

SILVER.

SPEECH

OF

HON. EDWARD LANE

OF ILLINOIS,

IN THE

HOUSE OF REPRESENTATIVES OF THE UNITED STATES

DELIVERED

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IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 22, 1893.

The House having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. LANE said :

Mr. SPEAKER: We are here in extraordinary session to consider the extraordinary condition of the country. What we do or fail to do will affect the present generation and generations yet unborn for weal or woe. We are assembled in the presence of 65,000,000 of American people. Their eye to-day is watching the action of this House; and to-morrow and until the present bill is disposed of, not only the eye of the American people but the eye of the entire world is upon this body. In this great presence, it becomes every man to do what he conceives to be his duty in this great emergency.

We are told the nation is sick; and every member of the House on the one side or the other undertakes to diagnose the case. One man says the trouble is one thing; another man says it is another. One man says the trouble is the Sherman act; another says it is the banks, while another says it is a want of confidence, and so on.

Mr. Speaker, I am willing to concede that there is a want of confidence in this country; and there is great reason for want of confidence. You will pardon me for using plain language (for I am a plain business man); I want to tell you why that want of confidence exists. For some time past there has been an organized system of lying in this country.

During last session of Congress while I was engaged here one day, I received in my mail thirty-five or forty letters from persons in my district, members of the Grand Army of the Republic. These men, it appeared, had received circulars on paper printed by the Government and sent out to the various lodges or posts; and in these circulars the assertion was made, "You will be paid your pension in a 70-cent dollar." And they wrote to me to ask what this meant. That assertion, an absolute falsehood, was sent out to those men by a representative of the people in this House from Ohio [Mr. HARTER].

The press and the mails of the country for the last six months have been loaded down with documents embracing infamous falsehoods of this description. I have at my room a great number of circulars which have been sent out to the people, asserting that the country is going to ruin unless the Sherman act is repealed. Men who send abroad a false alarm of this kind are on a par with those who raise a false alarm of fire while citizens are sleeping peacefully in their homes at night. Why should an innocent people be aroused by a false alarm of fire or murder.

Mr. Speaker, if we want to restore confidence in this country we should pass a law which should make the circulation of such documents a criminal act. Stop your lying about the financial affairs of this country. [Laughter and applause.] Mr. Speaker, I have sat here and listened hour by hour and day by day to the misleading statement that we have in this country a 70-cent silver dollar.

While I was on my way from my home to attend Congress I met on the train at Cincinnati a banker; we were in the sleeper together; and when he found that I was a member of this House, he commenced the discussion of

this question with me. A question was raised as to the value of the silver dollar. "Why," said he, "certainly it is a 65-cent or a 70-cent dollar." We talked a little longer on the subject, when presently the conductor came in and said, "Gentlemen, I want your money for your berths." This banker put his hand in his pocket and pulled out two silver dollars, which he handed to the conductor to pay for his berth for the night, and the conductor accepted the same. "There," said I, "is the answer to all the talk in which you have been indulging; your act gives the lie to what you have said."

There is not a man in this House or in America who has ever passed a silver dollar for less than 100 cents. It will pass at any bank, at any store, in any business transaction for 100 cents. Nay, it will pass at the Bank of England to-day for 100 cents, less the cost of bringing it here and the current rate of exchange. It will pass at any bank in the world. The four hundred million silver dollars now lying in the Treasury are four hundred millions of denials to every man who asserts that the silver dollar is a false dollar.

There is one phase of this matter in which this falsehood becomes absolutely wicked. When the man who has gold refuses to take silver in exchange unless it be rated at 65 or 70 cents on the dollar—when he thus raises the price and makes a discrimination against the coin which you and I take for a dollar—we have a transaction which is simply wicked.

If the Government would be honest to-day and do as our fathers did—if every man who has silver bullion were permitted to take it to the mints and have it coined and stamped, so that it might be put in circulation as money—then we would have no four hundred million dollars in the Treasury; we would have no dishonest dollar in this country.

Mr. Speaker, every dollar is an honest dollar that drives the sheriff from my door and pays the execution he holds against me, and thus saves my home to me to protect my wife and children from the summer's heat and winter's storm, and this a silver dollar will do. Every dollar placed in the hands of a laborer that pays for a day's work which enables him to purchase food and clothing for his family is an honest dollar, and this a silver dollar will do. A silver dollar will pay your taxes, it will pay your honest debts, it will buy the necessities of life, it will educate your children, build school houses and churches, and meet all known wants for money except the greed of the bondholder. It is an honest dollar.

What does the Government of the United States assume when it coins a silver dollar? Not a thing in the world, Mr. Speaker, not a solitary thing, except that it guarantees that the silver dollar is of a certain quality and fineness and weight. That is all. You may make other laws, which will make it a legal tender or something else, but the mere act of coinage is simply to stamp the quality of the coin and nothing else. It does not promise to pay a dollar. There is no promise connected with the payment of a gold or silver dollar.

Mr. COOMBS. What is that?

Mr. LANE. I say that there is no promise to pay a dollar, the act of coinage being simply to stamp the quality of the coin.

Mr. COOMBS. Does it not stamp its value upon it?

Mr. LANE. No, it only stamps the guaranty of the Government that the silver dollar contains $412\frac{1}{2}$ grains of fine silver, or that the gold dollar contains such weight of gold as the law requires.

Mr. COOMBS. But it says "one dollar."

Mr. LANE. Yes, it says it is a dollar, and it is a dollar; but you are attempting to discredit the Government.

