

Free Coinage as it Affects the Agricultural and other Interests—
The Proposed International Conference.

S P E E C H

OF

HON. HENRY M. TELLER,

OF COLORADO.

IN THE SENATE OF THE UNITED STATES,

Thursday, May 26, 1892.

The Senate having under consideration the bill (S. 51) to provide for the free coinage of gold and silver bullion, and for other purposes—

Mr. TELLER said:

Mr. PRESIDENT: I do not care to discuss the silver question at length, but I feel constrained after the remarks of the Senator from Ohio [Mr. SHERMAN] yesterday to make a few remarks on this question. The Senator from Ohio complains that we are discussing this question to the detriment of other questions in which he says the people of the country are interested. I do not suppose the Senator from Ohio would assert that this question is not a question of vital importance and one that the people of the United States are especially interested in. I can myself conceive of no question in which the American people are more deeply interested than in the question of money. A proper amount of money, good money, sound money, international money, is indispensable to civilization. It is indispensable to virtue, to intelligence, to prosperity. If that is true, and I believe that will not be denied, then there is no other question that bears any importance in comparison with this.

I know the party with which I affiliate has made one single thing paramount in its legislation of later years, and that is protection to American industries, to American manufactures. In my judgment, the question presented here, whether we shall use silver as money or whether we shall use gold alone is of infinitely more importance to the American people than any question of revenue or protection.

I do not feel that I am wasting the time of the American people when I discuss this question, and if Senators who differ from us on this question, like the Senator from Vermont and the Senator from Ohio, who complained yesterday of the waste of time and the delay, do not choose to discuss it the fault is not ours.

If they do not consider this question one of supreme importance they ought not to discuss it. If they do, the people are entitled to have it discussed, and to have their views upon the subject.

The American people are discussing this question; they are discussing it in every town and in every village, in every hamlet and in every camp on the American continent. There is in session at this hour in this city a convention that will be participated in by people from every State in this Union, considering this question—not in an official way, but as individuals coming here to exercise the right every American citizen has to congregate with his fellows for the purpose of promoting any particular purpose in which he is interested. They do not come here at the dictation and invitation of the banks. They do not belong to that corporation or semicorporation which originated in New York last fall, and which has kept its lobby here around this Capitol all winter, whose bills are paid by contributions from the agencies of the Government, known as national banks. They come here as representatives of the free American people, paying their own bills and bearing their own expenses, to express their views upon a question which they believe is of supreme importance to the people of the country.

So I make no apology for taking the time of the Senate upon such an important bill as this. The Senator presented here a day or two ago a bill touching the treatment and the protection of foreigners in this country under our treaties, which he seemed to think was of sufficient importance to bring here, and which has detained the Senate for several days. I think a question that touches every American interest and every American citizen, and that reaches out and touches every industry in the world, as this question does, is not a question to be lightly disposed of by the American Senate, and there will be none too much debate on it.

If the debate all comes from one side, if the Senators who do not agree with us feel that they are safe and that whatever we may do will be like "kicking against the pricks," and that we can accomplish nothing practically because of the conditions that now exist, that does not concern us; our duty here is to present the matter to the best of our ability, to pass some law of this kind if it is required, and leave the responsibility where after that it properly belongs. If the other House fails to pass it, we have done our duty. If the President sees fit, if it should pass both branches, to veto it and we fail for want of numbers to pass it over his veto, we at least shall have endeavored to do something in the discharge of our duty, as we see it, to our constituents and the American people.

There has been for the past six months, not in this Chamber, but in this country, a vigorous campaign against silver. All of the national banks in this country have been arrayed practically against that metal. All of the chambers of commerce of this country with rare exceptions have been arrayed against silver. All of the great metropolitan press in this country have been arrayed against silver. It has been a campaign that began early last fall before the Senate met. It has been vigorously prosecuted ever since in and about and outside of this Capitol, in the public press, by resolutions of boards of trade and chambers of commerce. If the Senator from Ohio and his coadjutors who oppose free coinage have felt that they need not do anything

here it is, I suppose, because they felt that this great agency that had been set to work was doing the work better perhaps than they could do it.

Mr. President, it has been a campaign of misrepresentation, of willful falsehood, of misstatements of fact, of unfair deductions from admitted conclusions, and has presented indisputable evidence either of intense dishonesty or gross ignorance. From some of the statements made in the press and in public places it appears to me that the campaign has been made up of about equal parts of ignorance and dishonesty. The gold men in this country have assumed without any right so to do that they are the champions of honest money. They have attempted to obscure the issue before the American people and before the world by trying to make it appear that they and they alone are the friends of honest money, and that we who simply seek to return to a condition of affairs existing for hundreds of years prior to 1873, are the friends of cheap and depreciated money, that we are the advocates of dishonest money, that we are the repudiators of the public and of private obligations.

