

FREE COINAGE OF SILVER.

SPEECH

OF

HON. ABNER TAYLOR,
OF ILLINOIS,

DELIVERED IN THE

HOUSE OF REPRESENTATIVES,

MARCH 22, 1892.



WASHINGTON.
1892.

SPEECH
OF
HON. ABNER TAYLOR.

The House having under consideration the bill (H. R. 4426) for the free coinage of gold and silver, for the issue of coin notes, and for other purposes—

Mr. TAYLOR of Illinois, said:

Mr. SPEAKER—

The SPEAKER. For what purpose does the gentleman rise?

Mr. TAYLOR of Illinois. I desire to explain that the majority side of the minority of the committee desire me to open the discussion for the only party that is opposed to this measure; and I think I am entitled to recognition.

The SPEAKER. The Chair will state to the gentleman that the substitute and the views of the minority is offered by the gentleman from Massachusetts.

Mr. TAYLOR of Illinois. Yes, sir.

The SPEAKER. The Chair thinks that the gentleman from Illinois will find that the practice in the House has been that the Chair should always first recognize a member reporting the measure.

Mr. TAYLOR of Illinois. Yes, sir.

The SPEAKER. As stated in the Digest:

In general terms it may be said that it is a well settled parliamentary principle that the member entitled to prior recognition, when several claim the floor on a pending proposition, is the "mover, proposer or introducer," or the reporter of the measure (if it be reported) from a committee.

The Chair understands, under the practice of the House, that the gentleman first entitled to recognition is the gentleman reporting the bill from the committee, on behalf of the majority. The Chair also understands the gentleman next entitled to recognition is the gentleman reporting the substitute on behalf of the minority; and the next gentleman is the gentleman from Massachusetts; and the Chair has recognized him.

Mr. TAYLOR of Illinois. I will say that that was not the order of the discussion in the last House. The minority report was made by one gentleman, and the discussion was opened by the gentleman from Missouri [Mr. BLAND].

The SPEAKER. The Chair does not understand what the order was in the last session; perhaps it was in pursuance of an understanding.

Mr. TAYLOR of Illinois. There was no understanding.

The SPEAKER. The practice has been that first the gentleman reporting the measure should be recognized, and then the gentleman reporting the views of the minority. The gentleman

has offered a substitute, which is attached to the report; and the Chair has recognized the gentleman from Massachusetts.

Mr. TAYLOR of Illinois. I stand here as the representative of the majority of that minority, who desired me to open the discussion.

The SPEAKER. The gentleman from Massachusetts represents the whole minority, because he submitted their views.

Mr. TAYLOR of Illinois. Very good.

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Mr. TAYLOR of Illinois. Mr. Speaker, I desire to offer an amendment to the bill, and to have it pending.

The SPEAKER. The Chair is informed that there is now one amendment pending, offered by the committee. The gentleman can offer an amendment to that amendment.

Mr. TAYLOR of Illinois. I supposed the only thing pending was the substitute.

Mr. DINGLEY. I think it is in the nature of a substitute.

The SPEAKER. There is also an amendment. The gentleman can not offer an amendment to the text of the bill. He must offer his amendment to the pending amendment.

Mr. TAYLOR of Illinois. I do not know what the pending amendment is.

The SPEAKER. It is reported by the committee. The gentleman will find it in the printed bill, if he will look at it.

Mr. TAYLOR of Illinois. I will offer it as an amendment to that. I will ask the Clerk to read it.

The Clerk read as follows:

After the word "private," in line 9, add "except pensions which have been or may hereafter be granted by the Government, which shall be paid in gold."

Mr. TAYLOR of Illinois. I thank the Speaker for at last being able to obtain the floor to speak for the only party that is opposed to this measure. I admire the Democratic party for one thing, and that is the facility they seem to have for getting on both sides of the question, of which facility we have seen an exhibition this morning, each side having an hour awarded to them before the great party that is opposed to it could be heard. I deny the right of the gentleman from Massachusetts [Mr. WILLIAMS] to speak for the Republican party. I deny the right of the gentleman to speak for the minority of this committee. When this bill reaches the other end of the Capitol and is up for a vote, their candidate, whom they will probably nominate at Chicago, will conveniently be in the cloakroom or out on an excursion somewhere. [Laughter on the Republican side.] And then their platform will straddle this question, and my friend from Missouri [Mr. BLAND] will tell his people that he is for free coinage, and my Mugwump friend from Massachusetts [Mr. WILLIAMS] will tell his people that he is against free coinage. Such is the facility with which this party gets on both sides of the question.