What is the difference, Mr. Speaker, between the silver dollar and the paper dollar? Why, the silver dollar the Government coins contains a declaration that it represents $412\frac{1}{2}$ grains of silver; but when the Govern-

ment issues the paper dollar it issues only a promise to pay 100 cents at some future time—I do not know when. What is the difference—the commercial difference—between them? One represents a day's labor performed—the silver dollar. That is what it represents. A silver dollar represents a bill of exchange drawn on the world. One represents a day's labor performed down in the bowels of the earth or somewhere else. But what does the paper dollar indicate? It indicates that a man must perform a day's labor in the future to pay for that paper dollar. One is cash, the other credit. One is money, the other make-believe.

There is no money in the world, my friends, only gold and silver. Everything else must be measured by that standard and that standard alone when we come down to business. Every paper dollar in the world is issued on the faith that some day it will be redeemed either in gold or silver. If it was not for that belief it would not be touched by anybody. If you gave me to-day a note of George Gould or William H. Vanderbilt for a thousand dollars, with the stipulation that it will never be paid, I would not take it as a gift. I would not have it. It would be worthless. I take a note because I expect it to be paid some day; and I do not care what the wealth of Gould or Vanderbilt is; unless they intend to pay the note it is of no value to me.

The gentleman from New York [Mr. HENDRIX], a banker who comes here and boasts that he is the president of a national bank, now proposes by legislation to put money in his own pocket, but claims that this is done by "evolution." That is the way he puts it. Now, for myself I do not think the laws of evolution apply to human affairs or to human existence.

If he thinks that he is the result of evolution, and that his forefathers were monkeys, I have no contention with him. [Laughter.] But mine were not and I am not here monkeying with this question either. [Renewed laughter.] I am content to believe the statements of Moses as to my origin. The gentleman from New York is at liberty to believe what he pleases on this subject.

Mr. Speaker, years ago in the other branch of this Congress—in the Senate—they passed a resolution by which they prohibited bankers from voting on questions in which they had a direct money interest or which would put money into their pockets.

My colleague on my left—this gentleman is also from New York [Mr. WARNER]—gives you a very vivid description of New York. He says she is the grandest city of the world, and says that God Almighty put New York Harbor there, and, therefore, that New York City is there. That is all right. I have no quarrel with him on that ground; but God Almighty made the Straits of Gibraltar also; but did he put the forts and the guns and the fortifications on those heights, so that the tariff robbers could hold and rob the commerce of the world? Did God put Wall street where it is as a carbuncle on society? [Laughter.] Away with all such nonsense.

If, Mr. Speaker, we could have some cyclones in this country that would wipe out Wall street, and your chambers of commerce and your boards of trade, society would run in a natural groove again. In my own State we also have our board of trade which is running in violation of law. The law of the State of Illinois makes it a criminal offense to deal in "options," or sell wind and make believe that they are selling the products of the farm. One day last summer a member of that board made more money than all the farmers of Illinois could make in a whole year.

Mr. COOMBS. Did he keep it? [Laughter.]

Mr. LANE. He kept it until the next thief came along and took it from him. [Laughter and applause.] That is the way your folks do these things. You believe that money is made by some trick, by a legislative decree. We believe that wealth is created by labor, and the people I represent here have sent me here fully instructed what to do. I am here with the Democratic

platform in my hand, and no pressure that can be brought to bear will stop me from doing my duty.

Mr. WARNER. You have not got the platform in your hand now, have you?

Mr. LANE. I have got it in my head [laughter], and to satisfy my friend from New York I will now take it in my hand and read it to him for fear he has forgotten what it is. I mean the financial plank of that platform, which reads as follows:

We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future, which should make all of its supporters, as well as its author, anxious for its speedy repeal. We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discriminating against metal or charge for mintage; but the dollar unit of coinage must be of equal intrinsic and exchangeable value, or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal value of every dollar at all times in the markets and in the payments of debts; and we demand that all paper currency shall be kept at par with and redeemable in such coin.

We insist upon this policy as especially necessary for the protection of the farmer and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

My friend from New York insists that we should dispose now of the first three lines of this paragraph; that after the word "repeal" there is a period, and we should stop there for the present. I can not agree with him. I do not think that a fly speck should prevent a Democrat from doing his whole duty. [Laughter and applause.]

I am for the whole paragraph, and when we can enact the whole into a law, as we can now, I think we should do so.

I presented this part of the platform to my people last fall in every township in my Congressional district, and they all agreed that it should be made the law of the land as soon as Congress assembled. My friends, I have been engaged in this battle for honest money for more than a quarter of a century. I devoted the vigor of my youth and the years of my early manhood to this work, and now that my hair is white and I have passed the meridian of life, I do not propose to surrender. [Applause.]

I came here under the instructions of my people to vote for the coinage of silver on the same conditions that gold is coined. I am here pledged for the coinage of silver, and may God forget me if I forget my promises to my people or their interests in this House.

Men may get on the stump and assert one doctrine, and have catchwords for platforms, and that kind of thing, but I am not built that way.

Mr. Speaker, my people do not have to consult Chevalier, John Stuart Mill, Ricardo, or any other writer on finance in order to understand their conditions. They know from personal knowledge that they occupy the garden spot of this whole rich country; that their crops for the last decade have been reasonably abundant, yet their pockets are empty. They have no bank accounts as do people who live in the sterile East; and at the end of the year they can scarcely make the tongue and buckle meet.

The day before I left home to come here I saw a farmer selling a fair article of wheat for 40 cents per bushel in our home market. At this price it takes two bushels and a half to get a gold dollar. Twenty years ago I saw wheat selling on the same market for \$1.50 a bushel. Do I think that this is due to supply and demand? No, I do not, nor does any man who has honestly investigated the question.

