FREE COINAGE OF SILVER.

THE FREE COINAGE OF BOTH METALS UPON EXACTLY EQUAL TERMS THE ONLY TRUE AND PERMANENT SOLUTION OF THE MONETARY PROBLEM.

SPEECH

OF

HON. H. F. BARTINE,

OF NEVADA,

IN THE

HOUSE OF REPRESENTATIVES,

JUNE 7, 1890.

WASHINGTON.
1890.

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The House having under consideration the bill (H. R. 5381) authorizing the issue of Treasury notes on deposits of silver bullion—

Mr. BARTINE said:

Mr. SPEAKER: If I were to consult merely my personal feelings I should take no part in the discussion of this bill. I am a new member of the House and I feel all the diffidence which it is said to be in good form for a new member to feel. But the subject which it covers is of infinite importance to the people whom I represent, one the decision of which may cast either shadow or sunshine over every household in the State of Nevada. Therefore I feel it my duty to present my views upon it with some degree of fullness, and to that end I ask the kindly indulgence and attention of the House.

This bill brings before you for consideration the "great battle of the standards," the so-called silver question, which has agitated the public mind for some fifteen or twenty years, both in Europe and America. The action of this Congress may finally determine the question, so fraught with significance, whether silver shall be completely restored to its former position as money, or the people of this country be for all time limited to what has been called the golden "yard-stick" as a measure of value. The Committee on Coinage is composed of gentlemen entertaining very different views on this subject. Some of them believe that gold is the only safe measure of value, and that silver is a dangerous element in our monetary system. Others believe that gold standing by itself is a most unjust, uncertain, and fluctuating standard, and that the complete remonetization of silver is an imperative necessity. Some would suspend the use of silver entirely, except in a subsidiary way; others would have free coinage to-morrow, and still others would pursue an intermediate course and approach free coinage by degrees. But I believe that all recognize the fact that for several years past the sentiment of this country has been growing and strengthening in favor of silver; and that at the present time there is a very general demand for a largely increased use of that metal. In complying with such a demand, it is obvious that each member would be influenced largely by his personal views, and make the concession in the line which he deemed wisest and best. One who has no confidence in silver would naturally favor its use in such a way as to do the least possible harm. One who has every confidence in silver would seek to utilize it in such manner as to do the greatest possible good.

My own opinions are of the most pronounced and radical character. Such study as I have been able to bestow upon the subject has convinced me that the double standard, comprising both gold and silver, is in every way superior to a standard consisting of either one alone. I believe that the United States can establish bimetallism, and by simply decreeing free coinage maintain the two metals at a fixed ratio as long

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as such law is upheld. More than this, I believe it to be the duty of this Government to do so; and I but voice the sentiment of our whole Western country when I express the opinion that the legislation of 1873, which struck silver from the pedestal which it then occupied, which said to every debtor in this broad land, "Henceforth you shall pay your debts in gold alone," was the gravest and most unconscionable wrong ever perpetrated upon a free people by a Government of their own choice. The bill under consideration is a step in the direction of correcting that wrong, and as such I extend to it a welcome. But I find myself unable to give to it an unqualified indorsement, and further on, if time will permit, I shall take occasion to point out some of its objectionable features.

The way to restore silver is to restore it. The true remedy is remonetization in the complete sense, and the nearer we get to absolute free coinage the better, I believe, it will be for the country, and the better the people will be pleased with our work. They are at last beginning to comprehend what is really involved in the "silver question." They have been told for years, and partially led to believe, that the demands of the friends of silver were entirely without merit, and that the movement was simply the attempt of a few "bonanza kings" to get a dollar for 72 cents' worth of silver. But when they note the change that has been wrought in their own fortunes within recent years; when they find their load of indebtedness constantly increasing while the value of everything with which it is to be paid is just as constantly diminishing; when they contrast the depression now existing with the steady wave of prosperity which rolled over the country prior to 1873, it dawns upon them that the destruction of a large proportion of the money of the world may be a matter of some importance even to those who never saw a silver mine. It is a fact generally recognized by economic writers, that the period extending from 1873 down to the present time has been one of unusual business depression throughout the entire commercial world, affecting countries of every degree of advancement, but manifesting itself with peculiar force in those of the highest industrial development.

Mr. David A. Wells, a most determined and even dogmatic advocate of the gold standard, begins his book on Recent Economic Changes by referring at length to the unprecedented economic situation, and indeed it is made the basis of his entire work.

He opens with the following sweeping statement of the situation:

The existence of a most curious, and, in many respects, unprecedented disturbance and depression of trade, commerce, and industry, which, first manifesting itself in a marked degree in 1873, has prevailed with fluctuations of intensity up to the present time (1889) is an economic and social phenomenon that has been everywhere recognized. Its most noteworthy peculiarity has been its universality; affecting nations that have been involved in war as well as those which have maintained peace; those which have a stable currency based upon gold, and those which have an unstable currency, based upon promises which have not been kept; those which live under a system of free exchange of commodities, and those whose exchanges are more or less restricted. It has been grievous in old communities like England and Germany, and equally so in Australia, South Africa, and California, which represent the new; it has been a calamity exceeding heavy to be borne, alike by the inhabitants of sterile Newfoundland and Labrador, and of the sunny, fruitful sugar islands of the East and West Indies; and it has not enriched those at the centers of the world's exchanges, whose gains are ordinarily the greatest when business is most fluctuating and uncertain.

One of the leading economists and financiers of France, M. Leroy Beaulieu, claims that the suffering has been greatest in his country, humiliated in war, shorn of her territory, and paying the maximum of taxation; but not a few stand ready to contest the claim in behalf of the United States, rejoicing in the maintenance of her national strength and dominion, and richer than ever in national resources.

Commenting upon the phenomena of the industrial depression subsequent to the early months of 1882, the Director of the United States Bureau of Labor, in

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his report for 1886, considers the nations involved in respect to their relations to each other, and to severity of experience to stand in the following order: Great Britain, the United States, Germany, France, Belgium.

The investigations of the Director also indicated a conclusion (of the greatest importance in the consideration of causes), namely, that the maximum of economic disturbance has been experienced in those countries in which the employment of machinery, the efficiency of labor, the cost and standard of living, and the extent of popular education are the greatest; and the minimum in countries like Austria, Italy, China, Mexico, South America, etc., where the opposite conditions prevail. These conclusions, which are concurred in by nearly all other investigators, apply, however, more especially to the years prior to 1883, as since then "depression" has manifested itself with marked intensity in such countries as Russia, Japan, Zanzibar, Uraguay, and Roumania. * * *

As Mr. Wells is not only a monometallist, but a free-trader, he ought to be accepted as good authority by both of these classes on the floor of this House. I merely quote him in support of the fundamental proposition that for some reason, in a business point of view, "the times are out of joint."

Since the beginning of 1885 two royal commissions have been created in England to examine into the causes which have produced these unfavorable conditions. The first was directed to inquire into the causes of the business depression which was supposod to exist; and the second was required to investigate the causes which had led to the divergence in the relative values of gold and silver. The very creation of these two commissions is conclusive evidence that business conditions were abnormal and unsatisfactory. If I am any judge of the weight of testimony, the evidence laid before those commissions conclusively established these facts: First, that almost every leading industry in England was in a state of unusual and long-continued depression; second, that the prices of commodities had fallen upon an average about 30 per cent.; third, that the initial point of these disturbances was the period immediately following the demonetization of silver by Germany and the United States; fourth, that the prices of commodities had moved *pari passu* with the price of silver—in other words, that silver had not fallen in value when compared with commodities generally, but only when compared with gold; and, lastly, that the industries of India had been stimulated at the expense of those of England and the United States.

If these facts are to be considered as proved it is difficult for us to resist the conclusion that the monetary legislation of 1873 was a highly potential cause. If it was not, then it must be confessed that the period under consideration presents a series of the most remarkable coincidences ever recorded in the history of economic changes. Everything that could be said in excuse, in mitigation, or in explanation of the existing condition was laid before those commissions. Rich men are habitually conservative. The fact that they are "all right" naturally makes them satisfied with the situation and averse to change. In the great majority of cases they assume that their success in life has been owing to their superior abilities and they not unfrequently ascribe the misfortunes of others to mismanagement and business incapacity. It was claimed, and it is claimed with all seriousness to-day, that falling prices are an advantage to the poor, because the price of labor is the last thing to be affected, while they can buy the necessaries of life cheaper. This is a mere theoretical abstraction, and there are other elements at work which completely destroy its force. Falling prices reduce the margin of profit, lead to business contraction, a lopping off here and a cutting down there, the closing of many business establishments entirely, and the enforced idleness of large numbers of men. And while labor guilds and combinations may check the fall in wages, it is matter of common observation and experience that falling prices and hard

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times always travel hand in hand together. It was urged that the fall in prices has been caused by mechanical improvements, the cheapening of transportation, and consequent overproduction, but I am unable to find one scintilla of proof in support of this argument.

Mechanical invention and cheapened transportation are the greatest promoters of business activity. They lead to increased production, it is true, but the wants of man move apace, the world becomes richer, and indulges in more and more luxuries. If the period since 1873 had been one of unusual prosperity, if business had been booming, prices advancing, and everybody making money, it is almost a moral certainty that Mr. Wells and economists of his school would have accounted for it by reference to the identical conditions now pleaded in explanation of the depression which prevails. But I see nothing to justify the assumption that in the matter of industrial methods the year 1873 constitutes an arbitrary line of demarkation between an old order of things and a new. There has undeniably been an increase of production, and a large one, since that year, but I doubt if it has been greater relatively than during the previous twenty.