We do not intend that the gold people shall thus obscure the issue. It is a plain and simple one that can be put in a few sentences. We say we are in favor of maintaining the present silver coinage of the world. We say, in addition to that, we are in favor of providing by law so that the munificent bounty of the Almighty in the way of silver as it comes from the earth into the light of day shall be used for man's purpose and for man's good money. On the other hand, they desire to destroy a little more than one-half of the money of the world. Then they desire, in addition to that, to provide for a system of coinage and financial laws that shall prevent the use of silver as money, and thus in two ways contract the currency, first, by the destruction of one-half of the money of the world, and secondly, by depriving the people of the whole world of the use of the silver product, at this time nearly two-thirds of the money-metal production of the world.

There is nobody here who knows better than the Senator from Ohio what the world's production of silver and gold is. There is nobody here who knows better than the Senator from Ohio what the dire effects of contraction are. In 1869 he depicted these effects in better terms than I can now employ. He predicted then the disaster of contraction. Yet he did not half state it. I know the antisilver people say the country is not suffering. I know that our New England friends say the banks are full of money, and that we can do the business of the world on gold, and gold alone. The world's production of gold, when you deduct what goes into the arts, would not leave for Europe and America an addition to the metallic money, using gold alone, of more than 50 cents per capita per annum. If we in the United States were fortunate enough to aggregate to ourselves all of the surplus world's production of gold, according to the best authorities extant, we would not add to our money 50 cents per year per capita on the present population. No scientist has put the amount of gold that will go into circulation as money higher than Mr. Soetbeer, the German authority, who puts it on the present production, or upon a production in fact that was higher when he made that statement than now, at only \$30,000,000.

We are brought fairly to the question, Are we ready to do the

business of the world upon gold alone? But the Senator from Ohio says that silver is being produced in such quantities that there is a divergence between silver and gold, and that he is willing himself to use silver provided we will take it at the market rate. The Senator has changed his views on that point. In 1867 the Senator was not in favor of using silver at all. Later than that he presented a bill to the Senate for the demonetization of silver and putting this country on a gold basis, and he based his action then upon the ground that we were producing the greatest amount of gold of any country in the world, which was then true. He now says silver has been departing from gold or separating from it for two thousand years, and if you are willing, he says, to take it at its market price, then I am willing.

Now, let us see whether that is a fair proposition. In 1873, when silver was demonetized, it was worth in every part in the world \$1.33 an ounce. Although we demonetized it in February of that year it maintained during the entire year more than the mint value—I mean the American mint value—of 129.29. Is it fair, after having destroyed the price of silver by law, to turn around and say that that silver is not fit for money now, because the ratio may be 22 or 23 to 1, and therefore we must enter upon the coinage of silver at a ratio of 23 to 1? There is no man living who does not know that there would have been practically no difference between the price of silver to-day and the price of silver in 1873 if it had not been for the baneful legislation of that year, which the Senator from Ohio declared yesterday he was not responsible for.

I have never been able to determine in my own mind who was responsible for that act. I find no man connected with it who dares to stand before the American people and take the responsibility of it. I do not know upon whom to put the blame. It is barely possible that in the condition that things were then in so little attention had been paid to the philosophy of money in this country by the men who professed to speak for the nation in finances that they did not know what would be the effect upon the world of the demonetization of silver in a country as great as ours, producing such a large amount of silver as we were producing. If the Senator from Ohio or anybody connected with that transaction wishes to take that view of the case, I shall not insist, as has been insisted by a great many, that it was a purposed and an intentional fraud upon the American people.

Mr. President, I wish to say a few words with reference to what occurred here yesterday. The Senator from Ohio rather berated us that we should now, when the Government of the United States was about entering upon an effort to secure an international conference, intrude this silver question here and continue this debate. He said that the Government had entered upon this with our concurrence and with our approval. So far as I am concerned the Government did enter upon it with my concurrence and with my approval. I have for many years believed it to be the duty of this Government to take steps in the direction that it is said the Government is now taking. I say that it is said this Government is now taking steps. I do not know anything about this international conference. I thought as a member of the Senate that I was entitled to know something about it, and when I saw in the newspapers what was the condition of the negotiations, when it appeared to be a matter of public notoriety, I presented

a resolution to the Senate calling upon the President for information concerning them that I thought the Senate was entitled to receive.

The Senator from Ohio, with that careful attention which he always gives when this question is before the Senate, suggested that my resolution should be amended so as to read "if not incompatible with the public interest." I consented to that amendment, for that is, I believe, the usual and customary form, which I had failed to employ in this case, not by accident, but by design. I felt morally certain because of the secrecy that seemed to attach to this transaction, that if that clause was put in the resolution and the President was allowed to refuse the information if "incompatible in his judgment with the public interest," we would get nothing. Then came the report that it was incompatible with the public interest that the representatives of the forty-four American States here assembled should know what this transaction was, and what it was to be. Ever since that time the newspapers have been full of what has been done. I have noticed a newspaper interview with a gentleman who stated that all of the correspondence had been submitted to him—not an official, not in public life—and that he was satisfied, from an examination of the correspondence, that the Government was about to secure an international conference.