Mr. COX. That is evolution.

Mr. LANE. Yes, it has evolved the money into these other fellows' pockets. [Laughter.] As my time is limited, I hope, Mr. Speaker, that I will not be further interrupted.

In continuation, I wish to say that production is less now in proportion to human consumption than it was twenty years ago, and yet constantly for twenty years prices have gone down year by year until a man is compelled to sell his wheat for forty cents a bushel—ten cents less than he can possibly produce it for. In 1879 a report was made in Illinois, by a Republican agricultural board, showing that it cost our farmers \$10,000,000 more to raise our corn crop that year than the crop was worth after it was raised. How can we prosper that way, gentlemen? How do you build your mansions in New York when the laborer in this country lives in a hovel? How do you ride in your palace cars, and in the North, South, East, and West have your palatial residences to meet each returning season of the year, while we, who produce the wealth, the toiling millions of labor, go unrequited? And yet you are now trying to rivet another chain on the people in addition to those which already bind them.

Mr. Speaker, I am a Democrat and, therefore, a bimetallist. The Constitution under which we have so long lived, and which every Democrat reveres, authorizes the General Government "to coin money, regulate the value thereof and of foreign coins," and provides that "no State shall coin money, emit bills of credit; make anything but gold and silver coin a tender in payment of debts." I am therefore warranted in stating that this Government was formed on a bimetallic basis, and that since its organization the two metals, gold and silver, have traveled side by side as the handmaids of Commerce until our nation has surpassed all others, ancient or modern, in the accumulation of wealth, the increase of population, the popularization of knowledge, the development of the inventive faculties, and the promotion of the general welfare as never seen on earth before.

The fathers of the Republic favored bimetallism, and the experience of a century in this country confirms the wisdom of their policy. And even prior to the adoption of our Constitution, during the colonial period, gold and silver were used as money, and silver at the same ratio as at the present day. In 1792 we learn that Hamilton, then Secretary of the Treasury, had assayed a number of the old Spanish milled dollars then in circulation, and he found that they contained an average of 371.25 grains of pure silver, and in that way the amount of pure silver in the silver dollar was fixed, and it has so remained to this present hour. In the adoption of this ratio between the two metals Thomas Jefferson, "the father of Democracy," concurred, and the same was approved by Washington, and thus the coinage of both gold and silver was inaugurated in this country.

I am a bimetallist because it is the money of the Constitution, and I am for bimetallism because the people who conferred on me this high office which I hold so instructed me. The county conventions in my district declared themselves in favor of bimetallism and the district convention that nominated me asserted that gold and silver were the money of the country.

The great Chicago convention in its platform declared itself in favor of the use of two metals at such a ratio that gold and silver should circulate at a parity. It is said that "public office is a public trust," and if so there should be no betrayal of that trust. The commission I bear from the Democratic party instructs me to favor gold and silver at such a ratio that the purchasing power of a dollar in silver shall be equal to the purchasing power of a dollar in gold. I favor this principle; and no makeshift short of this will satisfy me nor the people I have the honor to represent. Good money, and in sufficient volume, is indispensable to the prosperity and well-being of this country. Money is the vital force which in this country has quickened all other forces and preserved the body politic in health and vigor, stimulating all industries and permeating the veins of our vast industrial organism with vitalizing energy. The chief cause of American prosperity in former years was the

interchange of products and commodities between all sections of the world, but particularly our interstate commerce.

The commerce of the world and of this nation can not be carried on without money, and we should have the best. It may be true that under our modern system of business 95 per cent. of the same is transacted by bills of exchange, drafts, and checks, and but 5 per cent. in cash, yet if the money is wanting to settle balances our whole trade will be crippled and financial ruin will soon overtake us.

In prehistoric times it is supposed that such a thing as money was unknown. Barter and exchange of property was the first form of trade; later on various metals of weight were used as a means of exchange. At one time cattle were used as money; also, human beings were made a legal tender for debts and their value fixed by law. Salt, rice, beans, nails, iron, and brass were used as money.

The first use of gold and silver was by weight, and the exact date of coinage is not known. But all these things are matters of curious learning rather than valid arguments in the discussion of the present question. It is certain, however, that gold and silver were recognized by the common consent of mankind as precious metals for nearly four thousand years, and that as early as five hundred years before the Christian era they were coined into money and became the common medium of exchange wherever commerce was carried on. It is said that the word "money" is derived from *moneta*, because Roman coins were first struck in the temple of Juno *Moneta*.

Every child in the land understands you when you speak of money, yet there is not a word in the English language more difficult to define. But it is certain that money is the life-blood of human affairs. It is the force that underlies our civilization and impels man to his greatest possible activity. The power of money and the hope of its attainment is the incentive to nearly all of humanity's most earnest and honorable exertion. It moves the orator's tongue; under its charm the advocate becomes bolder, the lawyer more astute, and the preacher more profound; it turns the mighty wheels of commerce, and forge and furnace under its benign influence lights the continent; in a word, money is the most important factor in our civilization, and nothing can now take its place. Remove money from the channels of trade and blot it from the face of the earth, and you would turn back the hour hand on the dial plate of time to a period when "population dwindled and commerce, arts, wealth, and freedom all disappeared, and when the people were reduced to poverty and misery, to the most degraded condition of serfdom and slavery"—the fifteenth century.