Mr. LIND. Mr. Speaker, I rise to a point of order.

The SPEAKER *pro tempore* (Mr. RICHARDSON in the chair). The gentleman will state it.

Mr. LIND. The gentleman from Illinois referred to a member of this House as a Mugwump, and I suggest that that is out

of order, according to the report presented yesterday by the present occupant of the chair.

Mr. BOUTELLE. I think the Speaker *pro tempore* must have failed to observe the utterance or he would have called the gentleman to order. [Laughter.]

The SPEAKER *pro tempore*. The Chair sustains the point of order. Gentlemen must refer to each other by a phrase which is parliamentary.

Mr. TAYLOR of Illinois. My understanding is that the gentleman from Massachusetts confessed it in his speech the other day.

Mr. HENDERSON of Iowa. Yes; and gloried in it.

Mr. TAYLOR of Illinois. But I am willing that the point of order shall be sustained.

Mr. Speaker, no gentleman who was a member of the last House will ever forget the turbulent and riotous scenes which were enacted by the members of the Democratic party on this floor during the sessions in consequence of the rulings of ex-Speaker REED. They were the most disgraceful and reprehensible scenes that were ever witnessed in this Hall, and in them Mr. REED was bitterly denounced as a tyrant, a despot, and an autocrat. His rulings were stigmatized as unconstitutional, arbitrary, and revolutionary. The Democratic press of the country teemed with scathing denunciations of his rulings, and they formed at least one-half of the capital stock of the Democratic party in the last campaign.

The constitutionality of Mr. REED'S rulings has been passed upon by the Supreme Court of the United States, the highest tribunal in the land, composed of Democrats and Republicans. What was the decision of that court? It unanimously decided, not one voice dissenting, that the rulings of Mr. REED were made within the law and the Constitution.

What, however, has been the character of the rulings of the present Speaker of this House, a gentleman who professed so high a regard for the inviolability of the Constitution and remonstrated so loudly against what he termed a usurpation of the rights and privileges of the members of this House during the last Congress? I need only quote from the speech of the gentleman from New York [Mr. TRACEY], a member of the Democratic party, in opposition to his decision. They were characterized by him as "the most extraordinary that were ever heard in a legislative body."

Every parliamentary body in the world corrects its own journal before it proceeds with the work of another day, and during the last Congress, when Mr. REED was Speaker, the right of every member to demand the reading of the Journal was recognized, and the privilege was always accorded, and not until the advent of this Democratic House and Democratic Speaker has this undoubted privilege been denied or withheld. In order to enforce the consideration of this measure upon the House, however, the present Speaker has not only overruled the precedents of a century, but he has overruled a careful opinion delivered on the same question by your idol Speaker, Mr. CARLISLE.

Such, Mr. Speaker, are the methods by which this House has been coerced into the consideration of this bill; methods which

have been justly condemned by Republicans and Democrats alike as unprecedented, and in violation of the most sacred rights of the members. What was the object of this unjust and outrageous proceeding? It was to force this House to consider a bill, the most vicious that was ever presented to this body; a bill which is designed to make 70 cents worth of silver a legal tender for a dollar, so as to assist the debtors to defraud their creditors and the wealthy class to pay their laborers 70 cents in silver for a dollar's worth of labor; a bill that has made the nomination of your idol candidate for the Presidency impossible, and forced every other Democratic candidate astride of the fence; a bill to assist Democratic members in their election to the next House, when there is not a gentleman upon this floor who does not know there is not a possibility of it ever becoming a law during this session.

Mr. Speaker, no bill will come before this House of more importance to the people of this country than the one now under consideration. If it should ever be enacted into a law it will have a greater effect upon the finances of the country, favorable or unfavorable, than any bill that has ever passed Congress.