Mr. President, I trust it is true. I trust we shall have an international conference, and then I trust that the executive department of the Government, when it selects the members, will send their names here for confirmation, that we may know whether or not they are suitable people for this great commission.

It may be that this discussion will interfere with the international conference. It certainly will not interfere with the international conference for the American Senate to say that it is in favor of the free and unlimited coinage of silver. It will not interfere with that international conference to give the people of Europe to understand that the American people are bimetallic, and not simply bimetallic, as somebody says, by tradition, but bimetallic by conviction. I think the debate here may interfere with that international conference, and if it does there will be no man so responsible for it as the Senator from Ohio, who rose here and made what the Senator from Iowa [Mr. ALLISON] characterized as a most absurd statement. The Senator from Ohio repeated what another Senator here had said to him, and for fear I may misquote him I will read his exact words:

An honorable Senator here in my presence, whose name I will not mention, tells me that if silver would sell at \$1.29 an ounce they could quintuple the quantity of silver produced in this country, produce five times as much as is produced now, and the amount is increasing. The development of our silver mines and other silver mines in the world shows a great quantity of silver in sight.

Mr. SHERMAN. Mr. President—

The PRESIDING OFFICER (Mr. CULLOM in the chair). Does the Senator from Colorado yield to the Senator from Ohio?

Mr. TELLER. Certainly.

Mr. SHERMAN. I repeat the statement I made, that a Senator here did tell me that. I ought not, perhaps, to have quoted him at all. I have not mentioned his name, but I know he is an honorable gentleman, and he did tell me that. I have no doubt it is rather in the nature of an exaggeration, but showing that there was a large increase of silver and a great capacity for fur-

ther production, if, upon the case he puts, they could get \$1.29 an ounce for it. That was his proposition; and I think I shall be able to show some time further on in this debate that the production of silver in our country is increasing very rapidly—\$10,000,000 in the last year—and also in other countries of the world. Perhaps I am mistaken about the increase being \$10,000,000. Perhaps it is a less amount than that. I shall furnish the statistics, at all events, and show that through discoveries in the process of reducing silver and dealing with it and mining the quantity has very largely increased, and that, therefore, tends to lower the price, because it is the amount in the market that fixes practically the price of the article.

Mr. TELLER. I had not intimated, nor did I intend to intimate, that the Senator had not heard that statement. I intended to characterize the statement when I reached it, and I intended to characterize as I shall the approval the Senator from Ohio gave it when he now says that he considers it an exaggeration.

Mr. President, I do not know who the Senator quoted was. I know that if any American Senator made that statement, and if it is intimated that he comes from a silver State, by saying "that we could produce fivefold," which is the language used, it was made in the grossest ignorance or the most malicious mischief. There is no such thing possible as an increase in the production of silver in this country fivefold.

On this subject I speak with knowledge. I have spent more than half the years of my life in a mining camp. I never mined an ounce of silver in my life and I have never produced an ounce, but I have lived where it was produced in quantities, and I am in daily contact and in close connection with the greatest silver producers of the world. I have visited and seen the greatest mines that have ever been opened, and I assert here now that all statements of that kind are false and are either dishonest or their authors grossly ignorant. There is no possible excuse for such a statement, and I assert that no man from a silver-producing State will dare to make that statement. I assert here, not knowing who it was that made it, that no man from a silver-producing State did make the statement. Yet the Senator from Ohio gives to it the sanction of his authority. The commission that goes from this country to the international conference of which he speaks will be met with that statement at the first meeting of the commission, that we will increase our product from 54,000,000 ounces last year and it may be, and I trust, will be 60,000,000 ounces this year, to 300,000,000 ounces per annum if we have free coinage. Preposterous! Absurd! I have no other language that is suitable to this Chamber with which I can characterize the statement.

Now, Mr. President, did the Senator from Ohio believe that? Did he think it his duty to put in the way of this proposed international conference that obstacle? It will look to some, and it will be believed by a great many people in this country, that that statement was made at this time to render it impossible to secure an international agreement, and it will take a great deal of ability on the part of our commissioners to overcome that statement when they get into the conference. In the two conferences that we have already had it was the great bugbear held up before the European members of the conference, that we had in this country a vast quantity of silver and that we were to flood

Europe with it, and therefore it was not safe for them to open the mints of that continent to silver. The samesophistry is used in England, in France, in Germany, and in other countries that is used here, and the same ignorance is displayed, because they assert there that if they went to free coinage we would flood them with silver: and we are told here on our side that if we go to free coinage Europe will flood us with silver.