Professor Sauerbech stated in his testimony before the royal silver commission (and its accuracy was never questioned) that from 1850 to 1860 the increase of commodities in England was 30 per cent., and from 1860 to 1870 37 per cent., which he declared was equal, in his opinion, to the ratio of the increase since. In this country the period from 1850 to 1873 was one of tremendous industrial development. Vast areas of virgin soil were brought under cultivation, the country was girdled with railroads and laced with electric wires, the great highways of commerce were alive with every form of modern shipping, the inventive genius of man was intensely active in every line of mechanical invention.

From 1849 to 1859 the wheat product increased 60 per cent. From 1859 to 1869 it was 66 per cent. The manufactures of the country in 1850 are given at a little over $1,000,000,000; in 1870 at $4,232,325,442; which, reduced to a gold basis, shows an expansion of about 250 per cent. In 1850 there were 9,021 miles of railroad in operation; in 1873 there were 70,268, a gain of about 600 per cent.

And yet, in the face of this enormous swelling of growth and production, prices rose 40 per cent., while during the last fifteen years the trend of prices has been completely reversed, and they are now ranging lower than at any time during the century.

I can understand how there may be occasional overproduction in some particular line. But such cases must necessarily be sporadic and temporary. If there be actual overproduction the price will fall to the lowest point of profit, and perhaps below it, in the scramble to unload. But below the point of legitimate profit no man will continue producing for any considerable length of time. The poorer ones will be compelled to suspend and turn their attention to something else. Then, the production being checked, the price rallies again, and thus the supply adjusts itself to the demand. Some writers take the position that general overproduction is impossible, that the whole world can produce no more than the whole world requires. The soundness of this theory I shall not stop to consider. But this I will say: I can not conceive of overproduction all along the line and continuing through seventeen consecutive years, unless the people of the world have gone daft. But it seems to me that a conclusive answer to the argument of overproduction is found in the fact that, except possibly in a few localities unfavorably situated, the commodities produced are all legitimately consumed. There is no great surplus anywhere, and yet prices remain low. This would indicate a lack of ability to pay, rather than an excessive supply.

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The argument based upon the cheapening of transportation will scarcely bear criticism. In the first place, the reduced rates, even in the case of heavy and bulky articles like wheat, will not account for one-half of the fall; while in the price of light and highly valuable commodities the freight charge is a scarcely appreciable item. Moreover, where the carriage is only a short distance, the freight is unimportant. But again, if cheapened transportation is to figure as an element one would naturally suppose that it would inure mainly to the benefit of the producer. England being the chief purchaser of our wheat, and we being compelled to compete in that market with other producers, it follows that Mark Lane registers the price for the American producer. Hence the price in Iowa should be the Mark Lane price, less commissions and cost of transportation, and the more the latter is reduced the more the Iowa farmer should get for his grain. Surely the construction of a railroad to the farmer's door ought not to make his crop less valuable. But it so happens that the farmers are the very men who are the loudest in their complaints and the most clamorous for relief. They tell us that the prices of all their products have so shrunken that it is almost impossible for them to clothe their little ones and meet the obligations with which their farms are encumbered. It is strange, though, that it never occurs to those who use this argument that the cheapening of transportation may be in a great measure an effect instead of a cause. Is it not quite as reasonable to argue that the general fall in prices has carried down freight charges as it is to claim that a mere reduction in such charges has lowered the price of everything else? But the really logical view seems to be this: A reduction in freights is itself merely a fall in the price of a particular kind of service. Therefore, it is one element of the general fall, part and parcel of the very thing of which it is alleged to be a primal cause. Just one word more upon this point. Reduced freight charges standing by themselves are no disadvantage. So far as they are the result of improved methods of transportation they are a positive boon to man. But if the effect is to lower prices to such an extent as to cause business stagnation, depress almost every line of industry, and carry the shadows of suffering and want into the homes of the poor, then the sooner we get back to the days of stage-coaches and ox teams the better it will be for the human race.

To attempt to account for the strange situation by prying into the details of every productive art is a very uncertain and unsatisfactory mode. Every industry is affected by conditions peculiar to itself. What is beneficial to one may be noxious and destructive to another. To strike a balance between these different influences and estimate the general effect ot the whole is extremely difficult, if not impossible. It is certainly illogical and unsatisfactory to resort to such a line of investigation, at the same time omitting from consideration one great and overshadowing cause, sufficient to account for all the economic irregularities of the period. To my mind it scarcely admits of discussion that anything which affects the money of the world, the very life-blood of commerce, must affect every industry known to civilized man.

The phenomena of the last few years, the constant shrinkage in prices, the general and widespread complaints of unfavorable business conditions, are precisely what we would naturally expect to result from the demonetization of silver. Prior to 1873 silver and gold were alike clothed with complete monetary functions. They occupied a common field; together they formed the great mechanism of modern exchange. At this time, I believe, very few economic writers deny that the chief value of both metals is the result of their use as money. When silver was demonetized the demand for gold was spread over a wider area, a much greater burden was imposed upon it, and the value of the metal

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must have been increased thereby. Owing to these monetary changes, it is estimated that since 1873 entirely new demands have been created for gold, amounting to nearly or quite $1,200,000,000, nearly $700,000,000 in the United States, $400,000,000 in Germany, and about $100,000,000 in other countries. This is fully one-third of the gold coin known to exist.

I know that the world is full of honest and well-meaning people who implicitly believe that gold can neither appreciate nor depreciate; that its value is as fixed and unchanging as its color, its specific gravity, or any other natural quality which it possesses. But if they will consider for a moment that the value of anything is merely what it will exchange for, they will at once perceive their mistake. If, last year, a gold dollar would buy a bushel of wheat, while this year it will buy a bushel and a half, it will scarcely be denied that the relative value of wheat and gold has changed. Looking at these two commodities alone, we may say with equal propriety that gold has gone up or that wheat has gone down. If the change is confined to these two commodities, while other gold prices remain substantially the same, we are forced to the conclusion that it has been brought about by something peculiarly affecting the wheat, as an increase of production or a diminished demand. But when we take in the whole range of commodities, and find upon striking a fair average that a gold dollar will buy a great deal more than formerly, it is a little unreasonable to ask us to believe that everything else has changed while gold has stood still. In dealing with this question people are misled by mere names.

The gold dollar has been established by law as the unit of value, and all other values are expressed in the terms of the standard. As the terms never change, the notion is imbibed that the value is equally unchanging. Hence, we frequently hear the gold dollar likened to a yard-stick, and we are gravely told that we can not make a yard-stick of anything less than 36 inches. Why, sir, there is no more propriety in comparing a dollar with a yard-stick than there would be in instituting a comparison between a cord of wood and a Fourth of July oration. A yard-stick will always measure a fixed and definite length. That length is always the same and would be the same if yard-sticks had never been invented. But value, which simply indicates the strength of men's desires for some attainable thing, can no more be determined in that arbitrary way than you can measure any of the other thoughts and fancies that flit through the human brain. Value, as the Supreme Court of the United States has said, is purely an ideal thing.

In Knox *vs.* Lee (12 Wall., page 553), the court use this language:

> It is hardly correct to speak of a standard of value. The Constitution does not speak of it. It contemplates a standard for that which has gravity or extension; but value is an ideal thing.

But this idea of the unchanging value of gold obtains equally with every other substance which is used as standard money. The five-cent nickel appears to be just as fixed in its value as the five-dollar gold piece. If people use silver money exclusively gold appears to do all the fluctuating. If a nation is on a paper basis both gold and silver seem to fluctuate. It is a fact with which the most of us are familiar that prior to the resumption of specie payments in 1879, gold was constantly quoted at a premium, rising or falling almost daily, while in ordinary business transactions the greenback seemed to be entirely stationary. But on the Pacific coast, where gold and silver were the money regularly employed in commercial transactions, the greenback was always at a discount. It is the constant use in fixed denominations that gives to money of any kind its apparent fixity of value.

Not one person in a thousand ever bestows a thought upon the "in-

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trinsic" value of the material of which a dollar is made. So long as it passes freely from hand to hand and preserves its purchasing power it seems to him like a good dollar, whether it be gold, silver, or paper, and a very convenient thing to have. The monetary idea and the commodity idea are totally different and distinct. The one is largely arbitrary, the result of positive law; the other is mainly a question of general utility.

By reason of the monetary functions with which gold is endowed, it is probably less liable to fluctuation than any other commodity not thus favored, but to say that it never changes at all is at variance with the plainest principles of common sense. One end of a teeter-board never goes up without the other end going down. The books are full of instances of gold going up or going down with an increase or decrease of the supply, and Soetbeer mentions the circumstance of the discovery of a rich gold field in ancient Roman times causing a fall of one-third in its value. The best and most intelligent thought of the day recognizes the fact that gold not only can change but that it actually has changed, appreciated about 43 per cent. since 1873, and that this appreciation is still going on.

This is a circumstance of the utmost gravity, involving as it does every business relation in life. As we all know, an immense proportion of the business of the world is done upon the basis of credit. It is almost impossible to imagine a great and important enterprise that has not been conducted very largely upon borrowed capital. A corporation is formed to construct a railroad; the first step is to negotiate a loan. A company undertake to build a factory, and they borrow the whole or a part of the necessary funds. A man buys a farm; he pays a portion of the purchase price and gives a mortgage for the balance. In each case a fixed liability is incurred which must be met and liquidated in the precise number of dollars specified in the contract, no matter how valuable, how scarce, or how difficult to get these dollars may have become. It is impossible for business to prosper under such conditions. The hope of fair and reasonable reward is the main-spring of all human endeavor. When profits dwindle away, when a man's income is no longer sufficient to meet his obligations, when he beholds the very property itself upon which he has grounded all his hopes passing into the hands his creditor through the inexorable operation of an unjust economic law, every vestige of that ambition which leads men onward to success very speedily disappears. Lethargy takes the place of enterprise, indifference that of enthusiasm, and business decadence follows as certainly as the night follows the day. What encouragement is it for a farmer to increase his wheat crop from 415 bushels to 490 only to find that the 490 bushels are worth $42 less than the 415 bushels were? And that is substantially what took place between 1888 and 1889. In the former year we produced about 415,000,000 bushels of wheat and it was worth a fraction over 92 cents a bushel, showing an aggregate value of $385,248,030. In 1889 the crop amounted to 490,560,000 bushels. At the average price for the year, 69 cents and a fraction, it was worth about $343,000,000, $42,000,000 less than the smaller crop of the previous year.