The Fifty-first Congress passed the present law, under which we are purchasing 4,500,000 ounces of silver per month, at its market value. This was passed by a Republican House, a Republican Senate, and signed by a Republican President. The Republican party believes that this is as far as it is safe to go in legislating upon the silver question without an agreement by other nations to join us in the use of silver, and on this law the Republican party takes its stand, and is ready to go before the people of the country and defend it.

I congratulate this House and I congratulate the country that we have at last uncovered the intention of the advocates of this bill. The majority report shows conclusively that their purpose is to place this country upon a silver basis, and to have it stand side by side with India, Mexico, and China; so that any member who supports this measure is no longer left in doubt as to the object of its promoters.

There seems to be two parties who are advocating the passage of this measure and their interests are directly opposite. First, there are the silver-mine owners, whose object is to raise the price of silver to a parity with gold; and, second, the debtor class, who want cheap money in order that they may repudiate a portion of their just debts.

I often wondered during the discussion of this question in the last Congress which of these parties was to be deceived, but the majority report upon this bill leaves no question as to which they expect will be.

Mr. Speaker, I shall attempt in the discussion of this question to consider it impartially, and to ascertain, so far as I may be able, its probable effect upon the future welfare and prosperity of the people of this country from the experiences of the past. There are many things which have taken place in relation to silver which should safely guide and assist us in any future legislation that may be attempted in this direction, and in a matter of so vital importance no step should be taken without previously considering every fact and carefully weighing every circumstance

that may throw light upon the subject and enable us to arrive at a satisfactory conclusion.

If this measure were properly presented to the people of this country they would readily perceive its evil consequences and pernicious effects; the devastation and ruin that would follow in its wake, the complete subversion and overthrow of credit and trade which would result therefrom, and their verdict would be final and conclusive.

One of the most intelligent advocates of free coinage on this floor said to me in conversation a few days ago that he was beginning to have grave doubts as to the advisability of the passage of this measure. He said, however, that his constituents were in favor of free coinage, and, while he had diligently studied the question in all its phases, he entertained grave apprehensions as to its wisdom; yet he felt compelled to record his vote in favor of its adoption. To educate his constituents to the opinion that he had arrived at was a doubtful and uncertain task, and there was no recourse for him save only to bow to the will of his people and vote for the passage of the bill.

From what I have learned I have no doubt but that there are at least one hundred gentlemen on the other side of this House who are endeavoring to satisfy their constituents by supporting this bill. Many of them know well that they are jeopardizing what little chance there may exist of the election of a Democratic President; but if they do not vote for this measure they will jeopardize their own election, and in choosing, as the gentleman from New York [Mr. PAYNE] very aptly said, they prefer to save their own skins. I very heartily sympathize with any member who has a constituency that he is compelled to feed on such trash in order to retain his seat, and I most heartily sympathize with a constituency that has such a member.

As I have said before, it is absolutely necessary to consider the effect of the legislation upon this subject in the past to be able to form an intelligent opinion as to whether or not we can maintain the coinage of silver and gold at the ratio of 16 to 1 without the cooperation of other countries.

The first act passed for the coinage of gold and silver, and fixing the ratio at which they should be coined, was in 1792, and it was placed at 1 grain of gold to 15 grains of silver. This was maintained until 1834. In the mean time, about all the gold went out of circulation in this country, for at that ratio gold was worth a premium over silver. It commenced to disappear in 1811 or 1812, and the amount delivered at the mints for coinage decreased until 1816, when it ceased altogether. As rapidly as the gold was issued from the mints it was shipped abroad and sold, and after 1816 the owners of this metal did not incur the delay and expense of presenting it for coinage, but sent it abroad in bars. The reason of this is readily apparent, for gold was at a premium of 2 per cent over silver, and, with that difference, it would not circulate with silver.

In 1834 another act was passed increasing the ratio to 16 to 1. The United States had coined at large expense \$11,825,890 of gold and none of these coins could be seen; all were exported. By the coinage act of 1834 the silver dollar was more valuable than the gold dollar, and in a few years the latter went out of circu-

lation. It would not circulate with a dollar that had less bullion value. This continued until 1873, when the premium on a silver dollar was about 3 per cent, and there was not one dollar in circulation; all had gone abroad. If gold would not circulate in this country, as is shown by past experience, when it was only 2 per cent above silver, and silver would not circulate when it was 3 per cent above gold, but both went out of circulation and were shipped to Europe with this small premium, how can we expect silver to circulate with gold when gold is about 30 per cent premium, as under this bill? It is not possible that any gentleman who studies the past and is capable of comprehending any elementary financial problem, can arrive at any other conclusion than if this bill remonetizing silver should become a law it would at the same time demonetize gold.