If the Senator from Ohio is anxious for an international agreement it was most unfortunate that he should have made that statement unless he was prepared with the proof and wanted to adopt it as his own.

Further, the Senator from Ohio says, not on the authority of this unknown Senator:

The development of our silver mines and other silver mines in the world shows a great quantity of silver in sight.

Will the Senator from Ohio have the goodness to tell this Senate in what American mines that great quantity of silver is in sight, or in what other mines anywhere in the world? If he had said that the silver production of this country was increasing, not in a great degree, but in a slight degree, he would have told the truth. If he had said that it was increasing slightly in Australia he would have told the truth. In no other part of the world can he point to an increase of the production of silver for the year 1892; he may take the fiscal year or he may take the calendar year.

The commission will also have trouble with other assertions.

Mr. Atkinson, who went abroad a few years ago, made a report which I could turn to if it were worth while. He said that the great obstacle that we will encounter in an international conference in Europe is the belief that we have in this country great stores of silver, which we are ready to thrust upon them should they come to free coinage. Mr. Walker, our consul-general at Paris, made the same statement. He participated in the free-coinage conference of 1886 or 1887, I forget which.

Mr. STEWART. Eighteen hundred and eighty-five.

Mr. TELLER. Eighteen hundred and eighty-five. These statements have been made to the Senate. Nobody knows better than the Senator from Ohio what the difficulty has been in securing an international agreement. Nobody knows better than the Senator from Ohio what weight his words will have on this subject before that commission. The statement of a Senator from the Rocky Mountains, comparatively unknown in the financial world, like myself, will be of little importance in that body in comparison with that of a man who has presided over financial affairs in this country for four years, and who has been at the head for many years of the Finance Committee of this body, although not there now. His words will be taken as true. I hope the Senator, when he gets the floor and has the time, will explain to a listening world that he believed that was a great exaggeration, or that he believes it now, and that he does not believe that there will be fivefold as much silver produced when we have free coinage as now. He owes it to the American people, he owes it to the Administration which he is so vigorously supporting in this international conference business, to do that. It is most unfortunate that he should have made the statement.

While he is employed in that undertaking he should tell us frankly that he can not stand here before us or anywhere else

and tell us where there is an ounce of silver in a silver mine under the heavens. Yet he suggested yesterday that the great amount of silver in sight in this country and in the world had depreciated the price of silver all over the world.

The Senator from Ohio yesterday took pains to say that he was a bimetallist. I am glad he said he was a convert to bimetallism. He was not a bimetallist a few years ago—not in 1867, nor in 1869. I recollect also the famous letter he wrote to Ohio last year, in which he defined what he understood to be a bimetallist. He said that he was a bimetallist, that as such he was in favor of using gold as a standard, and silver as a subsidiary money.

That is a new definition of bimetallism. It can not be found in the dictionary. It can not be found in any treatise on money, in any work on political economy, nor in any pamphlet or newspaper. It is original with the Senator from Ohio. He is entitled to a copyright on it. A bimetallist in favor of a gold standard and the use of silver as subsidiary money! He might as well have said he was a trimetallist, and was in favor of gold as a standard, and silver for 10-cent pieces and copper for cents.

That he is interested in this matter and has been giving some attention to it does not cause me to welcome the Senator to our ranks with entire cordiality as a bimetallist or an advocate of bimetallism on that definition.

We do not see—and that is because we have not been educated, I suppose, up to the standard that he has been—we do not see how a man can be in favor of a gold standard and yet be a bimetallist. Bimetallism means the use of the two metals hand in hand at a parity; it means that each one shall discharge the same money function that the other does; and I challenge the Senator from Ohio to find a definition of bimetallism anywhere that will include his theory of bimetallism.

So we will put him on the other side and treat him as he has treated himself heretofore, as a gold-standard man and not a bimetallist.

The Senator asks—

Are we now ready to embark in this scheme?

What is this scheme, Mr. President? The word "scheme," as commonly used, is an offensive word.

Are we now ready to embark in this scheme?

What is it? I suppose the Senator would say, to get dishonest money, to create depreciated money.

Are we ready as Senators to commit ourselves to this doctrine when we are now negotiating with foreign nations to bring about some safe course to secure the proper parity between these two metals?

What is the "doctrine" that we are to be committed to? Simply the use of the two metals as money, and the use of the two metals at a parity established by law. The use of the two metals established by law is older than the Christian era by two thousand years. In the very earliest prehistoric days these two metals ranked together by law. They have been ranked together by law in some shape or at some ratio at all times. It is true the ratio has varied. It is true that silver has sometimes overvalued gold, and that gold has sometimes overvalued silver. It is true that the world has not at all times been on the same ratio. It is true that at one time 2 ounces of gold was given for 1 of silver, and at another time 2 of silver for 1 of

gold. In the days of the Romans 17 ounces of silver were given for 1 of gold; and again, in the days of the same people, 1 ounce of gold was given for 9 of silver. A variety of circumstances caused these variations.