What inducement is there for the stock-raiser to improve the breeds and increase the number of his live-stock when he sees the aggregate value diminishing in a ratio just about equal to the increase of numbers? During the year 1889 there was an increase of the number of farm animals amounting to something over 6,000,000 head, a very little more than the relative increase of population. These include horses, mules, cows, other cattle, sheep and swine, each class showing an increase; but the aggregate value was more than $88,000,000 less. In

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other words, there was an increase of $3\frac{9}{10}$ per cent. in number and a loss of about $3\frac{1}{2}$ per cent. in value. These are exceptional years, and they show a worse state of affairs than the average of the period under consideration. I have presented them merely as illustrations of the effect of falling prices, and what must strike every thoughtful man as a most anomalous and unhealthy situation.

No overproduction has been or can be shown in explanation of this decline. The figures recently given by the Agricultural Department in relation to the cereals are imperfect, because they are confined to the United States. The price of wheat, for example, is international, and hence the European production should also be considered. It appears that the wheat crop of Europe has actually fallen off, and I present the following suggestive figures of the production of that cereal for the consideration of the House. From 1870 to 1880 the annual average was 1,287,000,000 bushels; from 1875 to 1884 the average was 1,249,000,000 bushels; in 1883, 1,267,000,000; in 1884, 1,377,000,000; in 1885, 1,204,000,000; in 1886, 1,173,000,000; in 1887, 1,259,000,000; in 1888, 1,224,000,000.

For the decade first named, the average annual production of the United States was about 338,000,000 bushels, making a total average for the two continents of about 1,625,000,000 bushels. For the five years ending with 1888, the average crop of Europe was 1,247,000,000; of the United States, 440,000,000; making a total average of 1,687,000,000, an increase of about 62,000,000. But it is entirely safe to say that the population of Europe and America increased within that time 25,000,000.

To have kept pace with the growth of population, the increase of wheat should have been at least 100,000,000 bushels, whereas it was only 62,000,000, so that there has actually been a falling off in the production of this great cereal, the price of which is considered by all economists the surest barometer of the general scale of prices. But no matter what the state of the crops or what the condition of trade, the general trend of the price has been ever downward, and skipping the years 1884, 1886, and 1887, we must travel backward to 1825 to find a single year in which the price has ranged as low as it has during the present.

In the face of such facts it is idle to talk of increased production as the chief cause of the decline. It is true that within the last few years East India has become a most formidable competitor in the English wheat market; but this simply strengthens our position, that the monetary change is the underlying cause. The increased exportation of East India wheat is the natural result of the fall in the gold price of silver. In England rupees sell at a discount of 30 per cent. Hence the English importer can buy the same number of rupees with 30 per cent. less of English gold. With these rupees he can buy as much wheat in India as he ever could. As a result, he has a margin of 30 per cent. which he can use for the purpose of underselling the merchant who imports the American product. No advantage which the Indian ryot may have realized through the construction of the Suez Canal could ever have given him a foothold in the English market if it had not been for this fall in the gold value of silver, which has been shown to operate as a bonus upon his wheat.

If we sell there at all we must come down to the East Indian price. It needs no argument to make it clear that 40,000,000 bushels of cheap grain from India will beat down the price of every bushel that is sold in the English market. The great Southern staple, cotton, stands upon very similar footing. East Indian competition has operated in two ways against the American producer. First, by competition with Eng-

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land in manufactured goods, in countries using silver. The English manufacturer, deprived of his market in those countries, is compelled to diminish his purchases of American raw cotton. Second, the East Indian cotton planter has a bonus on his cotton exported to England precisely the same as the bonus which the wheat-grower enjoys. Accordingly we find the East Indian cotton manufacturer getting rich at the expense of his English competitor, while the cotton-raiser is prospering at the expense of the American planter.

What I have said concerning the fall in the price of wheat and cotton holds good with regard to commodities generally in gold-using countries. Mr. Herman Schmidt filed with the royal commission a tabulated statement of two hundred and seventy-five leading articles of commerce, which, in the Hamburg market, showed an average decline of 33⅓ per cent., and this tallies very closely with the figures given by The Economist, by Soetbeer, by Sauerbech, and others. I do not care to encumber the RECORD with complex masses of figures, and will therefore content myself with the presentation of two tables, one from Soetbeer's work, published as a part of the appendix to the report of the royal commission, and one taken from the annual report of the Chief of the Bureau of Statistics of the foreign commerce of the United States for the year ending June 30, 1889. The first shows the decline of prices abroad; the latter the decline in the home market.

Years.	Total index numbers without allowance for relative importance, London Economist.		Total index numbers with allowance for relative importance, London Economist.		Total index numbers with allowance for relative importance, French statistics.	
1865	2,434		2,366		2,331	
1866	2,449		2,434		2,380	
1867	2,156		2,179		2,144	
1868	1,982		2,058		2,110	
1869	1,979		1,963		2,045	
1865–69	2,200	(100)	2,200	(100)	2,200	(100)
1870	1,955	91	1,975	90	2,000	91
1871	1,981	90	2,046	93	2,250	102
1872	2,132	97	2,197	100	2,310	105
1873	2,237	102	2,298	104	2,300	105
1874	2,207	100	2,378	108	2,125	97
1875	2,098	95	2,125	97	2,085	95
1876	2,044	93	2,186	99	2,090	95
1877	2,064	94	2,205	100	2,107	96
1878	1,910	87	2,081	95	2,010	91
1879	1,676	76	1,805	82	1,915	87
1880	1,918	87	1,967	89	1,937	88
1881	1,782	81	2,054	93	1,900	86
1882	1,830	83	1,908	87	1,855	84
1883	1,755	80	1,924	88	1,756	80
1884	1,660	75	1,750	80		
1885	1,550	70	1,669	76		

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EAR

Year ending June 30—	Corn per bushel.	Wheat per bushel.	Flour per barrel.	Cotton per pound. *a*	Leather per pound.	Illuminating oils, refined, per gallon.	Bacon and hams per pound.	Lard per pound.	Pork, salted, per pound.	Beef, salted, per pound.	Butter per pound.	Cheese per pound.	Eggs per dozen.	Starch, per pound.	Sugar, refined, per pound.	Tobacco, leaf, per pound.
				Cts.	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*	*Cts.*
1855	$0.892	$1.663	$9.046	8.7	19.4	(*b*)	8.4	10.3	7.3	8.8	18.1	10.6	(*b*)	(*b*)	7.4	(*b*)
1856	.741	1.853	8.340	9.5	25.9	(*b*)	9.2	10.3	8.9	7.6	19.7	10.2	(*b*)	(*b*)	8.8	(*b*)
1857	.691	1.527	6.973	12.6	28.5	(*b*)	10.3	12.8	10.0	7.7	18.9	10.0	(*b*)	(*b*)	11.7	(*b*)
1858	.684	1.015	5.504	11.7	24.2	(*b*)	9.3	11.5	8.9	8.7	17.5	9.0	(*b*)	(*b*)	12.2	(*b*)
1859	.769	.950	5.935	11.6	24.2	(*b*)	10.5	11.5	8.1	7.0	16.4	9.1	(*b*)	(*b*)	9.5	(*b*)
1860	.724	.981	5.915	10.8	22.9	(*b*)	8.8	11.3	7.6	6.4	15.0	10.1	(*b*)	(*b*)	9.1	(*b*)
1861	.645	1.226	5.701	11.1	20.5	(*b*)	9.6	9.9	8.6	6.5	15.2	10.3	(*b*)	(*b*)	8.9	(*b*)
1862	.549	1.144	5.640	23.5	21.9	26.4	7.3	8.4	6.6	7.4	15.6	8.0	(*b*)	(*b*)	10.0	(*b*)
1863	.657	1.293	6.461	58.5	28.8	17.9	8.6	10.1	6.6	7.4	19.1	10.0	(*b*)	(*b*)	11.2	(*b*)
1864	.818	1.327	7.193	82.4	35.2	52.3	11.1	11.6	9.2	8.4	29.4	11.8	(*b*)	9.1	14.4	(*b*)
1865	1.308	1.952	10.412	76.4	40.2	74.3	22.9	20.5	16.4	12.2	33.8	22.0	(*b*)	9.8	20.1	(*b*)
1866	.819	1.406	8.427	42.8	29.5	54.2	16.6	19.8	15.9	14.5	33.3	16.6	31.1	9.6	16.3	15.4
1867	1.000	1.282	8.849	30.1	34.6	35.8	12.8	14.5	13.1	12.2	24.1	15.1	35.8	8.5	10.4	10.6
1868	1.175	1.897	10.069	19.2	24.3	29.4	12.5	14.6	11.4	11.9	28.1	13.7	30.0	8.8	14.1	11.1
1869	.968	1.388	7.73[illegible]	24.9	(*b*)	32.7	15.2	17.8	14.0	8.9	36.6	16.1	(*b*)	8.7	15.0	11.3
1870	925	1.289	6.112	23.5	28.5	30.5	15.7	16.6	13.2	7.3	29.3	15.5	39.6	8.2	12.6	11.4
1871	.759	1.316	6.594	14.9	25.3	25.7	11.4	13.2	10.9	8.7	21.5	13.7	28.5	6.6	13.2	9.2
1872	.695	1.473	7.109	19.3	23.7	24.9	8.6	10.1	7.2	7.0	19.4	11.7	20.3	5.0	12.6	10.3
1873	.618	1.312	7.565	18.8	25.3	23.5	8.8	9.2	7.8	7.7	21.1	13.1	26.6	5.3	11.6	10.7
1874	.719	1.428	7.144	15.4	25.2	17.3	9.6	9.4	8.2	8.2	25.0	13.1	22.1	5.7	10.5	9.6
1875	.848	1.124	5.968	15.0	26.0	14.1	11.4	13.8	10.1	8.7	23.7	13.5	25.6	6.0	10.8	11.3
1876	.672	1.242	6.216	12.9	26.2	14.0	12.1	13.3	10.6	8.7	23.9	12.6	28.0	5.4	10.7	10.4
1877	.587	1.169	6.488	11.8	23.9	21.1	10.8	10.9	9.0	7.5	20.6	11.8	25.9	5.2	11.6	10.2
1878	.562	1.338	6.358	11.1	21.8	14.4	8.7	8.8	6.8	7.7	18.0	11.4	15.8	4.7	10.2	8.7
1879	.471	1.068	5.252	9.9	20.4	10.8	6.9	7.0	5.7	6.3	14.2	8.9	15.5	4.2	8.5	7.8
1880	.543	1.245	5.878	11.5	23.3	8.6	6.7	7.4	6.1	6.4	17.1	9.5	16.5	4.3	9.0	7.7

