demanding the passage of this amendment surrendered in about two weeks some \$25,000,000 of the circulating medium of this country and brought the country to the verge of a panic. They came here to Washington; they went to the White House, and under terror of a threatened financial panic, they induced the President of the United States to veto that bill. That is a matter of history. If this amendment of the Senate now becomes a law those men will claim that it was enacted for their special relief and benefit; they will undertake to put the country in terror of a financial panic unless they get the bonds. They will simply terrorize the Government—the Secretary of the Treasury—until they do get the bonds.

But if Congress refuses to declare that there is an emergency justifying the issue of these bonds, refuses to pass this amendment, it will be a notification to those gentlemen that the representatives of the people of this country are opposed to any bond issue; and the Secretary of the Treasury will not issue bonds. The question is simply whether you are going to authorize and direct the issue of bonds. The question is not whether we are to have a 3 per cent or a 4 per cent bond. If these bonds are to be issued, let the responsibility rest upon those who issue them. It is the duty of the representatives of the people to express their opinion that there is no necessity for this legislation—which means there is no necessity for the issuing of these bonds.

Our paper money is at par to-day. We have no trouble with our greenbacks; we have none with the silver dollar or the silver certificate. There is no occasion for any legislation to bring any of these to par; nor will there be. Although the prognosticators of evil have been telling us for the last fifteen years that

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there is danger in this respect, there never was any such danger and there is not now.

We have \$100,000,000 of gold already in the Treasury—put there for the purpose of redeeming the greenbacks—put there to meet an emergency. As I understand, that is the object of the \$100,000,000 of gold—to redeem greenbacks; and if that fund should run down to \$50,000,000, or even to \$25,000,000, nobody would be hurt.

I have every reason to believe, Mr. Chairman, not only upon the statement of the President of the United States but from the current history of the manipulations of the banking interest in this country, that for the purpose of making an apparent necessity for the issue of bonds the Clearing House Association of New York, which practically determines what money shall go into the Federal Treasury, whether gold, gold certificates, bank notes or silver (for as I stated awhile ago, it is there that the Government has its representative and it is there where these matters are determined practically between the bankers and the Government) the Clearing House Association have been taking the gold and putting it into their vaults in order to crowd into the Federal Treasury the money which they consider is not redeemable in gold.

And they point to the fact that a short time ago we had plenty of gold in the Federal Treasury for the redemption of the legal tender notes and for all other purposes; that gold was being paid in for customs dues, but that now, and especially, they say, since the enactment of the Sherman law, instead of gold going into the Federal Treasury it is the certificates issued under that law and the legal tender notes.

Mr. Chairman, of all people in this country the people demanding the passage of this amendment can the least afford to have a financial panic. They can afford by manipulation of the money of the country to induce us to believe it possible that we are on the verge of a disparity in our currency, of going to a silver basis, as they call it. They are willing to do that. They are willing to create apprehension.

But, Mr. Chairman, when the panic does come, if they succeed in precipitating it upon the country, they will be the first to suffer for it. There is gold enough in the country, if they do not intentionally undertake to embarrass the Government and in that manner bring on a panic, to keep up gold payments not only in the Treasury, but to come in from time to time in the payment of the revenues of the Government.

What does the premium on gold mean anyhow? What does this mean, admitting that there should be such a thing, when it is neither possible nor probable. Why it means simply a premium on wheat, a premium on corn, a premium on cotton, a premium on every very thing produced by the hand of labor that is put on the market. It would mean a reduction of the value of the watered stock, and the increase of the price of the products of labor. Do you suppose that these people are going to manipulate finances in this country to bring about a state of affairs like that? Not at all. But they will manipulate them in so far as they may deem it necessary to secure certain legislation in this Hall.

I stated awhile ago, sir, that our money is already at par, and

notwithstanding it has been predicted from time to time, even from the very commencement of the coinage of silver, when we had but fifty millions in the Federal Treasury, that we were on the danger line then: it was still urged when we had nearly two hundred and fifty millions of coin that we stood on the very brink of despair, disaster, and destruction, and now that we are purchasing 4,500,000 ounces of silver bullion every month and putting into circulation \$50,000,000 annually we are told that that is going to bring on a financial panic and the destruction of values.