The majority report tells us that gold will not go out of circulation if this bill should become a law, but that both gold and silver will circulate side by side. They do not have to go to Europe to learn the fallacy of this statement. We can learn it simply by crossing the line into Mexico, where they have free coinage of gold and silver, but as the price of silver depreciated in the markets of the world the gold disappeared and not one gold dollar is seen now in circulation in Mexico, but all have been sold abroad, and if the gold should go out of circulation in this country it would mean the withdrawal of between six hundred or seven hundred millions of money now in circulation.

Gold would go abroad, not to buy silver to take its place in this country, but, as it went abroad when the Baring Brothers, of London, failed, to pay for our bonds that are held in Europe. The ink would not be dry upon the President's signature to this bill before our bonds would start from the other side by the millions of dollars, and in that way they would take from this country every dollar of gold that is in it, as the people on the other side of the water would lose confidence in our financing, and would want to realize on the indebtedness they held as early as possible. This bill, therefore, instead of adding to the circulation and giving us more money would decrease it to the extent of the gold now held in this country, and we would have that much less money.

The stagnation and depression that would follow from this will be readily appreciated when it is remembered that the withdrawal of seventy-five millions last year nearly resulted in a panic. Let six or seven hundred millions be withdrawn from circulation, how can we replace it? We could not replace it with silver; for if we were on a silver basis and paying silver dollars for silver bullion, none would come here from abroad any more than it goes to Mexico. No silver is imported into Mexico, for the reason that the silver owners can obtain nothing but silver for it. We would be exactly in the same condition.

It will be seen, then, that the statement made by the majority in their report that a silver dollar can not fall below the value which the Government gives it at the mint is not borne out by the facts. It is true that it would not fall below that if the value of the silver dollar was maintained by the Government redeeming it in gold when presented. This, however, the free-coinage advocates do not ask or expect, as they say in their report that

the silver brought to the mint would be coined into standard dollars and these dollars returned to the people who brought the silver or if they took Treasury notes and presented them instead, they would be redeemed in silver dollars. It will, therefore, be seen that the stamp of the Government upon the bullion would give it no increased value. Of course, under this bill it would be a legal tender and the debtor could use it to repudiate a portion of his debts. The very moment it crosses the borders of the United States the stamp upon it gives it no value. It becomes bullion, and has to take its place with other bullion in the markets of the world, and no law that we can pass will increase its bullion value.

The total amount of silver in the world, as estimated by the Director of the Mint, is \$3,939,578,000, and the amount held in this country is \$542,078,000. Not one dollar of this entire amount of the silver of the world is worth over 91 cents an ounce, or will sell in any market of the world for over that amount, so, in order to bring silver to a parity with gold, we will not only be compelled to raise the price of silver in this country about 30 per cent, but we would be compelled to raise the price of the \$3,397,500,000 of silver held by the remainder of the world. I know this country is great. There is no gentleman upon this floor who has more confidence in it than I have. This undertaking, however, is too great; it would fail.

During the discussion upon the law that was passed by the Fifty-first Congress, some of the free-coinage advocates admitted that it would have a tendency to advance the price of silver; others predicted that it would rise in value to 129¢. Still, their great objection was that silver was left as a mere commodity. The act of 1891 provided that there should be coined \$24,000,000 worth of silver, which has been done. The bill under consideration does not make it compulsory to coin one dollar, and, if it were enacted into a law, not one dollar would ever be coined under it. The present bill is not so much a free-coinage scheme as it is a silver-purchasing one, and the great difference between it and the act of 1891 is that under the latter the Government is compelled to purchase the bullion at the market value, which is about 91 cents an ounce, while under this bill the Government must purchase it at the fixed price of 129¢ cents, and thus pay nearly 40 cents more per ounce to the silver-miner than its actual market value.