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BAR	1881	.552	1.114	5.668	11.4	22.6	10.3	8.2	9.3	7.7	6.5	19.8	11.1	17.2	4.7	9.2	8.3
	1882	.668	1.185	6.149	11.4	20.9	9.1	9.9	11.6	9.0	8.5	19.3	11.0	19.2	4.8	9.7	8.5
	1883	.684	1.127	5.955	10.8	21.1	8.8	11.2	11.9	9.9	8.9	18.6	11.2	20.9	4.6	9.2	8.6
	1884	.611	1.066	5.588	10.5	20.6	9.2	10.2	9.5	7.9	7.6	18.2	10.3	21.2	4.5	7.1	9.1
	1885	.540	.862	4.897	10.6	19.8	8.7	9.2	7.9	7.2	7.5	16.8	9.3	21.5	4.0	6.4	9.9
	1886	.498	.870	4.699	9.9	19.9	8.7	7.5	6.9	5.9	6.0	15.6	8.3	18.3	4.1	6.7	7.8
	1887	.479	.890	4.510	9.5	18.7	7.8	7.9	7.1	6.6	5.4	15.8	9.3	16.3	3.8	6.0	8.7
	1888	.550	.853	4.579	9.8	17.3	7.9	8.6	7.7	7.4	5.3	18.3	9.9	15.9	3.5	6.3	8.3
	1889	.474	.897	4.832	9.9	16.6	7.8	8.6	8.6	7.4	5.5	16.5	9.3	13.9	3.8	7.6	8.8

a Upland. *b* No data.

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But the relations existing between the Government and its creditors furnish one of the best illustrations of the evil and the injustice of an appreciating standard of value. At the close of our civil war the national debt amounted to about $2,800,000,000. This debt was contracted upon a greenback basis, the Government realizing on an average not more than 50 cents on the dollar in gold. Since the return of peace the bonds have advanced in the market, and now stand at 127. This certainly represents a very healthy profit to the bondholding class, but it by no means tells the whole story. In 1873 silver was demonetized, and the bonds which were originally payable in lawful money became payable absolutely in gold. Since then the gold has appreciated about 43 per cent., so that at the present time the Government is actually compelled to pay about $1.80 in satisfaction of a demand upon which only 50 cents was realized. This idea is so well stated by Moreton Frewen, in his recent work on The Economic Crisis, that I will tax the indulgence of the House while I read a brief paragraph:

The national debt of the United States at the close of their war was more than six hundred million sterling, to-day it has been reduced to two hundred and thirty millions, and yet so far from the debt itself being reduced rather than the mere quotation of its amount in dollars, it would take more wheat, or cotton, or iron, or sugar, or maize—these are the staple products of the country—to redeem the third of the debt which remains now than would have wiped out the entire debt at the scale of prices in which that debt was contracted. "But this is all very true," replies the bondholder and gold owner, "still at the time of crisis we showed such patriotic confidence in the future of the country that we deserve to get back four dollars where we lent one; it was a fair gamble and we were the winners." But as a matter of fact the money owner did nothing of the sort; the state commenced the deal by borrowing his money without his leave by the simple expedient of printing paper money wholesale and making those notes legal tender. Every other property owner was taxed through an inflation of all prices equally with the bondholder. But he alone has been permitted to grow rich out the misfortunes of his country. Alone of the community the state has bonused his patriotism; the bonus is neither more or less than the difference in value between gold and greenbacks. The amount of the premium on gold has been the amount of the premium on this kind of patriotism.

This statement, made with so much clearness and power, presents a condition that is simply startling. It may be said that the men who own the bonds now are not the original purchasers, and hence that they have realized no such advantage. But that does not affect the principle. If the bonds have passed through a hundred different hands the profit has been divided, but the loss of the Government remains the same. When the people of this country are compelled to liquidate their national obligations by paying nearly $4 for every $1 received, it is as plain as light that somebody has been wronged, and in this case it is equally plain that the "somebody" is not the man who holds the bond.

Not long ago my gifted young friend from Iowa [Mr. DOLLIVER], in speaking of the debt of gratitude the American people owe to the soldiers of the Union, paid an eloquent tribute to the magnificent credit of our Government. I join most heartily in the patriotic sentiment which inspired those beautiful words. I rejoice with him in the fact that our national credit is as good as shining gold. But it occurred to me while he was speaking, and it has occurred to me many times since, that there is a bare possibility of the credit of the Government being just a little too good; for when I consider that the gold is appreciated 43 per cent. and that the Government is further compelled to pay 27 per cent. premium to redeem one of its bonds, it really seems to me that the very credit of the nation is a burden to the people.

Now, Mr. Speaker, I hope that there is nothing of the demagogue in my composition. I certainly do not believe that every rich man is necessarily a thief, nor am I unwilling for any man to get rich in a legitimate way. That is what we are all striving for. So far as this change to

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which I have adverted has been the natural result of a transition from war to peace it was perfectly just and proper, and nobody has any right to complain; but to whatever extent it has grown out of legislation unduly favoring the creditor class, every citizen has been injured, and it is his right as well as his duty to earnestly and indignantly protest. He must be blind indeed who can not see that such was the direct tendency of the legislation of 1873. An additional strain was placed upon gold, while the available supply has dimished rather than increased; as a consequence it has mounted higher and higher with each succeeding year. So when we hear the downtrodden bondholder, the much-abused national banker, and the oppressed and suffering capitalist pleading so piteously and so eloquently for honest money it is well for us to remember that what he means by honest money is a dollar that is worth 143 cents. There may be exceptions, but as a general rule when a debt is paid in money that is worth 100 cents on the dollar it is about as decisive an exhibition of honesty as the average debtor can afford.

"But," say gentlemen, "we were upon a paper basis at that time, and the action of the United States had little or no effect upon this money question." But is that an entirely fair statement? Did the moral effect of our action count for nothing? May it not to some extent have influenced the action of the Latin Union in closing their mints in 1874? The United States being the great silver producing country of the world, was it not equivalent to voting a want of confidence in our own product? Did it not shut off all prospective demand for silver and increase that of gold by declaring that when we did resume specie payments, it should be exclusively upon the gold basis? And have we not since that time actually absorbed nearly $700,000,000 in gold, thus making ourselves a most important factor in sending up the price? It is true that Germany took the initiative for the dethronement of silver, but when we followed obediently in the wake we became *particeps criminis.*

The fact that we were upon a paper basis at the time makes the act the more senseless and inexcusable. If the country had been already surcharged with silver, its demonetization in Europe might have excited some reasonable apprehension. But we were practically without metallic money of any kind, and if Europe could have unloaded a thousand million of dollars in silver upon us, so far from resulting to our injury it would have electrified every drooping energy of the nation, stagnant and paralyzed by the disaster of "Black Friday." But here we were with a great national debt on our hands, and as I have said, practically no coin with which to pay it. The Government goes to work and deliberately denies to the American people the privilege of paying any portion of that debt in one of the great money metals of the country. Instead of making the slightest effort to sustain silver, we help to strike it down.

But, sir, the aim of all civilized governments is to promote the welfare of the people. Therefore, no matter what nation began it, or how many were engaged in it, if it appear that it has worked a great wrong to our people, it is the duty of the American Government to come to their relief and use every means in its power to undo that wrong.

The bare suggestion, though, of free coinage provokes a storm of indignant protest, and the friends of such a measure are accused of every conceivable financial heresy. It is claimed that it would make the United States a dumping-ground for all the cheap silver of the world, and that under the operation of the Gresham law the gold would be driven out and soon place us upon a silver basis alone. Just such a prediction was made when the present silver-coinage law went into force,

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and yet, notwithstanding the coinage of three hundred and fifty million standard dollars, we have acquired more gold than any other nation on the face of the earth. But it is insisted that these predictions ot calamitous results rested upon a perfectly sound and logical basis, and that they only failed of verification because of favorable conditions existing throughout the country. In other words, if everything had gone wrong instead of right we should have had trouble. I am not going to quarrel with that proposition, but I would really like to know what sort of a political prophecy could be made the failure of which might not be explained upon the same ground. Why, sir, every law that is placed upon our statute-books is enacted with reference to existing and prospective "conditions."