When Cæsar came back with his conquering legions he brought back with him a vast amount of gold, and gold became plentiful in that country, and consequently the relation between the two metals varied and changed; gold depreciated when measured by silver, and when measured by commodities this fluctuation was in the gold and not in the silver.

I will admit that there may be some difficulty in tying these two metals together and keeping them absolutely at a parity. But there has been no difficulty in keeping them so near a parity that the change between the legal ratio and the commercial ratio never disturbed commerce until after 1873.

Continuing, the Senator says—and it is the second time, I remember, he has used this term “new project:”

When you embark upon this new project of the free coinage of gold and silver it means a single standard of silver.

He said this before, in the earlier portion of his remarks:

Free coinage of gold and silver means the silver standard.

That is, in order to obtain the gold standard in this country you must have gold alone. I do not understand myself, from any reading, that it is necessary, in order to have bimetallism in a country, that you should have actually both metals in circulation at the same time in that country.

We had bimetallism from the time we organized our mints up to 1873, when we overvalued silver or undervalued gold, and the gold went abroad, where it was of greater value. When we turned around and undervalued our silver and overvalued our gold in comparison the one with the other, the silver went abroad. Yet all that time we had bimetallism in this country. All that time, if gold became scarce, silver could come here and take its place by law. That is what makes bimetallism, and not the actual circulation of both metals.

I admit that it is desirable to have the two metals circulating hand in hand. That is possible and it is practical. It has been done in various countries, and in various ages and can be done again. It was done in France. It was done in England. In 1724 the French changed their ratio. They had changed it two or three times before. France had had a different ratio from what existed in Spain and in Portugal and Great Britain. In olden times each nation was a nation by itself. The whole human race had not become practically the same. The man who went from France into Great Britain was liable to be treated as a public enemy, and the man who went from Spain into Portugal was liable, if there were not special conditions of amity at the time, to be treated as a public enemy.

Earlier in those days even than I have mentioned, it was considered creditable and decent for one nation to prey upon the commerce of another. While that condition obtained, of course it did not make so much difference whether the ratio in Spain was different from that in France, or whether the ratio was different in Spain from that in Portugal.

We have come to the condition now, and for the last hundred years and more it has been as true as it is to-day, that all the

world has become comparatively homogeneous in commerce and in trade. Who would think now of sending out a privateer, or who for the last one hundred and fifty years would have done so, against a power with which we had treaties? Who would think now of maltreating and abusing a citizen of another country simply because he was of another country? We have passed beyond all that, Mr. President. Commerce has become general, and the people who trade are the traders of the world and citizens of the world. They go everywhere, and trade is as free as the air, so far as the ability of everyone to engage in it is concerned—everywhere since we broke down the barriers of China and Japan.

In 1785, after this condition of affairs had come into existence, except as to those two countries I have mentioned, Japan and China—and to a limited degree in those two countries it then existed—France changed her ratio from 15.28 practically to 15.50. Great Britain then was on a paper basis. She was a silver country on a paper basis, with inability to furnish either silver or gold to redeem her irredeemable paper. She continued in that condition practically until 1821. France had no assistance from Great Britain, France alone, having become a great commercial power, held and maintained unchangeable the ratio between silver and gold at 15.5 from 1785 to 1875. Why should it not have been unchangeable? She had free coinage. She opened her mints. She said to everybody “Come and bring your bullion, gold or silver, and I will coin it for you and put it into money.” Who would sell his silver or his gold for less than the mint would give him? It was said by a distinguished ex-president of the Bank of England, and then a director of the Bank of England, that England could not have resumed specie payments when she did but for the action of the French Government in holding silver and gold together.

We see in the price lists frequently the prices of silver. They are quoted in the price lists of Hamburg and those of London, but you see no price list for France. Through all those years it was a remarkable variation when silver changed from its established price one-fifth of a penny. The average change for many years was less than that, even in London, where free coinage did not exist. In France, however, I state as a fact that is not to be disputed, there was no variation. There has always been a rule in the Bank of France—and that has sometimes led to misconception on this subject—there has always existed in the Bank of France this system: that if you went there for gold for export you paid a small figure to the bank, called *agio*; if you wanted silver for the same purpose you did the same.

So it has been said that silver and gold were at a premium. They were at a premium just as gold was when more was paid for it in New York City than it could be had for at the English mint, as was done in 1891. Aside from that these two metals were maintained at a parity without any disturbance.

So that this new project that the Senator speaks of, that we are about to enter upon, the opening of our mints to silver, is older than the century in which we live.