Mr. Speaker, when the bill to place the American merchant marine engaged in the foreign trade upon an equality with other nations was under consideration in the last Congress, it was bitterly denounced by the Democrats as a job, a robbery, and a steal; as a scheme which favored the rich and oppressed the poor. This important industry was rapidly declining, and the American flag was fast being driven from the ocean, and would soon bid farewell to the ports of the world. The bill was advocated and finally enacted into law by the Republican party, in order to revive and foster this branch of trade, and to place those engaged in it upon an equality with other nations.

Let us contrast, however, the methods adopted by the Republican party, as above exemplified in the merchant marine subsidy bill, for the distribution of the bounty of the Government, and those proposed by the Democratic party in the bill now under

consideration. It will be found on an examination of the measure presented by the majority of the committee, which is so earnestly advocated and supported by the Democratic party, that it too provides for a bounty. If it should be enacted into a law and operate in the manner which the majority in their report say it would, and we should receive no more silver than we are now receiving, and for which we are paying \$48,000,000 a year, under this bill we would be compelled to pay \$70,000,000 (that is, when we pay \$1.29 per ounce for the silver which is only commanding 91 cents per ounce in the markets of the world); thus making a subsidy to the rich mine-owner of \$22,000,000 annually, for which we receive nothing. It gives your and my note, which we will be compelled to pay some day, and receives nothing in return.

If this is good financiering, I am learning new lessons in finance. If this is not a subsidy in its broadest sense will some person tell me what it is? In the case of the subsidy to the merchant marine, the Postmaster-General reports that it will cost about eight millions annually; and for this we expect to build up a merchant marine that will carry our own merchandise in our ships, and will open up a line of trade to the American merchant that he has been debarred from.

The most reliable statistics, showing the cost of production of silver, estimate it at about 50 cents per ounce; so it will be seen that the price at which silver is now sold the mine-owner will make a greater profit on his article than any other producer in the United States.

An additional advantage that the silver miner would derive from the passage of this bill is this, that he would be able to pay his labor with this cheap money, and as about 80 per cent of the cost of mining is labor, it would be a great saving to him. The laborer, to whom he is paying \$3 a day now, would be paid \$2.10 after the passage of this bill, which would bring the cost of mining the silver down from about 50 cents to about 35 cents an ounce.

No gentleman ever makes a speech in favor of the free coinage of silver without denouncing violently the theft that was committed in 1873 when silver was demonetized. Some of those who participated in that discussion and who voted for the bill have risen in their places and told the country that they did not understand what they were voting for.

Every rational person is presumed to comprehend the natural and probable consequences of his own acts. It appears, however, that they did not, or at least profess not. If I should support a measure in this House and should discover afterwards that my constituents were so universally opposed to it that it became necessary for me to plead the baby act or to resign my seat, I would not be long in reaching a determination what to do. There would be a vacancy in the First Illinois district.

Let us see what are the facts in relation to this so-called theft, about which there have been so loud complaint and so earnest remonstrance. The first bill was presented to the Senate April 25, 1870, and it omitted the coinage of the silver dollar. Copies of this bill were distributed throughout the length and breadth of the United States and the opinions and comments of the leading financiers were invited. Some of these experts in their

answers stated to the Senate that it would demonetize the silver dollar.

When the bill was under consideration here the House called for these answers, and they were considered by it. The bill first passed the Senate in 1871, and from that time until it was finally enacted into law, in 1873, it was before both Houses in five different sessions, and commented upon in the leading journals of the country and by the leading financiers. It was printed thirteen times, and the debate upon it occupies about 150 pages of the Congressional Globe, and yet gentlemen who participated in that discussion and who voted for its passage rise in their places and tell us they did not know what it contained or what was its purport. I leave the truth of these assertions to be passed upon by the great jury of the American people.

The facts are that in 1873 a silver dollar was at a premium of about 3 per cent over gold, yet not a dollar was being coined. It had demonetized itself, as gold would if this measure should become a law. For about thirty years preceding that time the silver in the markets of the world had never been lower than \$1.30½, and the silver-producing States were entirely indifferent to the passage of that law, as the coinage of silver gave it no value whatever, as the value was the market value of the world, as it still will be if this bill should ever become a law. With the discovery of large deposits of silver, however, it commenced to fall, and in 1877 it was down to \$1.12 an ounce. Then comes the cry of the silver theft of 1873. Prior to 1873 only a little over eight millions of silver had been coined. From that time to the present there have been coined \$411,543,740, and of this latter amount three hundred and fifty millions are still in the Treasury, together with over fifty millions of bullion. This is the reason of the decrease in the price of silver.