I suppose there is not a friend of silver coinage in the world who would seriously claim that the Sandwich Islands or the Republic of Liberia could have coined three hundred and fifty million silver dollars within the last twelve years and held them at par. In those diminutive countries, the "conditions" are not favorable. No one would contend that Switzerland or Greece could establish free coinage and maintain the bimetalic par, but because those little nations would be unable to grapple successfully with this great monetary problem, it is a complete *non sequiter* that the United States of America would likewise fail. Our good friends however, studiously omit to inform us where these great masses of cheap silver are to come from, and while I dislike the idea of assuming an air of defiance, I do feel like challenging any opponent of silver upon this floor to name the locus of a single great accumulation either of silver bullion or silver coin with which this country can possibly be flooded.

Again our gold will not go abroad unless we get a full equivalent for it. Our people are not going to part with their gold merely for the sake of getting rid of it. If they can invest it to better advantage here than elsewhere, right here it will remain in spite of all the Gresham laws that a Wall street imagination can conjure up. This old song about the Gresham law driving out the gold has a doleful sound, and it is sung with a horrified expression of countenance similar to that of one who believes himself about to fall into the clutches of a hobgoblin. But let me ask you, Did you ever hear an advocate of the gold standard attempt to specify wherein he thought it would do us any harm? I never did, except as it is embodied in the stereotyped expressions that it would "Mexicanize the country," or place us upon the "Chinese level," and that we must be in accord with the financial policy of England, ideas which I utterly repudiate. As if the civilization of a country could possibly depend upon the particular metal which it happens to use as money.

As to England, she is far more dependent upon us than we are upon her. The balance of trade between us is immensely in our favor, some $200,000,000 a year, I think, and as long as that condition remains she will not be in a position to drain us of much of our gold. But suppose the balance should turn the other way, not only with England but with the whole world, and, in consequence, we should be compelled to send our gold abroad to meet the unfavorable balance, do you not think it would be better for us to have a good healthy supply of silver on hand for home use than not to have anything?

In dealing with this question people seem to forget that we are no longer in a dependent colonial position. They appear to think that our country is still but a narrow fringe along the Atlantic seaboard instead of a great continental nation stretching from one ocean to the other, and from Key West into the icy waters of the Arctic sea. They overlook the circumstances that more than one-half of the English speaking

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people of the world live within the confines of the American Union, and that we are the richest nation on earth to-day. Yet it is true that England is the monetary center of the world, and so she will continue to be just as long as we consent to occupy the proud position of a golden tag on the tail of her financial kite. Before the royal commission, witness after witness testified against bimetalism, and almost without exception they based their opposition to the restoration of silver upon two principal grounds: First, that it would endanger the position of London as the world's financial center; second, that England is a creditor nation drawing about one hundred million pounds sterling annually from other countries, and hence that it is to her interest to maintain the value of money at the highest possible point.

Let me give you a sample: In stating his objections to the double standard Mr. T. Comber used the following language:

1. That inseparable from a double or alternative standard a debtor will have the option of paying in whichever metal may at the time be depreciated. The chance of fluctuations in the standards of value is, therefore, not shared equally between the debtor and the creditor, but must always be in favor of the debtor. * * *

2. The position which London has acquired, as the financial center of the world, under a single gold standard, may be endangered if that standard is altered. * * *

3. England will lose the benefit which, as a large creditor on a gold basis, she has derived from the appreciation of gold. * * *

I invite particular attention to the phrase "appreciation of gold;" a distinct admission that gold has appreciated, and that England is reaping the benefit of it. Both of these latter contentions, I suppose, ought to commend themselves to the patriotic citizen of this country. I presume that the loftiest aim of American statesmanship should be to maintain the financial supremacy of London, and to enable creditor England to collect her balances in gold at a premium of 43 per cent. This world is full of inconsistencies, but I can scarcely imagine a greater one than to see an enthusiastic Republican statesman soaring aloft in a flight of inspired eloquence denunciatory of the free-trade dogmas of England, as enunciated through that pernicious Cobden Club literature, and at the same time swallowing her financial nostrums with as keen a relish as if they were chocolate caramels or homeopathic pills.

It is also very strenuously urged that the fact of silver having steadily depreciated in the face of a coinage of $350,000,000 under the existing law is proof that free coinage would not bring it to par. Another complete *non sequitur*. There is not an element of sound reasoning in the argument that because a half-way, imperfect measure, only half executed, fails to produce a given result, a full and complete one perfectly executed would likewise fail. This law was never deemed by the friends of silver the equivalent of free coinage. They took it because it was the best they could get, and I have never seen one who was satisfied either with the law or the manner in which it has been carried out. It has never been executed according to its manifest spirit, or the intent of those who placed it upon the statute-books. It was enacted over a Presidential veto and its administration passed at once into unfriendly hands. Only to the minimum of its requirements has it ever been executed, and even thus far always under protest. Every Secretary of the Treasury has been opposed to it. Over and over again has its repeal been recommended by the Executive head of the nation.

The men who hold the aggregated loanable capital of the country, who have ceased to be producers, and who feel it to their interest to make money dearer and everything else cheaper; these men have never hesitated to denounce the law as a measure formulated for the benefit of a few mine owners—a scheme to enable dishonest debtors to swindle

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their unfortunate creditors. It has been subjected to the most merciless satire and abuse. The dollar coined thereunder has been stigmatized and caricatured as a "clipped dollar," a "thieving dollar," a "buzzard dollar," a "short-legged dollar;" and the pious soul of the Wall-street Shylock has been horrified by the presence upon it of the sacrilegious words "In God we trust." The national banks and the great moneyed powers of the country have combined with the Government to taboo and proscribe it; it has been banished from the clearing-houses; every pressure has been brought to bear upon Congress, and the threat of repeal has hung constantly over it like the sword of Damocles. Is it any wonder that the price of silver has continued to fall? And does that continued fall prove that free coinage is a dangerous experiment that must never be tried?

But it is said that we have only maintained the standard dollar at par by limiting the coinage—the same as the parity of paper money is preserved by restricting the issue. But when, in the face of predictions to the contrary, we have succeeded in maintaining 350,000,000 of these dollars at par who is competent to say that we could not have maintained twice as many? And it is scarcely an open question that if we had coined twice as many, it would have created such a demand for silver bullion that the bullion itself would have been brought to par. It is a great deal more reasonable to say that the increased demand for silver—a demand falling upon a limited supply—would have raised the bullion to par than to claim that the dollar would have depreciated. If silver bullion were practically unlimited in quantity, and of no intrinsic value, like paper, then the argument in favor of limiting the number of dollars would be sound. But, while the chief value of silver depends upon its monetary use, it has a substantial value aside from that. Its quantity is limited by nature, it is difficult and expensive to obtain, and those who have studied the subject are agreed that its production costs more than it is worth after it is produced. Hence it stands upon a basis entirely different from that of paper money, which it costs nothing to produce, except to set a printing press in motion, and the analogy entirely fails. Under existing law all of the bullion can not be utilized for monetary purposes. There is a surplus left over which is compelled to seek some other employment. This surplus, by a well-recognized principle of political economy, forces down the price of the entire product of the mines. We propose to take up this surplus and coin it into money. If this would not relieve the market and bring up the bullion to its coinage value, then I am afraid that Adam Smith and John Locke and the whole army of economists who in the past and in the present have enlightened the world with the rays of their genius, have lived and labored in vain.

It is further said that free coinage is visionary and impracticable because it involves the idea of arbitrarily controlling values by legislation; and we are treated to long didactic essays upon the impotency of statute law in fixing and regulating values. As a mere generalization that is true; but it is a rule that must yield to special conditions. We can not declare by law that a dollar shall always buy just so much of wheat or iron and make it effectual, because the price of such commodities must be commensurate with the labor-cost of production. If they be undervalued the production will cease and the law become inoperative. But ordinary conditions of labor-cost do not apply to the precious metals. As I have already said, they actually cost more than they are worth, some writers going so far as to estimate that the aggregate cost is three times as great as the aggregate value. In this industry there is a very large element of uncertainty. Men will take the most desperate chances, travel hundreds of miles into the wilder-

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ness on the strength of a mere rumor, incur great expense and labor for years in prospecting barren ground, vainly hoping sooner or later to "strike it rich." Occasionally one does so, and becomes what is popularly known as "a bonanza king," while others are just moderately successful. But who shall count the failures? In every gulch and upon every mountain side throughout our great Western mineral belt we may behold in the abandoned shafts, tunnels, and prospect holes, and in the ruins of deserted towns the most conclusive evidence of wrecked fortunes and blasted hopes. In the outskirts of Virginia City, Nev., there is a mine, which has been sunk to a depth of about 2,000 feet at a cost of $4,000,000, that has never yielded a single ton of ore that would pay for milling. From this it will be seen that the labor-cost of gold and silver has but a remote bearing upon their value.

Aside from the proofs furnished by past experiences, there seems but little reason to doubt that the Government which constitutes them as money may also prescribe their ratio, provided that the nation be sufficiently large and that the disproportion between the legal ratio and their natural value be not too great. If the ratio were fixed at 1 to 1, or 100 of silver to 1 of gold, it could not be maintained; because in the first case not a gold mine, and in the second not a silver mine known, could be operated. But it appears that, as nearly as can be determined, the actual proportions of the two metals in existence is not far from 16 of silver to 1 of gold.

Mr. R. B. Chapman, at one time financial secretary of India, about the year 1880, conducted a series of investigations in this line, and, while he modestly disavows all claim to strict accuracy, it is a most remarkable circumstance that he was able to trace out 179,200,000 kilograms of silver and 11,200,000 kilograms of gold, exactly 16 to 1. From this we are justified in drawing the conclusion that 16 to 1 is approximately the natural ratio; and as the two metals stand upon about the same relative footing, so far as general utility is concerned, we are in like manner warranted in assuming that any greater divergence in value than the natural ratio must be the result of some artificial advantage accorded to gold, and that if conditions were equalized the natural ratio would be restored.