Why, that does not fill the volume of money necessary, the increase demanded by an increased population and the increasing productions of our country. It does not meet the necessary volume of money to maintain values owing to our increasing population and wealth. Not at all. As compared to the vast production of property since the enactment of the so-called Sherman law, and the increase of population, we have not to-day a sufficient volume of money to create any alarm, but on the contrary it is not sufficient to keep prices where they were when the Sherman act was first enacted, notwithstanding that there has been this increase in our circulation. Yet increased wealth and population has made a necessity for a greater supply of money if we are to maintain prices even at this present low level.

This is simply keeping pace with the growth of our wealth and the development of our population. It is not outrunning the one or the other. It is not possible then to put the value of our money below par. It is being redeemed every day by the Government in receipt for Government dues, and in payment of all debts public and private, as well as by the vast demand of every interest amongst the people of this country for money.

The amount of money that is going into circulation does not meet that demand, and until we do inflate our currency so as to increase prices beyond the prices of the world's level, there is no possibility of our currency sinking below the level of the world's currency.

Mr. CRAIN. Does the gentleman from Missouri contend that this amendment practically repeals the law of 1875, for the redemption of the greenbacks?

Mr. BLAND. I stated at the beginning of my argument, Mr. Chairman—

Mr. CRAIN. I did not hear the gentleman.

Mr. BLAND (continuing). That the resumption act of 1875, to which this is an amendment, provided for the redemption of the public debt and the outstanding greenback circulation, not to keep it at par, but was to be redeemed and paid off. The resumption of specie payment meant that specie should take the place of paper. That is what was the meaning of the act in question. That is what it was intended to accomplish. Now, although no limit was mentioned in the act, it was necessarily limited to the amount of paper to be redeemed—

Mr. CRAIN. I asked the gentleman as to his judgment of the amendment to which he has been referring?

Mr. BLAND. I am coming to that. This amendment provides that the money procured by the sale of bonds shall be used for the purpose described in the resumption act, and for no other,

which is the taking up and canceling of the outstanding greenbacks.

Mr. COCKRAN. Will the gentleman allow me to ask him a question, with the hope that it may suggest a possible basis of agreement between both sides of the Chamber on this subject?

Mr. BLAND. I hope the gentleman's interruption will not be taken out of my time.

The CHAIRMAN. Does the gentleman from Missouri yield to the gentleman from New York for a question?

Mr. BLAND. Not now.

Mr. CRAIN. I wish to say to the gentleman from Missouri that if I can command any time he shall have the benefit of it.

Mr. BLAND. I think I will have all of the time I require. Has the gentleman any further question?

Mr. CRAIN. I have no other.

Mr. BLAND. Mr. Chairman, the discussion upon this amendment in the Senate, as far as I heard it and read it, turned upon the question of keeping all of our money at par—the silver certificates, notes issued under the Sherman act, etc. That was claimed to be its ultimate purpose. In other words the true intent and meaning of this act was never discussed, and seems never to have been understood. What it really meant, and would do if enacted into law, seems never to have been apprehended.

Mr. CRAIN. In the Senate.

Mr. BLAND. But if it is intended simply to keep our money at par, would it not be well enough to wait a while to ascertain whether or not there is any difficulty about that? We are told if we will go to free coinage, there will be a parting between gold and silver; but, Mr. Chairman, if our present history teaches us anything, it teaches us that there is very little in that. Here we have to-day \$346,000,000 of legal-tender notes in circulation, at par with gold.

We have besides that nearly \$500,000,000, I believe, in silver and silver certificates, and these bullion certificates, also circulating at par with gold. We have two hundred millions of bank notes in circulation at a par with gold. In other words, in round numbers, I think we have somewhere near twelve hundred millions of money in this country, circulating at a par with gold, and only one hundred millions of gold in the Treasury to redeem it with.

Mr. BOATNER. Will the gentleman yield for a question right there?

Mr. BLAND. Just a moment. Why it shows, Mr. Chairman, that your money keeps at par with gold not because you have any particular resumption fund, because you have scarcely one dollar or ten, but it is because of the demand for money and its monetary use, and if you had the free and unlimited coinage of silver you would find the same state of circumstances. The enormous demand for it among the people of this country, to be loaned out at interest, to go into circulation, to perform all the functions of gold, will keep it at par with gold. It is not your hundred millions in the Treasury that keeps it at par with gold, for it is no resumption fund at all for that vast volume of money that is in circulation, and it does not depend upon it.