As I have said before, gold and silver have been used as money for more than two thousand years, and for this purpose they are admirably adapted. They are easily coined into money, they are widely distributed over the earth, and nowhere abundant. They are indestructible, uncreatable, and readily divisible into different coins, and the ratio at which they were first coined was the ratio at which they had been used by weight. The ratio of the two metals has never been a very important question.

Since the coinage of gold and silver up to 1873 the ratio between the two metals has ranged between 9 and 16 of silver to 1 of gold, but never went above 16 to 1. We are all acquainted with the ratio of the two metals since the demonetization of silver in 1873. At an early period in England the ratio was regulated by proclamation, but in 1717 it was fixed by law and silver was a full legal tender there until 1816, when Lord Liverpool secured the passage of an act adopting gold as the single standard, which act has remained in force until the present time.

In 1871 Germany adopted the gold standard, and sometime after that France closed her mints to the free coinage of silver. The reason England

demonetized silver in 1816 was because of the Napoleonic wars, which were then just closed, and in demonetizing silver England largely increased her enormous war debt; and being then as now a credit nation, this act greatly increased her gains and income. And for much the same reason Germany adopted the gold standard, because in the Franco-Prussian war an enormous war debt was created and Germany exacted a war indemnity from France of \$1,000,000,000 in gold, and in the adoption of the gold standard shrewd bankers and credit holders saw an opportunity to make great gains for themselves, and did not hesitate to take advantage of the occasion, but it is said that afterwards Bismarck saw the mistake and said that he had left this matter to others who proved to be bad advisers.

Why was silver demonetized in America in 1873? Who justified the act at that time? Is it not a fact that the people knew nothing about it at the time? President Grant, who approved the act of demonetizing silver, declared afterwards that when he signed the bill he did not know that it demonetized silver.

The leading men of both parties who were then in Congress and assisted in passing the measure have since stated on their honor in Congress, and on the public platform, that they did not know when the act was passed that the clause in regard to the coining of the silver dollar was omitted from the bill. It is very certain that very few knew of the dastardly act until its baneful effects were felt in every cottage in the land. Whatever other influences were made operative in the demonetization of silver the evidence is abundant in the Capitol at Washington that British gold and British influence were largely responsible for the downfall of the white metal. The act was a crime against organized society and a robbery of every wage-worker in the land; it increased the number of our millionaires, and for every one it made it caused a thousand paupers. Its effects were to reduce the price of farms and of farm products at least one-third in value and to intensify to the same degree the galling yoke of labor.

By reference to the statistician we find that in 1873 barley was worth 91½ cents a bushel, and yielded the farmer \$21.15 an acre; in 1888 it was worth 59 cents per bushel, and yielded \$12.57 per acre; oats, in 1873, were worth 37 cents, and in 1889, 22 cents, and yielded to the farmer \$6.26, while in 1873 the yield was \$10.37. In 1873 corn was worth per bushel 40 cents, and yielded the farmer \$11.41 an acre; while in 1889 corn was worth 28 cents per bushel, and yielded a return to the farmer of but \$7.63 an acre.

Wheat in 1873, at home value, was worth \$1.31 per bushel, and the average yield 12.7 bushels, and was worth \$16.63 per acre; while in 1889 it was only 69 cents per bushel, and yielded per acre 12.9 bushels, and value \$8.98.

In 1872 milch cows were worth \$33 each, while in 1890 they were worth but \$22 each, making a net loss to the farmer of \$175,472,000 on 15,952,000 cows, while there were more cows per capita in 1872 than there were in 1890.

The corn crop of 1889 was worth \$597,000,000, while if it had sold for the price of 1873 it would have been worth \$1,008,000,000.

If cotton had sold in 1888 for the price of 1873 it would have been worth \$515,000,000, instead of \$292,000,000.

So it will be seen that on corn and cotton alone the farmers of this country lost in a single year \$634,000,000.

The American Journal states that the loss to the farmers of this country on wheat for the last twenty years is \$2,000,000,000, and on cotton \$1,660,000,000.

Now, for twenty years take these two articles of the field and all other farm products of this country, and the sum lost to our farmares is almost beyond comprehension.

In 1886 Great Britain appointed a commission to investigate the changes of the relative values of the precious metals, and in their report they estimated that the reduction of the prices of property generally by demonetizing silver was 33 per cent. Two commissions appointed by the American Congress to investigate this matter, in their report substantially agree with the British commission as to the fall of prices and that the demonetization of silver was the chief cause, and it seems to me that he who would argue against this position with the facts in evidence would argue against the sun. In the jugglery of legislation by the American Congress in the resumption of specie payment and acts in aid thereof, two decades ago, the people of this country were robbed out of many hundred millions of dollars, and in the demonetization of silver and the abandonment of specie payment the robbery runs up into the billions. It is like the negro's coon trap, it was so set that it caught them "a-comin' and a-goin'."

It matters not whether we resume or abandon specie payment, the money sharks so frame legislation in each case that the toiling millions are robbed and Wall street enriched. If the toiling farmer, bending over his daily labor, that must be followed in summer's heat and winter's storm, only had time to raise his head and wipe from his face the grime and sweat, and then had time to compute what he has lost because of the decline in prices, he would see how the law itself, which should be his protection, has been converted into a veritable robbery, taking from the mouths of his family the bread that he has earned and giving it to those who toil not, neither do they spin. Yet Solomon in all his glory never lived like these law-formed gold bugs of our Republic.