There is one suggestion (I will not call it an argument) against free coinage that I never hear without a feeling of indignation. It is that which questions the motives of the people of the silver-producing States and Territories in making this demand. Since taking my seat upon this floor it has frequently been said to me, "Why, of course you far Western people are all for free coinage, you want a market for your silver," the tone implying that we stand upon just about the same equitable plain as if we were demanding the free coinage of galvanized iron. Can it be possible that there is a person in this country, capable of reading, who does not know that silver has been one of the great money metals of the world ever since the first glimmer of civilization lit the horizon of the East? That its use antedates that of gold and has been far more extended. That it was passing current as money ages before the Pyramids were dreamed of, and long before the Chaldean astronomers first read the story of the stars.

Can it be that any considerable number of the American people are ignorant of the fact that silver is distinctly recognized as money by the great compact which binds us together as a nation, and that when we demand free coinage we are only asking for a legal and a constitutional right which we always enjoyed prior to 1873? It would be difficult, indeed, to imagine a stronger equity than that which underlies our appeal to the American Congress. It is safe to say that but for silver mining there would not be an organized State or Territory between the

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Rocky Mountains and the Sierra Nevadas. Into that desolate zone, searching for the precious metals, our people have gone and there they have made their homes. They have toiled over the parched deserts, they have climbed to the loftiests peaks of the storm-beaten mountains, they have delved and labored in the murky darkness and sweltering heat of the subterranean depths. From the gloomy chambers of eternal night they have dragged the shining gold and silver and into the coffers of this nation they have poured a stream of mineral wealth that has made the United States the wonder and admiration of the world. They have braved every hardship and danger incident to frontier life; they have built villages and towns and cities; they have constructed highways and telegraphs and railroads; they have erected churches and school-houses and colleges; they have established organized governments throughout a region four times as large as the whole Republic of France, and they have done it all upon the basis of their silver mines.

We say that having staked everything upon the development of that country when silver was clothed with complete monetary functions, when it stood upon an equality in every respect with gold, the Government of the United States had no moral right to change its status to our injury; and that to whatever extent its value was depreciated by the legislation of 1873, our people were as completely robbed as if the hand of the highwayman had been thrust into their pockets. And yet it is seriously argued that we must not establish free coinage because that, forsooth, would benefit the mine owners. And why should not the mine owners be benefited, pray, if it can be done without injustice to others? Are they not a part of the people of this great country and entitled to a portion of its beneficent care? Is not their calling as honorable and as full of hazard as any? Are we not legislating year after year for the benefit of the wool-grower and the iron manufacturer and those engaged in all the teeming industries of the great East? I say to gentlemen representing manufacturing constituencies upon this floor that the position you have heretofore occupied upon the silver question does credit neither to your heads nor your hearts.

We who live in the wilds of the far West buy the iron and steel of Pennsylvania, the cotton and woolen goods of Massachusetts, the clocks and wooden nutmegs of Connecticut, and all the highly protected products of the Empire State. In every political campaign we march shoulder to shoulder with you in the great battle for protection to American industry, but when we ask you to do justice by our silver—a product upon which our very existence depends—you shrink from us as if we were unclean things, and accuse us of trying to swindle you with a 72-cent dollar. A 72-cent dollar! In the name of God, I would ask, who made it a 72-cent dollar? Did we? Does not our silver cost just as much of sweat and toil as it ever did? Is it not as bright and pure and beautiful as when Abraham paid his shekels for the field of Machpelah? Do we propose to put any less of it into our standard coins? Was it not worth more than your boasted gold dollar up to the very day when it was "clipped" by unfriendly legislation?

If our standard dollar is a dishonest coin, then every other silver coin in the world is likewise dishonest, and every nation that strikes a silver coin is a dishonest nation. But is there a gentleman upon this floor who ever heard the East Indian rupee spoken of as a clipped and thieving coin? Who ever heard of an Italian lira being thus characterized and disparaged? Did you ever hear of the French 5-franc piece being a fraud upon anybody? I venture to say that you never did. But our standard dollar contains 3 per cent. more silver relatively to

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gold than the franc or the lira, and 6 per cent. more than the rupee. It will buy more of wheat, or corn, or lumber, or dry goods, or any of the great staples of life than the gold dollar would in 1873; and yet the advocate of the silver dollar is regarded as a sort of cross between a bandit and a three-card-monte dealer—a man wholly without conscience, and whose noblest ambition is to rob the unsophisticated money lender of New York and New England.

Now, I wish to say to my friends on both sides of this House, and from all sections of the country, that we are not here asking for charity; we are not in the position of mendicants by any means. We are asking for simple justice, nothing more and nothing less. But it is proper for you to consider the effect which the demonetization of silver had upon the silver-mining States and Territories, because it is a great industrial as well as a monetary question. In the arid regions where silver mines abound there is not the variety of resources which we find east of the Rocky Mountains. Nature has not been very bountiful in her gifts to that section. There, silver mining is the germ and support of every other industry. Strike that down and everything else falls with it. This is especially true of Nevada. The demonetization of silver cast a blight upon the entire State. We have no great bonanzas there now with which to deluge the world, but we have many mines of low-grade ores that might have been worked at a moderate profit if silver had stood at the old-time figure. This would have led to further prospecting and the development of new leads, which in turn would have encouraged our people to engage in every other branch of secondary or dependent industry. As it is they have been completely crippled. Only the best mines could be worked. The miners have been compelled to emigrate, the population is practically stationary, many of our towns have been virtually abandoned, prospecting has almost become a lost art, and every line of industrial development is at a standstill.

But, Mr. Speaker, I take a much broader view of this question than can be obtained from a consideration of the local interests of Nevada. Nearly the whole of my manhood life has been spent within the borders of that State. The aroma of her sage brush plains, and the breezes that sweep from the snowy heights of her mountains have been my inspiration ever since I emerged from boyhood. There I have carved out my fortune, (in an exceedingly small way), there I have been honored far beyond my deserts, there I have formed the dearest friendships of my life. But I love the whole Union far more than I love any one State, and if I believed for a moment that the remonetization of silver would injure the country as a whole, rather than advocate it I would break those endearing ties and begin life anew in the midst of other scenes. But I believe nothing of the kind. It has been reserved for the financial statecraft of this day and generation to paint the frightful picture of a vast nation and a great people being ruined, impoverished and crushed to the earth beneath an avalanche of silver dollars.

There are other objections to free coinage at which I can do no more than glance. Indeed a glance is more than the most of them deserve.

It is sometimes argued that with free coinage the Government would lose the 25 or 30 per cent. seigniorage which it now enjoys. My answer is that no Government is entitled to any such gain. The whole idea of seigniorage is that whoever has coin struck shall bear the expense of its coinage. There is no country, so far as I know, that runs its Mint as a source of profit. The Mint stands upon the same footing as the post-office. It was organized for the convenience of the people; to furnish them with a circulating medium, and not for the purpose of

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raising revenue. There is no more reason why the Government should realize a profit on its silver coinage than upon the coinage of gold, both being standard money. There is no more justice in requiring the silver miner to give up one-fourth of his product for the benefit of the rest of the country than there would be in requiring the farmer to surrender one-fourth of his wheat crop for a like purpose. If the silver dollar is in fact a dollar, good and sufficient for all business purposes, there is no reason why the toiling miner should not receive a dollar for it.

But it is urged that to establish free coinage is to force up the price unnaturally. It is passing strange though, that those who speak thus of free coinage forcing up the price of silver, are unable to see, or unwilling to admit, that this is exactly what is being done with gold every day in the year. The free coinage of any metal is equivalent to its purchase by the Government at a certain price. That purchase is in the nature of a demand, and demand forces up the price of anything. If the $3,200,000,000 in gold coin now supposed to be in use was demonetized, the mints closed to the annual product of the mines, and the whole mass compelled to seek other employment, does any one suppose that it would retain its present value? Such a proposition as that does not admit of intelligent discussion.

It is contended, and very strenuously, too, that there is a great difference between the free coinage of gold and the free coinage of silver, because silver bullion is at a discount, while gold bullion is worth just as much as gold coin. That is a profound bit of philosophy, is it not? Of course gold bullion is worth just as much as the coin, because any man who has the bullion can take it to the Mint and have it stamped into coin, free of charge. Gold coin and gold bullion are interconvertible in the most complete sense, and it is utterly impossible for there to be any substantial difference in value between them. It was just so with silver before the coinage was stopped, and it would be so again, for the simple reason that it could not be otherwise.

In discussing this question with gentlemen upon this floor and elsewhere, I have frequently been told that the "consensus of opinion" is against the views which I entertain, and hence that we should approach this question very cautiously. But what is meant by "consensus of opinion?" How is it determined? Have we any proof that it was the combined judgment of the masses of the German people that led to the demonetization of silver by that empire? Was the question ever presented to them as a distinct issue, and a vote taken upon it? Was it not in fact the arbitrary action of the Imperial Government influenced by the same banking interests which have always so largely controlled its financial policy? What "consensus of opinion," adverse to silver, has ever manifested itself in France or the other states of the Latin Union, save as the Governments of those countries were seized with the fear of being swamped with Germany's discarded silver, and the supposed inexhaustible stores of our "bonanza" mines? What "consensus of opinion," what popular demand led to the passage of our own demonetizing act of 1873? Why, sir, not one person in a thousand even knew that it had been done until a year or two afterwards; and if the "consensus of opinion" could have been fairly voiced by the American Congress, that law would not have remained upon the statute-books one year after the discovery was made.