Mr. BOATNER. Would not the effect of the adoption of this amendment be to fund the entire greenback circulation into interest-bearing bonds if they were presented for redemption?

Mr. BLAND. I do not see how the Secretary of the Treasury could execute the law in any other way.

Mr. SPRINGER. Will the gentleman allow me to ask him a further question before he sits down?

Mr. BLAND. Certainly.

Mr. SPRINGER. If the gentleman's construction of the Senate amendment is correct, I would suggest the following amendment thereto, which it seems to me removes all his objections:

Provided, That this provision shall not be construed as enlarging or contracting the power to issue bonds conferred upon the Secretary of the Treasury by the act aforesaid, and that all United States notes redeemed with the proceeds of any bonds that may be issued hereafter under said act shall be reissued as provided in the act to forbid the further retirement of United States legal-tender notes, approved May 31, 1878, and that the sole effect of this provision is to reduce the rate of interest to 3 per cent, and the time for the payment to five years, of any bonds that may be issued hereafter for redemption purposes.

Mr. BLAND. Why, Mr. Chairman, I undertook awhile ago to explain as best I could the difficulty that we are in if you give us the construction contended for by the gentleman, and the construction that his amendment would put upon this bill. Then you have it that the Secretary of the Treasury can issue bonds without any limit whatever.

Mr. SPRINGER. We would not change that authority by this amendment. If he has it, he has it already.

Mr. WILLIAMS of Massachusetts. Mr. Chairman—

The CHAIRMAN. The gentleman from Massachusetts [Mr. WILLIAMS]—

Mr. CRAIN. I ask unanimous consent that the gentleman from Missouri [Mr. BLAND] have five minutes longer.

Mr. BLAND. I would like to have time enough to answer the question of the gentleman from Illinois [Mr. SPRINGER].

Mr. CRAIN. I ask that the gentleman have fifteen minutes.

The CHAIRMAN. The Chair would suggest that only ten minutes remain before the hour fixed for the special order.

Mr. WILLIAMS of Massachusetts. I yield to the gentleman to allow him to answer the question.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the gentleman from Missouri [Mr. BLAND] be allowed to proceed for five minutes. Is there objection?

Mr. WILLIAMS of Massachusetts. I think the Chair recognized me.

The CHAIRMAN. The Chair did.

Mr. WILLIAMS of Massachusetts. I understand that the gentleman from Missouri desires time in which to answer the gentleman from Illinois. I do not suppose his answer will take more than a minute or two.

Mr. BLAND. If I am to be limited in my answer to two minutes I do not care to say anything further.

Mr. Chairman, I ask unanimous consent to print some documents and to extend my remarks somewhat in the RECORD.

There was no objection.

Mr. DICKERSON. Mr. Chairman, I ask unanimous consent

that the gentleman from Missouri [Mr. BLAND] may be allowed to continue his remarks up to the time for the special order.

The CHAIRMAN. The Chair will submit the request. Is there objection?

Mr. WILLIAMS of Massachusetts. I object.

The CHAIRMAN. The gentleman from Massachusetts objects.

Mr. WILLIAMS of Massachusetts. I will yield to the gentleman to answer the question, but for no other purpose, taking it for granted that he will not occupy all the remaining time. I have only about five minutes that I desire to use.

Mr. BLAND. Mr. Speaker, in answer to the gentleman from Illinois, I was going to state that the construction which he would place upon this amendment would be, under the resumption law, that to-morrow the Secretary of the Treasury could issue \$50,000,000 of bonds and buy gold, next day greenbacks, the next day the holder of \$50,000,000 of greenbacks could take it out, and he would be left right where he commenced. Then the same \$50,000,000 could be deposited again and taken out with the same quantity of greenbacks; and you are again right where you commenced. It gives no relief to anybody, but it places upon the people of this country an enormous bonded debt for the use of bankers; and that is the meaning of it.

Now, I do not wonder that gentlemen who favor the national banking system as against the coin of the Constitution, gold and silver, want to pile up the public debt as a basis for national banks. They can not bank to-day on 4 per cent bonds, because the premium is so high that it is not profitable, nor can they bank on the 4½ per cent bonds. Hence their anxiety is to open the doors of the Treasury and to have an unlimited issue of bonds on which they can bank; and that is the milk in the coconut. The gentleman from Illinois can support that proposition and vote for it if he chooses; but I give him warning that his hard-laboring constituents will look after their votes if he does. [Loud applause.]

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