The wonder of the age is, how our farmers have survived the legislation of the past twenty years, by which they have been compelled to purchase their commodities on a protected market which raises the price from 47 to 62 per cent. and to sell all their farm products at home and abroad in competition with the ryots of India and the serfs of Russia, and to be further subjected to the decline of prices because of the demonetization of silver. It is not the farmer alone who has suffered, but this loss has been felt by the wage-earner in every cottage in the land. When industries are active labor is prosperous. When money is plenty labor finds steady employment and earns more than in hard times. We may boast as we please about the high wages paid labor in this country, but the fact remains that since 1873 the total earnings of our laboring classes have been greatly reduced.

The only way to increase the earnings of all labor is to increase business and production, for in the end wages are but the share of production which labor gets; and there is no such thing as activity in business when the money volume is shrinking, and while the loss to labor has been very great because of the reduction in wages, yet the greatest loss of labor has been because of enforced idleness. When the business of the country is in an active condition, in which it would be if the volume of money bore a proper relation to the population and industry, then there would be an increased demand for labor. But it has been estimated by those best able to judge, that because of our money system at least two million men are annually kept out of employment. Assume, then, that if these men were employed at reasonable wages—say \$2 per day—here is a loss of \$4,000,000 daily, and say three hundred working days in a year, the loss per annum would be \$1,200,000,000, or the aggregate for twenty years would reach the enormous sum of \$24,000,000,000.

I know that hoarded wealth will laugh at the idea that this army of work-hunters could not find employment, but the record stands as I have stated. If the volume of the money of the country was sufficient to keep prices from falling, and then to encourage capital to seek productive enterprises in which labor was employed, every man willing to labor could have been kept at work, and

no country could possibly enjoy a higher degree of prosperity than when all its people are employed and the product of their labor equitably distributed.

Why was silver demonetized? This question has been often asked and an answer attempted, but there can be only one truthful answer given, and that is that the money use was taken from silver so as to raise the price of gold. In other words the purpose was to make money dear by contracting its volume and make the price of product as well as labor cheap. When silver was demonetized in 1873 the bullion in a silver dollar was worth 3 cents more than the bullion in a gold dollar: since the demonetization, however, silver bullion has declined, or the gold advanced, so that the difference between the bullion value in a silver dollar was 53 cents less than the gold dollar; that is, the one had increased and the other declined until the difference was 53 cents on the dollar.

This principle is also true of the credit and debtor classes. As gold increased so the holdings of the owner of gold and fixed incomes and all loaners of money increased, and the debtor class found it harder to pay their debts in the same ratio.

John Stuart Mill, the greatest economic writer produced by Europe, says:

If the whole money in circulation was doubled, the prices would double; if it would only increase one-fourth, prices would rise one-fourth.

This I regard as the fundamental law of money and the most important rule in economics.

One of the greatest American writers on the subject has said:

The truth is that the most enormous power ever known to man, or that ever can be, lies in money—in the increase or decrease of its quality.

Ricardo says:

The value of money in any country is determined by the amount existing; that commodities would rise or fall in price in proportion to the increase or diminution of money. I assume as a fact that is incontrovertible.

Another writer on money says:

That the sum total of the precious metals is reckoned at 50 milliards—one-half gold and one-half silver. If by a stroke of the pen they suppress one of these metals in the monetary service they double the demand for the other metal to the ruin of all debtors.

Mr. Speaker, I might cite many more authorities to the same effect, but I deem these sufficient. These citations are taken from works of the highest authority on economic law, and I think they conclusively establish this proposition, that the volume of money is a very important factor in fixing prices of commodities and labor. Prices are affected by the law of supply and demand, by a change in the supply or demand; if the supply increases and the demand remains the same prices will fall, and if supply decreases with the same demand prices will rise, if the demand increases with the same supply this will increase prices, but if demand decreases then there is a decline in prices.

What I wish to show in this connection is that from 1873 to the present time there has been no such change in the supply of productions or in land relatively to demand or to population as will account for the great change in prices. It will be seen by examination of our statistics that the number of bushels of wheat produced per annum from 1873 has not been relatively greater than population, and the same is true of cattle and other live stock, as well as land, and the decline in prices, as we all know, has been from 33 to 50 per cent. in value. A decline of 33 per cent. in values increases the purchasing power of money 50 per cent., and a decrease of prices of 50 per cent. in commodities increases the purchasing power of money 100 per cent. So the effect of all this is dear money and cheap property, the supreme wish of Wall street.

From 1850 to 1873 the world's stock of metallic money more than doubled; prices were from 30 to 40 per cent. higher and the period between 1850 and 1860 was called the golden era of this country, and wealth then increased as it never did before or has since. The world's production of gold from 1841 to 1850 was \$380,000,000, and for the same period the production of silver \$350,000,000, and the production of the gold of the world from 1851 to 1860 was \$1,300,000,000, and during the same period the production of silver was \$400,000,000. So it will be seen that from 1851 to 1860 there was nearly five times as much gold produced in the world as there was in the preceding decade, while there was but a very small increase in the production of silver. The cause of the great increase in gold in the latter decade was due to the discovery and production of enormous quantities of gold in California and Australia beginning with the year 1849.

I may say in passing that during that decade gold was demonetized in the German states and also in Austria, and attempts were made to demonetize it in France and other nations on the Continent; and the strange thing about it is that the very same arguments then used by those advocating the demonetization of gold are used now by the opponents of silver. Then, as now, the attempt was to demonetize the metal produced in the greatest abundance, as they claimed, so that money would not be made cheap. If we desire to see their arguments in full we have but to consult the work of Mr. Chevalier on the "Fall of Gold," published in 1856. Then, as now, the attempt was to make money dear and productions cheap; the holders of money against the wage-earner and bread winner, in order to double the value of their accumulated piles of gold. The issue is fairly joined, and this battle for human rights must be fought to a finish.