There is no "consensus of opinion" against the use of silver that I am able to discover. But suppose there were; what of it? If the consensus of opinion were to control the actions of men, there never could be any departure from the existing order of things, no great reforms could ever be instituted for the benefit of the human race. It was right in the face of a "consensus of opinion" that had existed

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for two thousand years that the American Republic itself was fashioned into shape and launched upon the ocean of its national life.

It is childish to invoke the consensus of opinion as evidenced by existing laws. No opinion is worth listening to unless it rests upon a solid basis of reasoning. The way for us to do is to look the matter squarely in the face and deal with it according to the best intelligence we may possess. To say that we must be governed by the "consensus of opinion" is equivalent to telling us that we must not try to change existing law because "it is written."

A problem in political economy can seldom be proved as we would prove a sum in arithmetic, but the ability of the United States to establish and maintain bimetallism is, in my opinion, almost susceptible of mathematical demonstration. In order to fairly consider this question it must be remembered that not less than two-thirds of the people of the world use silver money almost exclusively, while those countries upon the gold basis also use vast amounts of silver in an auxiliary way. In Europe and America the total amount of coin is estimated at about $3,200,000,000 in gold and $1,900,000,000 in silver, using round numbers.

Such being the fact, it is not true, as it is so frequently said, that the country establishing bimetallism takes upon itself the whole burden of maintaining silver. It merely occupies an intermediate position, forming a connecting reservoir, as it were, between the gold and silver standard countries, and it is only necessary for the bimetallic country to be able to receive and sustain the overflow from either side. The Secretary of the Treasury shows in his last annual report that there is not a country in the world that can afford to part with any considerable portion of its silver coin, or that is at all likely to do so. On the contrary, they all absorb large amounts every year. Hence, if we establish free coinage it will only be necessary for us to stand ready to coin what remains of the annual product after the demands of other countries have been satisfied. And in this connection it must not be forgotten that the European demands will always have the first call upon the bullion supply, because of the fact that their coinages are executed at the ratio of 15½ to 1, which makes silver worth about 3 per cent. more than it is at our coining ratio of 16 to 1. If we provide for free coinage at the latter ratio silver can never fall below the price of $1 for 371¼ grains, because no one will sell it for any less; but by reason of this difference in ratio, it may at times get a trifle above it in Europe, and the holders of bullion will naturally seek the best market. The production and consumption of silver for the year 1888, as shown by the Secretary's report, was as follows:

Product (coining value)	$142,000,000
Required by India	35,000,000
Required by Japan and Austria	10,000,000
Subsidiary coinages of different countries	16,000,000
Exported to Asia and Africa (exclusive of India)	10,000,000
Absorbed by Mexico	5,000,000
Used in arts, etc	15,000,000
Leaving a surplus product of	51,000,000

If these figures be correct (and I believe they rather underestimate the amount of silver used in the arts and in Mexico) it follows that certainly not more than $51,000,000 annually would be deposited at our mints for coinage.

The question, then, is simply this: Can the United States absorb into its currency $51,000,000 in silver annually and maintain it at par? The experience of France is a complete answer to the question. From

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the beginning of 1851 to the close of 1885 the coinage of France was in round numbers $1,703,000,000, something over $48,000,000 a year. The population of France for that period could scarcely have exceeded 32,000,000—say one-half our present population. Therefore it follows that figuring upon the per capita basis we can coin $96,000,000 a year as easily and advantageously as France could $48,000,000. Our total gold coinage last year was about $25,500,000, which added to $51,000,000 in silver would make $76,500,000; still $19,500,000 less in proportion than the coinage of France for that long period of thirty-five years.

But further: Our total supply of money, including gold and silver in the Treasury and deducting the certificates of deposit thereon, can scarcely exceed $27 per capita. France has about twice that per capita. If the whole mass of coined silver in Europe were thrown bodily into the United States we should have no more money in proportion to population than is now held by France—that is to say, $55 a head. To maintain that per capita would require an annual coinage of about $100,000,000. Suppose we had such an amount of currency; does anybody suppose it would do us any harm? Have any complaints of too much money ever been wafted across the broad bosom of the Atlantic from the smiling vineyards of France? So far from it, is it not a well-known fact that, as a whole, the French people are more comfortable and prosperous than any other in Europe? What other country could have met and paid that great German indemnity of $1,100,000,000 with such ease, after a war in which she had sustained one of the most crushing defeats recorded in modern history?

Let us look at this phase of the question from another standpoint for a moment. The population of the United States at this time is only about 10,000,000 less than that of the Latin Union in 1873, and it is rapidly increasing. That Union consisted of France, Italy, Belgium, Switzerland, and Greece, and the population was nearly stationary. In the matter of energy and business enterprise there is scarcely room for comparison between the two populations. When we consider the vast domain of our country, the infinite variety of its resources, and the almost limitless field it presents for industrial development, I may be justified in expressing the belief that in its capacity for the absorption and legitimate uses of money it is scarcely inferior to the whole of Continental Europe. The entire amount of silver known to exist is not more than $4 a head for the population of the earth, and the annual product is about 10 cents. The suggestion of the American Republic, as Gladstone describes it, "almost a world in itself, and not a very little world either," being swamped with such an amount of the metal, can be characterized as nothing less than a descent from the sublime to the ridiculous.

Now, the question arises, will free coinage practically keep the two metals together? Our opponents say no—that they will constantly fluctuate, and will never be absolutely together except at very brief intervals, when the lines of fluctuation cross. That the debtor will always pay in the cheaper metal, and for the time such metal will be the sole standard. This is a mere metaphysical refinement. If it were true, it would simply prove that the double standard furnishes a steadier measure of payment than a single standard; because if the debtor always pays in the cheaper metal, it is plain to be seen that his payments will follow the line of the least variation.

Let me illustrate this by slightly changing one of Professor Jevon's figures: We will in imagination draw a line representing the average relative value of gold and silver. This value fluctuating, part of the time one metal will be above the line and the other below it, and then the

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positions will be reversed. When silver is below the line, the debtor selects that metal on which to make payments; when gold sinks below his payments will be made in gold. Thus the line of payments would always be on or below the line of average value; while if we have but one metal we must follow its extreme fluctuation both ways. But the whole argument, based upon these variations, is purely theoretical. Whatever fluctuations there may be affect the bullion only, the coin remaining commercially the same all the time. Not one debtor in a thousand ever sees any uncoined bullion. He pays in whichever metal he may happen to have. Just as long as both coins circulate at all the double standard will be maintained. This is conclusively shown by the experience of France. In 1803 free coinage in that country began. At that time, according to Dr. Soetbeer, the relative production of the precious metals was 76.3 per cent. of silver to 23.7 per cent. of gold. In later decades it stood as follows:

1811 to 1820	75.3 silver to 24.7 gold.
1821 to 1830	67.3 silver to 32.7 gold.
1831 to 1840	65.1 silver to 34.9 gold.
1841 to 1850	47.3 silver to 52.7 gold.
1851 to 1855	22.4 silver to 77.6 gold.
1856 to 1860	22.4 silver to 77.6 gold.
1861 to 1865	27.9 silver to 72.1 gold.

In other words, the production varied from about $3\frac{1}{3}$ of silver to 1 of gold to a ratio almost exactly reversed. And yet during that whole period the extreme variation between the two metals was only $2\frac{7}{8}d.$ per ounce, while for business and commercial purposes the par value of the coins was never disturbed for a single day. Upon this point I wish to invoke high authority, and I invite the especial attention of the House to sections 191, 192, and 193, of part 1, of the final report of the royal commission:

Section 191. The explanation commonly offered of these constant variations in the silver market is that the rise or depression of the price of silver depends upon the briskness or slackness of the demand for the purpose of remittance to the silver-using countries, and that the price is largely affected by the amount of the bills sold from time to time by the secretary of state for India in council.

But these causes were, so far as can be seen, operating prior to 1873, as well as subsequent to that date, and yet the silver market did not display the sensitiveness to these influences from day to day and month to month which it now does.

Section 192. These considerations seem to suggest the existence of some steadying influence in former periods, which has now been removed, and which has left the silver market subject to the influence of causes the full effect of which was previously kept in check

The question therefore forces itself upon us: Is there any other circumstance calculated to affect the relation of silver to gold, which distinguishes the later period from the earlier?

Now, undoubtedly, the date which forms the dividing line between an epoch of approximate fixity in the relative value of gold and silver, and one of marked instability, is the year when the bimetallic system which had previously been in force in the Latin Union ceased to be in full operation; and we are irresistibly led to the conclusion that the operation of that system, established as it was in countries, the population and commerce of which were considerable, exerted a material influence upon the relative value of the two metals.

So long as that system was in force we think that, notwithstanding the changes in the production and use of the precious metals, it kept the market price of silver approximately steady at the ratio fixed by law between them, $15\frac{1}{2}$ to 1. When once the conclusion is arrived at that this was the case, the circumstances on which we have dwelt as characterizing the period since 1873 appear amply sufficient to account for the fall in the price of silver, tending, as they all do, in that direction; and the fact that on any particular day the supply of silver and of council bills may be large while the need for remittances is small, and *vice versa*, would explain the constant fluctuations in the price of silver which have manifested themselves in recent years.

Section 193. Nor does it appear to us *a priori* unreasonable to suppose that the existence in the Latin Union of a bimetallic system with a ratio of $15\frac{1}{2}$ to 1 fixed between the two metals should have been capable of keeping the market price of silver steady at approximately that ratio.

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The view that it could only affect the market price to the extent to which there was a demand for it for currency purposes in the Latin Union, or to which it was actually taken to the mints of those countries, is, we think, fallacious. The fact that the owner of silver could, in the last resort, take it to those mints and have it converted into coin which would purchase commodities at the ratio of $15\frac{1}{2}$ of silver to 1 of gold would, in our opinion, be likely to affect the price of silver in the market generally, whoever the purchaser and for whatever country it was destined. It would enable the seller to stand out for a price approximating to the legal ratio and would tend to keep the market steady at about that point.