That was the condition of the world in 1873, when somebody procured the demonetization of silver. Am I to believe that the demonetization of silver in this country was an accident?

Are we to believe that as to a carefully prepared bill that came before the House and the Senate, there was not back of it some

intelligence that desired to strike from the coinage system of this country the American dollar? I do not say it was the Senator from Ohio. He disclaims it. He is entitled to his disclaimer. I do not wonder, in view of the trouble that has grown out of it, that he does disclaim it. What necessity was there for that change?

The Senator said, if not yesterday, a short time ago, in some remarks, that we had coined no silver. There was but one year for very many years that we have not coined silver dollars, and for the two years preceding and the fraction of the year 1873, before we passed the act which forbade the further coinage, we had coined two million five hundred thousand and some odd silver dollars that were in circulation, or were supposed to be—not trade dollars, but American dollars.

Bimetallism existed then because we had the ability to coin our dollars, and if gold appreciated too high we could coin silver. That is what we demand now—the right to coin silver dollars. I know, Mr. President, when I touch on that point that I touch on a very delicate point. I know that the Senator from Ohio, and his friends who believe with him, who are parading themselves as friends of honest money, to our detriment and disparagement, will say "you want a cheap dollar." What I want is the dollar of the Constitution, the unit of value established when we first established our mint. I want, and I intend wherever my vote will help to secure it, that it shall have the same purchasing power as the gold dollar. It has that to-day, and it will have that if you open your mint to the free coinage of silver.

We do not intend to allow these antisilver men to arrogate to themselves all the integrity. They have taken credit for nearly all the intelligence, and that we are obliged to yield to them, in a great measure. But when it comes to the question of integrity we stand out. We believe we are as honest as they are. We want as good a dollar as they want.

But what we complain of is that the action of 1873 in the demonetization of silver has appreciated gold at least 40 per cent. When I say it has appreciated gold I use the one term simply which means that it has cast down or destroyed the price of every commodity on the face of the earth 40 per cent: and that where a man in 1873 had to pay a debt which required a thousand bushels of wheat, with the gold price of wheat during that year at \$1.30, to-day he would have to take sixteen hundred and sixty odd bushels of wheat with which to meet the same debt. That is what we complain of. Demonetization has destroyed the price of the commodities of this country and the products of labor. More than that, it has destroyed the value of farms and houses and land, and everything that arises from the labor of man. It has destroyed the wages of the people of this country.

It has not destroyed all the prices, of course. We have been steadily legislating for years to keep up certain prices. Our New England friends called upon us where they were manufacturing, and the New York people who were manufacturing called upon us, and the Illinois people called upon us where they were manufacturing, and said, "The low price of products in Europe is playing the mischief with us; give us an increased tariff on goods that we may maintain our prices." We legislate for the manufacturing interest. So the American people have been with one hand holding up prices of manufactured goods and with the other

we have been destroying the price of other commodities, especially the products of our farms, and our farms as well. That has been the financial policy of this country under the leadership of the Senator from Ohio.

It was wise, in my judgment, to protect the manufacturing industries of the country. I am not finding fault with that policy. We did give them a new tariff, which helped them, and while not perhaps increasing the prices, preserved to them the American markets, so that they could uphold the prices. We prevented them from coming in competition with the low-priced labor of Europe, India, and other countries, and that was beneficial to the manufacturing interests, at least, and their laborers. But those workers are few in number compared with the great mass of toilers in this country, whose interests have not been looked after in this Chamber, nor anywhere else by either political party.

The farmer has had no special legislation. He has had no special opportunity. He has seen the price of wheat going from from \$1.47 per bushel in 1873 down to 85 cents per bushel at the ports of export in 1892, with Europe suffering for want of bread, with famine over at least one-third of Europe, and a short crop of wheat and other grains on the entire European continent. I understand that the price of wheat when it commanded \$1.47 was in paper, but I bear in mind, while I state that, that the money received paid the debts of the farmer as certainly as if it had been in gold. So when you consider the loss the farmer has sustained we must take from the \$1.47 the .85, and not from the \$1.30, the gold value.

The Senator from Ohio on this occasion and various others has been solicitous for the laboring people. Who are the laboring people of the United States? Nearly 10,000,000 of them are farmers. Why, whole States have practically no laborers other than farmers. I have been trained in a political school that believes that if we deal with this question at all in the way of protection it should be generally and not specially. If it is our duty to deal with the manufacturing interests and protect their labor and their capital, what shall we say when it is denied that the 10,000,000 farmers in this country are to be looked after equally with the manufacturing interests and the laborers of a portion of the country largely devoted to manufacturing and not to farming?