Every commercial nation of the world has abandoned the principle of the regulation of money by private interest. Our Constitution prohibits the several States from coining money or to emit bills of credit, and to make nothing but gold and silver coins a tender in payment of debts; and after our General Government has assumed the right to coin our money and regulate the value thereof the question is presented, how long will the people of this country, who are supposed to control the Government, submit to this cunningly devised scheme of spoliation and fraud in the destruction of more than one-third of their constitutional money?

The present Secretary of the Treasury, while he was a Representative on the floor of this House in 1878, presented the question as forcibly and clearly as a proposition could be presented. Hon. John G. Carlisle said:

According to my view of the subject, the conspiracy which seems to have been formed here and in Europe to destroy by legislation and otherwise from three-sevenths to one-half of the metallic money of the world is the most gigantic crime of this or any other age. The consummation of such a scheme would ultimately entail more misery upon the human race than all the wars, pestilence, and famine that ever occurred in the history of the world. The absolute and instantaneous destruction of half the entire movable property of the world, including houses, ships, railroads, and all other appliances for carrying on commerce, while it would be felt more sensibly at the same moment, would not produce anything like the prolonged distress and disorganization of society that must inevitably result from the permanent annihilation of one-half of the metallic money in the world.

The gentleman from Kentucky called it a gigantic crime, and he was right, and there should be some means to adequately punish the crime. A party committing piracy on the high seas is punished by death, and yet these land pirates who are robbing every home in the land are permitted to go unwhipped of justice. The fathers of the Republic, in their wisdom, never thought such a crime would be committed and therefore made no provision for its punishment. But the crime of taking the property of another without authority on land or sea by force or by legislative decree is just the same. The conspiracy is carried on by London, Wall street, and their allies. The con-

spirators must be dispersed and the conspiracy suppressed. The issue is one on which the welfare of the human race depends for those who control the circulating medium of the world are masters of mankind. The issue is of human liberty and of the rights of the people. There can be no surrender. Industrial liberty shall not perish even at the behest of Wall street. This is a government of the people, for the people, and by the people; not a government of Wall street, for Wall street, and by Wall street.

It is an immemorial custom with all governments to certify the weight and fineness of the precious metals by the impression of the coinage stamp, and it is clearly a gross injustice to the people as it is to every holder of gold or silver bullion for the Government to refuse its stamp to his bullion, as it is then thrown out of circulation as money and deprived of a great part of its value.

For more than seventy years the Government of France sustained the parity of the two metals at a ratio of $15\frac{1}{2}$ to 1, and to-day they have \$800,000,000 in gold, \$700,000,000 in silver, and \$700,000,000 paper money in that country, all circulating at a parity and the paper currency redeemable in gold or silver coin at the option of the Government. If France, with a population of 39,000,000 and a territory not larger than the State of Texas, can safely carry that volume of money, what volume of money should the United States carry with nearly double the population of France and our vast territory? I will answer that hereafter.

Mr. Speaker, bimetallism is a constitutional right of the American people, of which they should not be deprived, and the wrong inflicted on them in 1873 should be righted here and now.

I revere the Constitution of my country, and when I state that I believe it was ordained of Heaven you may regard me a little superstitious, but such still is my belief; and I further believe that there is no power under the Constitution to deprive the American people of the coinage of both gold and silver. Daniel Webster, the greatest constitutional lawyer of this or any other country, said:

Gold and silver at rates fixed by the Congress constitute the legal standard of value in this country, and neither Congress nor any State has authority to establish any other standard or to displace that standard.

Gentlemen, notice the language: Congress has no authority to displace that standard.

James G. Blaine said:

I believe gold and silver to be the money of the Constitution, indeed, the money of the American people, which the great organic law recognized as quite independent of its own existence. No power was conferred on Congress to declare either should not be money. Congress has therefore, in my judgment, no power to demonetize either.

I could greatly multiply these authorities if time would permit, but it is so patent to every reflecting mind that nature, as well as the Constitution, intended gold and silver to be used as money, that there can be no justification for its demonetization. Mother earth holds our gold and silver in her great pockets, and by investigation and development it was found many years ago that the ratio of the two metals in the earth was as 16 to 1, and on this principle and ratio the two metals were coined.

I beg gentlemen to remember that the ratio can not be fixed on the cost of production or commercial values alone, for these change every day—nay, sometimes every hour. The ratio can not be predicated on cost of production or commercial value. Some of the bullion and coins now in existence may have been in existence for a hundred years. How are you going to find what it cost to produce the bullion then? One mine produces silver at a loss and another at a profit; how will you adjust it? Then, if you take the commercial or market value as the standard, that market value is constantly

changing, and therefore you would be compelled to change the ratio in your coins every month or year. If a man would find a nugget of gold in his path, as many have done, say worth \$10,000, he is allowed to take it to the mints and have it coined into eagles and half eagles, without any inquiry as to the cost of production.

I have no doubt but, taking all the silver and gold in the world, it cost more to produce it than its value after it is coined. If the money use was taken from gold bullion, does any person suppose for a moment 25.8 grains of gold bullion would be worth a uniform price on the market of 100 cents? No; it would simply become a commodity, subject from day to day to the market changes as other commodities; so if the full money use was given to silver bullion, that would raise the price of the bullion to the money value. If, therefore, it has been discovered by new appliances that there is more silver bullion in the earth in proportion to gold than 16 to 1, I can see no good reason why the ratio may not be changed. I think, however, that the ratio of gold to silver in the earth is still about the same, and that the coinage ratio should be 16 to 1, although I will vote, by way of compromise, for a small increase in the ratio.