Mr. SIMPSON. I would like to ask the gentleman if he thinks the passage of a law for the free coinage of silver will increase the value of the silver-mine owners' dollar?

Mr. TAYLOR of Illinois. In answer to the gentleman I will say that after we had been on this crazy basis for a year or two, we would have to go through resumption again. Consequently the rich mine owner would get his pay in gold, if he held on to his currency.

Mr. SIMPSON. The gentleman did not understand my question, I think.

Mr. TAYLOR of Illinois. I think I did.

Mr. SIMPSON. I asked if the free coinage of silver would make the 50-cent dollar of the silver-mine owner worth a dollar?

Mr. TAYLOR of Illinois. No, sir, it would not.

Mr. SIMPSON. How much would it make it worth?

Mr. TAYLOR of Illinois. Just what it is now and no more.

Mr. JOHNSON of Indiana (to Mr. SIMPSON). You did not expect that kind of an answer, did you?

Mr. SIMPSON. I am not clear what it is worth now, from the gentleman's standpoint. That is why I asked the question as to what it would be worth.

Mr. TAYLOR of Illinois. An ounce of silver, if the gentleman will listen, is worth about 91 cents.

Mr. SIMPSON. And you think free coinage would not increase its value?

Mr. TAYLOR of Illinois. Not a cent.

Mr. SIMPSON. Why do you oppose free coinage then?

Mr. TAYLOR of Illinois. Because you want a scheme to swindle the creditors.

Mr. SIMPSON. If it does not increase the value, it does not swindle anybody.

Mr. TAYLOR of Illinois. Why did we oppose your greenback policy? Simply because you wanted to swindle the creditors, that is all.

Mr. SIMPSON. Then that must be what the Republican party wanted to do when they passed the greenback act.

Mr. TAYLOR of Illinois. It is claimed by the majority of the committee that but little silver would come to this country under this act. I agree with them in this, if, as they contemplate, this country is to be put on a silver basis; and I agree with them that there would be no other course for the Government to pursue, if this bill should become a law, than put this country on a silver basis, as it would not be possible for us to buy all the silver that would be presented if we paid for it in gold. Therefore we would take our place by the side of the silver countries of the world. Is the prosperity of the people of China, India, and Mexico so great that we should desire to place ourselves with them? I think the universal answer would be no. India and China are the most destitute countries in the world. There is no country where the inhabitants are poorer and more degraded, and Mexico is not far behind. How can a party advocate the enactment of such a law, the ultimate effect of which will be to retard the rapid growth and progress of the nation, to produce depression and discontent, and to reduce the country from the high and lofty plane of unequaled credit and prosperity to the chaotic and bankrupt condition of the degraded silver countries of the globe.

As an illustration of the manner in which the silver standard affects India, I will quote the answers made by Mr. Francis G. Newlands, the head of the silver lobby here, the gentleman who represents the interests of the silver-miners before Congress, and who has been in attendance upon its sessions and advocating the free coinage of silver for several years, in reply to certain questions propounded by Mr. WILLIAMS of Massachusetts during a hearing before the Committee on Coinage, Weights, and Measures:

Mr. WILLIAMS. This is true, is it not—and is universally claimed by gentlemen who are interested in the free coinage of silver—that that which India owes the rest of the world costs them more to pay to-day than it ever did before?

Mr. NEWLANDS. When she makes the exchange in gold.

Mr. WILLIAMS. She has to pay her debts in gold practically, does she not?

Mr. NEWLANDS. Yes, sir.

Mr. WILLIAMS. So that to that extent you certainly will admit that the silver standard has injured her?

Mr. NEWLANDS. In the relations existing between the Indian Government and the British Government, the Indian Government has a right to complain of the demonetization of silver, because when she pays England in gold she has to turn her silver into bullion and sell it at the gold price, and thereby loses in the transaction. I do not think she has any reason to complain of the silver standard. What she has a right to complain of is the demonetization of silver, which has injured its bullion value.