By our system of finance we have put these farmers under disability in two ways: First, we have stimulated the manufacturers of New England. We raised the price of labor that the farmer must employ, and we decreased the price of the product of the farm. The farmers of New England, side by side with the manufacturers of New England, are able to sustain themselves not any too well, but they are able to live. What shall we say of the farmers of the South and of the West and of the Northwest, where there is practically no manufacturing at all? Are their interests to be looked after? Are they entitled to consideration? If they are to be looked after, if their interests are to be considered, it must be in the way of legislation concerning the money of this country.

I do not myself insist—and I am willing to say that I am not in favor of that proposition—that the Government of the United States shall become the loaner of money to the farmer. I am not in favor of that. But I am in favor of such legislation as

shall bring to him a fair and remunerative price for his product. I am for such legislation as shall prevent the ryots of India from coming into competition with him in the production of wheat and cotton and in the production of anything else. If the Senator from Ohio feels his bowels yearn with compassion for the laboring man he may turn his attention in this direction to which I have alluded. Let him see if he can not do something that will help them out.

The Senator from Ohio concludes his speech, or nearly the last of it, in these words:

But, sir, the only way in which you can make these metals work in harmony with each other is to put upon both a ratio fixed by market value, and if you can secure the consent of many nations upon that point you may be able to fix a ratio that will be permanent, at least for a time, although the separation between these two metals has now gone on steadily for more than two thousand years, especially since the discovery of America.

Mr. President, I do not want to detain the Senate, but I want to touch just a moment upon the separation of the two metals. It is the stock in trade largely of the antisilver men that silver is being produced so cheaply and so plentifully that it is unsuitable for money. In that we recognize a well-known financial principle, that it is the number of units of money in circulation that determines the value of the money—a principle which I have heard denied by the Senator from Ohio and, I think by the Senator from Vermont [Mr. MORRILL] repeatedly on this floor. They say you will get too much silver money; there is too much of it coming; its proportion is too great to gold. Let us see whether that is true or not.

In the early days of this century very nearly all the gold and silver produced practically in the world came from the South American continent. When political disturbances arose in that locality gold and silver ceased to be produced, or the gold and silver production was exceedingly small. I venture to say that taking one year with another for many years it had not exceeded \$15,000,000 a year of gold. I find some variation in the statistics on that subject. I find that some put it at \$15,000,000, some at \$18,000,000, and some few at \$20,000,000. I will take it at \$15,000,000, for which figure I believe there is the best authority.

In 1840 I will say that the product of gold was \$15,000,000 a year. In 1846 it began to increase. It was not more than that in 1845, or at the utmost it was not more than \$18,000,000. In about five years thereafter the production of gold was \$150,000,000 a year, or ten times what it had been. That continued, and in ten years it was nearly \$200,000,000 a year. In ten years there was more gold produced than had been produced in three hundred and fifty-six years previous to 1848.

That was the time that the same class of people who now think there is danger that there will be too much money in the world proposed to demonetize gold and go to a silver standard. We were then producing about \$40,000,000 of silver in the world every year, and gold was being produced to the extent of five times the amount of silver. The same class of people who now cry out that there is a great production of silver and that there is great danger that silver will destroy the currencies of the world by being too plentiful then said the same thing of gold. Germany demonetized gold. Belgium demonetized gold, and Holland demonetized gold. Portugal restricted the use of gold.

A French scientist sought to have the French demonetize gold. In England and in France men put in their contracts, not that they should be payable in gold, but that they should be payable in silver, because they thought that was going to be the dearer money metal, and it was.

Notwithstanding that great output of gold the mints of the United States, the mints of Great Britain, the mints of France, and the mints of many other countries were open and gold found a market in the mints, and the great output of gold, of \$200,000,000 nearly a year, went into money year by year, less what was used in the arts.

Gold had at that time no money character among more than half of the people of the world, but was a money commodity. It might be sold and used for bangles and spangles in China and in India and other Asiatic countries, but it was not money. So the limits of its use as money were in Europe and in America, the South Sea Islands, and in Northern Africa. Yet the commercial world took up this great output and made it into coin, and put it into use in commerce and in trade.

I said something the other day in regard to the wonderful influence of this increase of money upon the human race. It was as if the finger of the Divinity had touched the whole world. Has it had touched the ambition, the activity, the intelligence of mankind; and the world had gone forward in progress, in civilization, in virtue, and in religion by this great stimulus that came from this great output of gold. Is silver any the less money? Has it any less honorable use as a money metal? Is it any less adapted to the wants of mankind, of men rich and men poor, humble men and high men?

It is the favorite money to-day of three-fourths of the human race. We want now, first, to preserve the money of the world that is extant. We protest against a contraction of one-half of the money of the world, with the horrible evils that always follow contraction. We are not left to imagine what they may be. History is full of cases where contraction has destroyed. We know what will be the inevitable result of contraction, and the people protest against the destruction of one-half of the money of the world and the continued destruction of that which the Almighty intended should be used as money and which He has put into our mountains and into our hills to a degree known in no other place in the world.