Now, Mr. Speaker, I wish to say a few words about the Sherman act. That act was passed in 1890, and it authorized the Secretary of the Treasury to purchase 4,500,000 ounces of silver bullion every month at the market price, and to issue in payment of such purchase of silver bullion Treasury notes of the United States; such notes to be redeemable on demand in coin.

When the measure was under consideration in this House I had the honor to address the House, and among other things I said on that occasion:

The effect of passing the bill—

That is the Sherman act—

would be to suspend silver coinage and to totally demonetize this metal and to permanently establish for us the single gold standard; and clearly that would have the effect to drive all silver out of circulation. There is another reason why this bill (the Sherman act) should not become a law. It will be remembered that there are about \$1,400,000,000 bonds of the Government now outstanding, and some of them will fall due next year, and all the balance in a few years later. Now, these bonds are all payable in coin, not in paper money or silver certificates. This bill stops the coinage of all silver so that these bonds must be paid in gold.

Mr. Speaker, when I made these statements I spoke the exact truth. The prophecy has been fulfilled. This matter has come to pass, as I expected. I do not agree now with all that is said about this act, that it is the sole cause of the present crisis. I do not believe that it is, and, therefore, I will not say so. There is a financial panic in this country, but I think that it is, largely due to the demonetization of silver in 1873, to the McKinley bill, and other vicious Republican legislation for the last decade.

The vice of the Sherman act is the purchase of silver bullion and storing it in the Treasury. It should be coined into money and used to redeem the coin notes issued for the purchase of the bullion.

If an army was fleeing in a panic from their victorious enemies, what would you do to restore confidence and stop the panic? It seems to me that the proper thing would be, re-enforce them with more men, so that they would be certain that they could return and defeat their enemy. We have a financial panic because there is not sufficient money to do the business of the country, and the remedy proposed is not to furnish the people more money, but to repeal the Sherman act and thus curtail the increased circulation of \$50,000,000 annually that we get under the Sherman act. The notes issued under this act are as good money as any other money issued by the Government, and in place of extending the currency, it is insisted that we must contract it. The people ask for bread and you give them a stone.

I am in favor of the repeal of the Sherman act. In fact, I am in favor of the repeal of all the Sherman acts on our statutes, and especially the repeal of the act of 1873, that demonetized silver. But at the same time I am in favor of proper legislation to take their place. I am ready to repeal the McKinley bill, but I want a tariff bill for revenue only to take its place.

I stand with both feet on the Democratic platform of 1892, and insist that the cowardly makeshift of the Sherman act shall be repealed and the financial principles of that platform shall be enacted into law. Gentlemen, you can not deceive the people of this country. They know what you are doing, and how you are doing it.

I beg to call your attention to the fact that every Democrat in this House voted for the special order of business under which we are now proceeding; that is, that we shall have fourteen days of debate and also evening sessions, and then the first vote that we take shall be for coinage of silver at the ratio of 16 to 1. If this vote carries, that will repeal the Sherman act.

This is the way it should be repealed. The same vote that repeals the Sherman act will give us silver coinage, and thus increase our circulation by good money at least \$60,000,000 annually. This is what I promised my people I would do, and I will do it if my vote is the only affirmative vote given. Many of you say you are for silver coinage, but you are like Felix said to Paul: "Go thy way for this time; when I have a convenient season I will call for thee."

Gentlemen, when do you think the "convenient season" will come? This session of Congress, or the next, or twenty years from now. Some of you say that you are for silver coinage when we have an international agreement on a ratio of coinage between the two metals. When will that take place? Never.

Since the adoption of the Chicago platform there has been a meeting of an international commission at Brussels to agree on a ratio between gold and silver. What did the commission do? Nothing. The talk of an international commission is simply a "motion for a continuance," as a tricky lawyer does in a case he does not wish to try. We all know that England will never agree to any ratio between the two metals in her present condition, and gentlemen say that unless England concurs we can not have bimetallism. Why, then, delay this question any longer?

The Democratic platform declares that we must maintain the "parity of the two metals." To this I fully agree; but how is that to be done? In my judgment it is simple enough. When the Treasury pays out a gold dollar in redemption for a coin note the next time the Treasury should pay out a silver dollar, and soon. If the Treasury would observe the "parity between the metals," then the metals would take care of themselves.

The Chicago platform must mean coinage of both metals at a proper ratio, for it can mean nothing else. It says:

We hold to the use of both gold and silver as the standard money of the country.

This does not mean that gold shall be the standard and silver simply a subsidiary coin. It means that both metals must be treated alike; and for this reason I can not vote for the Wilson bill, that repeals the purchasing clause of the Sherman act, because that bill pledges "the faith and credit of the United States to maintain the parity of the standard gold and silver coins of the United States." The Chicago platform is pledged "to maintain the parity of the two metals," which is all right, but the parity of the coins is quite a different thing.

The Treasury Department in its construction of the words in the Sherman act, "to maintain the two metals at a parity with each other," held that the Treasury had the right to redeem a silver certificate in gold, and when the Treasury comes to construe this part of the Wilson bill, if it ever becomes a law, it will hold that the Treasury has the right to redeem silver dollars with

gold dollars. This is the way I construe the language of the Wilson bill and the way the Treasury will construe it, and I think that that should not be enacted into law.