Mr. WILLIAMS. But she has to turn her rupees into bullion in order to pay England, and to sell that bullion at a gold price?

Mr. NEWLANDS. Yes, sir; sell that bullion at a gold price.

Mr. WILLIAMS. I will ask you this question. When India pays England you say she turns her rupees into bullion?

Mr. NEWLANDS. Yes.

Mr. WILLIAMS. What is that for?

Mr. NEWLANDS. Because England demands gold.

Mr. WILLIAMS. Can she not buy gold with rupees, just as well as she can with bullion?

Mr. NEWLANDS. I suppose she can with rupees at their bullion value.

Mr. WILLIAMS. Does India send any silver to London with which to pay her debts?

Mr. NEWLANDS. Really I can not say; I presume she does. If she does, she sends it at its gold value. But I imagine she does, not send any rupees.

Mr. Newlands also said, when he was before the committee, that the result of the passage of a free-silver bill would be to scale down the debts of the country.

The only explanation that can be offered for this extraordinary attempt to wreck the finances of this country is that it emanates from a party whose highest flights soar not above stagnation and retrogression, and whose ideas keep neither abreast nor apace with the progress of the times; a party that pledged in the last campaign that when they obtained control of the Government they would repeal all the wise and salutary laws passed by the Fifty-first Congress, under the operation of which the country was never more prosperous. They promised the people that they would take them back to the good old Democratic days of the stage coach and ox cart.

I wish to notify the Democratic party that there has been great progress since they went out of power; there was no railroad west of Des Moines, Iowa. Chicago contained only about 100,000 people and now she has a million and a quarter. This country has about doubled its population, and great trunk lines of railroads travel every section of it. Everything has progressed except the Democratic party, which neither can nor does learn anything, but, like a crawfish, it seems always to be traveling backwards.

Of course we could maintain the free coinage of silver if the country were placed on a silver basis, but we could not maintain it on a gold and silver basis. The amount of the silver in the world is estimated at about \$4,000,000,000. Mexico, by our side, lies ready with vast possessions of silver, which they would be very glad to exchange with us for gold at \$1.29, and is exchanging some of it now at 91, although they have free coinage. France alone has seven hundred millions of silver, two hundred and fifty millions of which are lying in the Bank of France that can not be used, and if we should attempt to exchange gold for silver we would receive that amount at once.

The advocates of free coinage say that that would not come to this country even if we should pay for it with gold, for the simple reason that they would have to stand a loss of 2 or 3 per cent. Supposing France should open her mints for the free coinage of silver and advertise that they were ready to take all the bullion that was offered and pay for it in gold at the rate of 16 to 1, how long would it take to send all the silver in this country to France and exchange it for gold? The large amount of silver lying in the vaults of France can not now be sold at a higher rate than 91

cents an ounce; that is as much as they can obtain for it. It can not be possible that any gentleman would assume for a moment, under these circumstances, that if a market were opened in which they could obtain \$1.29 for silver that it would not go upon the first ship. It is hardly necessary to discuss this phase of the question, as it is too self-evident, and as the advocates of this measure do not expect to raise the value of silver but they expect to cheapen money in circulation in this country.

The people of this country who would derive the most advantage from the passage of this bill are the debtors, and they will only be temporarily benefited. Under it they will be enabled to repudiate about 30 per cent of their just debts. What excuse can any party offer for its advocacy and support of so iniquitous a measure, which is designed to repudiate honest debts and defraud creditors.

It must not be forgotten that for every debtor there is a corresponding creditor, and in legislating for the benefit of one you are injuring the other. It must also be remembered that the creditors of this country are not the wealthy men, for nearly all wealthy men are borrowers of money. The lenders are the commercial and the savings banks, and the deposits contained therein belong to and are the savings of small dealers.

It is not the money of the banks, but they act merely as the agents of the depositors to receive their money and to loan it to some other person who may need it. These banks contain the money of the old, the widows, and the orphans, and the wage-earners, and should this bill be enacted into a law and enable the debtor to repudiate a portion of his just debt, they would be the greater sufferers and not the banks. There are also the pensioners of the country whose pensions would be reduced about 50 per cent.