Yet because we ask to return to the old conditions we are told that we are dishonest; that we are the advocates of cheap money; that we are the repudiators of public faith and public obligation.

Mr. President, I have heard the argument before advanced by the Senator from Ohio—and I shall not attempt to speak on that except merely to allude to it—that we can not put ourselves on a par with China in the use of silver. China uses tea; the same argument would be just as good, that we ought not to use tea. The people of China use silk; you might use the same argument and say that we must not use silk. The Chinese breathe the free air; you might just as well say that we should not breathe the free air: for silver is as necessary to commerce and trade as free air is to human life.

I am told by some that we do not need metallic money, that paper money is better than gold or silver, and that we do not

need either of the two metals. The Senator from Ohio considers that a heresy, as I do; but this system of finance of ours is rapidly converting the intelligence and virtue in this country to that belief, converting them to it because people see no other way for relief. Imprison a man, and I do not care what his creed may have been or what his belief, he will get out if he can, and his belief will be subordinated to the necessity of getting out. If a sufficiency of metallic money can not be had the people will demand paper.

If heresies are liable to be taken up by the people of this country and they are liable to be led by them in wrong directions, it is because the people of the country see the strong hand of this Government, with its influential citizens in this body and elsewhere determined to put a contraction upon the whole world, and they know what contraction means to them, and so they turn for relief to paper money.

I believe in international money; I believe in gold and silver as money; and I believe they were as much intended for money by the Creator of all things as the air that I breathe was intended for my existence. I believe you can no more dispense with silver than you can dispense with gold, and that the two metals can not be dispensed with and international commerce and trade be continued.

I do not mean to say we may not make a paper dollar, but I mean to say that the paper dollar must at all times have relation to the number of silver dollars or gold dollars in the country in which it is issued. There is no exception to that principle from the first issue of paper money or the first issue of substitute money, which is older, as I said with reference to the ratio, than the Christian era by more than two thousand years. Substitute money must always bear relation to the gold and silver, and the only successful exception that anybody can cite to me is where Lycurgus for a generation or two maintained his iron money without either gold or silver.

We must have gold and silver or we must come to gold alone. Of gold there is not enough on which to base the paper money that is required for the world's use.

Why, yesterday there was offered by the Senator from Missouri [Mr. COCKRELL] a statement from the Director of the Mint showing that in Europe and the United States there was uncovered paper—that is, money that has no gold or silver back of it with which to redeem it—\$2,442,000,000.

We have gone through the era of uncovered paper money. We know what it means. So I insist that these two metals are indispensable to prosperity, to safety; and that no man has risen here to show the contrary. When we go to free coinage we will have a silver dollar with equal purchasing power with the gold dollar. I know the Senator from Ohio says we will not, but he has never attempted by argument to show why the one dollar will not be as good as the other. He will not attempt it. He will state *ex cathedra* that we will be on a silver basis. We deny it. We say that we maintain now \$400,000,000 of silver of equal purchasing power with gold, and of infinitely more value to the people of the United States than gold. That is the advantage of bimetallism, that when we ship our gold across the water at the rate of a million dollars a day, as we did last year, the silver dollars remain here to do money duty.

It does seem to me that this question is big enough for discussion in this Senate; and I hope the Senators who have different views will find time to give to the American people some of their arguments on this subject. It will not do simply for those Senators to rise and say: "You will be on a silver basis." It will not do for them to say to us that we are repudiators of public faith. It will not do for them to say that we are in favor of cheap money. We are in favor of returning to the status prior to 1873, and that is the height of our offending.

Mr. President, I had intended to present some specific facts as to the condition of the country, which I understand the Senator from Ohio and Senators who agree with him to say is not in a condition that specially requires any observation or any attention on our part.

The Senator from Kansas [Mr. PEFFER] the other day presented an array of facts that it struck me ought to be sufficient to stimulate the active mind of the Senator from Ohio to see if something can not be done for the class of people for whom he professed yesterday so much interest. When we see a country as new as ours, a State as new as Kansas, with such an alarming number of tenant farmers it is a subject which deserves some attention. I will ask the Senator from Kansas what percentage of the farmers of Kansas are tenants?

Mr. PEFFER. Only one-third.

Mr. TELLER. Only one-third! Mr. President, it is time that we should stop to consider whether we are not entering upon a course that means the decay and destruction of that class of people who have been in every intelligent and liberty-loving country the hope, the support, and the main dependence of the Government—the farming classes.

The question is big enough for the Senator from Ohio. It is big enough for anybody. It is big enough for the world. It includes everything, touches the human race, its welfare and its happiness, and I for one, have no apologies to make. I consider it my duty to proclaim here and everywhere my disapprobation in the strongest terms possible of this financial policy that is destroying the very noblest element of American manhood—the American farmer.