The silver dollar, in my judgment, is money of ultimate payment and can not and should not be redeemed like a paper dollar. The reason a paper dollar should be redeemed is because it is simply token money or a promise to pay, and it has no value only as it is to be redeemed in gold or silver. If a silver dollar is to be redeemed with gold, then the silver dollar is but token money and you are at once on a gold basis. Does the Chicago platform favor such a result? I think not.

The amount of gold money in the world is about \$3,656,935,000 and silver money \$3,944,700,000. If silver is demonetized, then we are on a gold basis, with only \$2.36 per capita to do the business of the world. That will double the purchasing power of money and reduce its debt-paying power one-half.

In the great State of Illinois the census of 1890 shows that the mortgage indebtedness in that State is \$100 per capita, or \$500 to every family of five persons in the State; a total of nearly \$400,000,000. If this is to be paid in gold it will require \$800,000,000 to pay the debt. How can a member of Congress who represents an agricultural constituency support such a measure? If I should do so, when I return to my people I could not look them in the face and regard myself as an honest man, and, so help me heaven, any such legislation shall not have my support.

I have examined this question calmly and dispassionately, and as God has given me the power to understand the right, I regard it as an enslavement of the masses for the benefit of the classes.

The total debts of this country, public and private, are somewhere about \$30,000,000,000. If one-half of the money are destroyed, the balance left must do double duty, and therefore the effect would be to double all debts, making the debts of this country nearly equal to its total wealth. And it will be well to bear in mind, also, that a great part of this indebtedness held against the labor and production of this country, that labor never received any consideration for it.

The railroad indebtedness of this country, one-third of it or more, is watered stock. The Government bonds were sold for less than 60 cents on the dollar in gold and the same is true of other bonds.

The great majority of the Government bonds when made were payable in currency or the lawful money, but that was afterwards changed by statute and they were made payable in coin.

But let all that pass now. The people of this country are willing to pay every dollar of indebtedness, principal and interest, as called for in the contract, in the money that was then in existence, but not one cent more. Nearly three-fourths of the bonded debt of the nation has been paid, leaving about \$600,000,000, held chiefly in England, yet to pay. Still at the present price of wheat it will take nearly as many bushels of wheat to pay this balance as it would require to pay the original indebtedness, with wheat at its then price. At 40 cents a bushel, the local market price now, it would take 1,500,000,000 bushels to pay the balance of the debt, while that amount of wheat at \$1.50 per bushel, the price when the debt was contracted, would pay \$2,250,000,000. And this is approximately true of all other farm products, as well as days of labor.

How long, oh! how long, in the name of justice, will this thing continue? How long will the vampires of wealth continue to suck the lifeblood of labor?

There is no truer statement in the Book of books than the saying of Solomon that "the borrower is the slave of the lender." The valorous sword of our

forefathers more than a hundred years ago suppressed the tyranny of England, yet we, their degenerate sons, have again sold Great Britain our liberty for their gold; and gentlemen in this Chamber are now insisting that the proper thing to do in order to relieve us in the present crisis is for the Government to issue \$100,000,000 of gold bonds bearing 3 per cent. interest per annum, payable in fifty years, and purchase with such bonds \$100,000,000 of gold from England, and place it in the Treasury to strengthen the gold reserve; and this perhaps may be done, but never with my consent.

What would this mean? Simply that the people of this country should be taxed hereafter to pay \$250,000,000 principal and interest of the bonds in order that \$100,000,000 of gold should now be placed in the Treasury, so that next week Wall street could go to the Treasury with \$100,000,000 coin notes, noninterest-bearing, and draw this \$100,000,000 of gold out and send it back to England, so that more bonds would have to be issued by this Government from time to time, and purchase more gold and return it to the Treasury, and in every deal of \$100,000,000 Wall street, in connection with its English bank, would make \$150,000,000 out of the American people. What a roaring farce this would be, and how Wall and Lombard streets would enjoy it all. What a delightful way this would be to restore confidence to the American people by opening the Treasury doors to this further system of robbery.

Mr. Speaker, I had hoped that this country would issue no more interest-bearing bonds. In my judgment the future money of this country should be about \$800,000,000 of gold and \$900,000,000 of silver coin, both convertible into gold and silver certificates at the pleasure of the holder, and an equal volume of currency issued, not by national or State banks, but by the Government itself, and paid out directly to the people. This would give us \$3,400,000,000, or nearly \$50 per capita, which would be sufficient for a reserve and also to meet the growing and constantly expanding business developments of this country.

I would have all this money guaranteed by the public honor of the nation, and every dollar should have the same purchasing power as every other dollar, and all paper money should be redeemable in gold and silver, and as fast as redeemed should again be reissued; both coins to receive equal treatment from the Treasury. I would put the same power behind our money system that sustains our flag, and the nations of the earth would respect them both alike. I would make it treason, punishable with death, for any person or persons to make a corner on the gold in the Treasury, or to attempt to withdraw it for other than legitimate purposes.

You ask me how would we get our gold and silver. My answer is that we have now in this country \$687,000,000 in gold and \$556,000,000 in silver coins, with about \$154,000,000 of silver bullion in the Treasury, which if coined, would make in all 710,000,000 silver dollars. The balance I would get from our gold and silver mines and from the sale of our farm products, and the products of our shops and factories in the markets of the world.

Mr. Speaker, this financial system might reduce the usury of Wall street and the income of the millionaires, but it would bring sunshine and happiness to the homes of labor in America. I want my people to owe less and to own more; to have less labor and more leisure; less slavery and more liberty, and with the white and yellow metal as our coursers, properly harnessed together to our monetary system, we will again secure our commercial freedom among the nations of the earth.