Can the Democratic party or any other party afford to go before this country on such a measure? Do you dare engraft it into your platform? I say not, and you will learn not.

The majority say that by arbitrarily fixing the price of silver at \$1.29 per ounce, when the market value is only 91 cents per ounce, we will raise the price of farm products 12 or 15 per cent. Why stop here? Why not make an ounce of silver, valued at 91 cents, equal to an ounce of gold, the market value of which is \$20.67 per ounce, and thus increase the price of the farmer's product 500 or 600 per cent; so that a bushel of wheat, which now commands \$1, would be sold for \$6. The principle is the same, and if we can do one we most certainly should do the other. The absurdity of this proposition is too obvious to bear comment; it is almost too ridiculous to be mentioned; yet this is only one of the very many wild statements that are made to the people of this country to delude and ensnare them into the support of the free-coinage schemes.

The theory of the advocates of free coinage is that when money becomes cheaper men will become wealthier; that is, as money goes down everything else goes up. I do not doubt but that there are gentlemen on the other side of the House who have paid \$100 in Confederate money for a dinner. This was no evidence that dinners were going up, as any one could have bought that same

dinner with a gold dollar. It was simply an evidence of the fact that money was going down.

It is claimed by the advocates of this measure that the Indian farmer, because his country is on a silver basis, obtains a great advantage over the farmer of this country. It has been said that a bushel of wheat from the United States sold in the London market brings \$1.10, and the same bushel of wheat from India realizes \$1.30. This is a pure fallacy, not borne out by the facts, nor is it possible to be true. The American is paid for his wheat in gold, but the Indian is paid for his wheat either in gold and then buys silver, as his country is on a silver basis, or is paid in silver.

The American can purchase equally as much silver for the gold that he receives for his bushel of wheat as the Indian can. It will therefore be readily seen that the Indian receives no more for his wheat in this country than the American receives for it here.

It is claimed by the advocates of this bill that wheat in this country goes down as silver goes down. There is no foundation whatever for such a statement. When there is an overproduction of wheat the price goes down; when there is a scarcity the price goes up. The price depends entirely upon the quantity produced and the demand that is made therefor. The improved facilities for growing wheat have decreased the cost of production in the last twenty years. Will any gentleman claim that the low price of cotton this year was caused by the low price of silver? Last year there were 1,500,000 more bales of cotton grown than ever before in this country. This broke the market, and not the low price of silver. The low price of cotton was the direct result of overproduction, and no other cause can be assigned for it.

One of the best speeches that I have heard made in this House against free coinage, and which should be most convincing, was made by the gentleman from Arizona [Mr. SMITH] on the 16th of this month, when he called up for consideration House bill No. 5499, which authorized the Territory of Arizona to fund their debt and issue a 5 per cent bond payable in gold. The gentleman from Kansas [Mr. OTIS] asked him to strike out "gold" and insert "legal-tender money of the United States." The gentleman from Arizona [Mr. SMITH] replied that that was exactly the reason which had prevented the Territory from selling these bonds. He said:

I have tried to float this debt at a reasonable rate of interest, and I am satisfied with that provision in the bill: it can not be done at less than 7 to 10 per cent. With this provision in the bill, the bonds can be floated at 5 per cent.

This instance shows the injurious consequences that will follow if this bill should become a law. It will affect individuals in their private transactions the same as it affects Arizona in floating these bonds.

Mr. Speaker, this side of the House is very much gratified that we have at last forced the Democratic party on record on this free-coinage craze; on this deliberate attempt to wreck the finances of this country. The Republican party, in days gone by, stood between the Government and those who attempted to destroy it, and it now stands as the advocate of sound money and between the Government and those who are seeking to de-

stroy its credit and ruin its financial system; and on this position we take our stand and will defend it against those who are seeking to ruin its finances.

Mr. SCOTT. I desire to ask the gentleman what party was responsible for the legislation that has made the silver dollar worth only 70 cents?

Mr. TAYLOR of Illinois. No party.

Mr. SCOTT. How did it get on the statute books?

Mr. TAYLOR of Illinois. I do not think the law changed the value. I yield twenty minutes to my colleague from Illinois [Mr. HOPKINS].