That statement is embodied in the portion of the report which is signed by the whole twelve members, six of whom were pronounced friends of the gold standard. The Latin Union was not formed until 1865, and, as I have stated, in the face of these tremendous variations in production France alone held the two metals approximately steady at the ratio of $15\frac{1}{2}$ to 1 for a period of sixty-two years. To say that the double standard was not maintained during the time that her mints were kept open is to indulge in hair-splitting theorisms that have no earthly value in the practical concerns of life.

It is claimed, though, that France could not have maintained bimetallism if it had not been for peculiarly favorable conditions existing at the time. I really do not know what our opponents would do if they did not have favorable conditions to fall back upon in explanation whenever their pet theories fail. In this case the favorable conditions were that in 1803 France had a large amount of gold on hand, and hence could absorb a great quantity of silver. And, again, when the golden tides of California and Australia began to break upon the shores of Europe she had an immense stock of silver, and could therefore in like manner take up a great deal of gold. A very complete answer to this contention is that our position is quite similar to that of France in 1803. We have a large store of gold to begin with, and in view of our past career as a nation it is not extravagant for us to look forward to a maintenance of reasonably favorable conditions in the future.

The royal commission was evidently not much impressed with this argument based upon favorable conditions, as the following language plainly indicates:

It has been urged that during the earlier of the two periods which we have been contrasting, the conditions which existed from time to time were favorable to the maintenance of the legal ratio; that the great influx of gold towards the middle of this century found France with a large stock of silver, and that this silver, owing to exceptional circumstances, had a ready outlet to India. But we do not think this affords an adequate solution of the problem, without taking into account the existence of the bimetallic system. It may be true that the circumstances referred to were conditions which helped to make the bimetallic system operative. But, as we have observed before, circumstances and conditions of a like nature have been more or less operative both before and since 1873, and yet the effect on the relative value of the two metals has been very different.

Explain it as they may, the fact remains that for a period of seventy years the double standard was maintained in Europe, and for sixty-two years of that time France did it alone. If we can settle this question for an equal period we shall be doing exceedingly well. That will carry us into the latter half of the next century, and I think we can very safely trust the future generations to deal with the question from that time on.

It is also said that France could not have continued to maintain free coinage after Germany demonetized silver, but that is merely the statement of an opinion. The fact is that she did maintain it just as long as she tried to, and there is no more force in the suggestion that she could have continued it no longer, than there would be in the declaration that Germany could not have maintained the gold standard when she aban-

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doned that in 1857. Gold at that time was being produced in such abundance that Germany was afraid of being swamped with cheap gold, just as France afterwards feared an inundation of depreciated silver, and both shaped their policy accordingly. I see nothing to support the theory that France was forced from her position in 1874.

But this fact is worthy of note. The action of France was far more disastrous in its consequences than was the former action of Germany concerning gold. When the latter country demonetized gold, France held its value steady by free coinage. But when silver was demonetized, France suspended coinage, and the moment she did so, the bimetallic par was broken. There is nothing in the situation which makes the problem any more difficult now than it was then. Monetary writers are in the main agreed that there has been no increase of production sufficient, in itself, to materially affect the value of silver. We have an enormous advantage over France, in population, in resources, and in a territory more than fifteen times greater than hers. Therefore, the fear of being flooded with silver, strikes me as being visionary in the extreme, and I see no reason to doubt that what 25,000,000 of French people so successfully accomplished 65,000,000 of Americans can do equally well. Indeed, I want no stronger argument in favor of the ability of this country to maintain free coinage than the Secretary of the Treasury furnishes in his annual report. When he states that there is no known accumulation of silver bullion anywhere, that no nation can part with any considerable portion of its silver coin, that of the annual supply not more than $51,000,000 would probably reach our mints, and that this amount could be taken into our currency without danger, he certainly leaves but very little ground for the opponents of free coinage to stand upon.

The belief is now very general that we have an insufficient money supply in this country. In his circular, dated April 26, Henry Clews makes use of the following language:

> Of course the effect of this contemplated expansion of the currency will be highly stimulative. In the more sparsely settled parts of the country there have been very severe complaints about the scarcity of money, and even at the centers of population business has been hampered by the same cause. On the 1st of April the total amount of money of all kinds in circulation in the United States was $1,437,494,000. It is true this was an increase of about $31,000,000 within the year, but what is that amount divided between a population of about 65,000,000? The present supply of currency has proved inadequate to meet pressing demands arising from the wonderful development of industry now in progress. In this country it is now about $22 per capita. In the United Kingdom, where a compact population greatly increases the efficiency of circulation, it is about $20 per capita, and in France, where similar conditions prevail, it is nearly $40 per capita. In a country so sparsely populated as the United States, where currency in some sections necessarily moves with less facility than in others; in other words, where a given sum is able to do imperfect work, it is evident that we can safely stand considerable expansion, whether it be considered advisable or not. There is no doubt that the dangers of silver inflation have been much exaggerated, and, real or fanciful, they are so distant as to have no effect on the early future.

Whether there has been actual contraction or not depends upon the years between which we make the comparison. Taking the year 1878 as the initial one, the Secretary of the Treasury figures out an increase. But there is no point in comparing 1889 with 1878, for the whole intervening period has been one of depression. We should compare a season of business activity with one of general stagnation. If we begin with 1866, when we were at the very zenith of our national prosperity, we find that there has been an enormous contraction. We then had an aggregate of money fully as large as we have to-day, although our population was but little more than one-half as great as it now is. Our per capita of money at that time was about $52, as is shown by the following table.

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The amount and kind of currency June 30, 1866, was as follows:

One-year notes of 1867	$8,908,341
Two-year notes of 1868	9,415,250
Compound-interest notes	159,012,140
Seven-thirty notes	806,251,550
Temporary loan, ten days	120,176,196
Certificates of indebtedness	26,391,000
United States notes (greenbacks)	400,891,368
Fractional currency	27,070,876
Gold certificates	10,713,180
National-bank notes	294,579,315
Total	1,863,409,216

Divided among 35,819,281 inhabitants this gives $52.01 per capita. Now it does not exceed $27, as I have stated, and there is a universal cry for relief from the thumb-screw of contraction, going up from all parts of the country.

I am a firm believer in the quantitative theory of money. I use the word in no technical sense, but simply to convey the idea that as population increases and the ingenuity and labor of man add to the quantity and kinds of those commodities that are made the subject of sale and transfer, the quantity of money should increase pro rata, in order that prices may be fairly sustained. Otherwise it is manifest that those who control the accumulated capital will have and maintain an unnatural advantage over the producing classes. Suppose that during the next twenty-five years there should be a steady increase of population, manufactures, goods, and property of every kind, while the amount of money remains constantly the same. Is it not clear that the purchasing power of each unit of money will be greatly increased? It follows, then, that while the whole body of producers would receive no more for their total product, the man who begins the period with a considerable mass of loanable capital, or who is in the enjoyment of a fixed income, will have realized an enormous advantage. It can be seen at a glance that a man with $100,000 in money is relatively richer when property is cheap than when it is dear, because he can buy more of it. This is why we always find the moneyed classes opposing what they are pleased to call "inflation of the currency." Perhaps, though, I ought to qualify this remark by saying "nearly always," for those who have observed the strenuous efforts now being made to permit the national banks to increase their circulation, must, I think, be compelled to admit that there are circumstances under which even a national banker can with an easy conscience and in a philosophical frame of mind accept an inflation of the currency.

I do not claim that it is the duty of the Government to come to the rescue and correct every inequality which may arise in the fortunes of men. But Governments, having assumed the control of the money of the world, should at least endeavor to control it in such a manner as to prevent gross injustice to any class or classes of people. From the remotest antiquity, gold and silver have been the two great money metals of the world; but never since modern history began have the two combined been sufficient for the commercial requirements of man. This is clearly proved by the fact that in all civilized countries, at least, immense sums of paper money are used in addition to the metallic, while there are always some countries upon a paper basis exclusively. Mulhall states that paper money is increasing much more rapidly than specie, and that in 1880 it constituted 38 per cent. of all the currency in use. This is further supplemented by checks, drafts, and other forms of commercial paper, and it has been estimated that from 95 to 98 per cent. of the business of the world is conducted without the actual transfer of any money at all. This fact, if it be one, is used as

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an argument to combat the idea that the demonetization of silver has made money scarce; and it is claimed that banking expedients have so economized the use of money that we no longer need silver for that purpose.

The logic of this position is not quite clear. If it be true, as claimed, that banking has made great advances within recent years, I am still unable to see how it is going to do us any harm to bring to our aid all the silver which nature has placed within our reach. There are times when banking expedients are not quite the equivalent of plain simple money. For example, when the unfortunate debtor, weighted down with the load of his obligations, is struggling vainly to get money with which to satisfy his creditors, it is poor consolation indeed to tell him to "cheer up, for no matter how scarce money may be, we have plenty of banks, and banking methods are improving all the time." Money is what he wants, and money is the only thing that will liquidate his debts. "But," says the banker, "I will lend him whatever money he wants; there is plenty of it in my vault."

Right there we have the germinal idea with the average banker in dealing with this whole question of money. He always looks at it through the wickets of his particular bank. If he has plenty of money loaned on good security and plenty more to loan, he thinks that the very acme of human happiness has been reached. The thought never strikes him that the business man or the farmer may occasionally desire to have a little money without being compelled to go to some bank and borrow it, or that possibly he may not have the gilt-edged collateral which is almost invariably a *sine qua non* with those institutions.

The mere privilege of borrowing money by giving a mortgage on his farm does not make the farmer prosperous. That is the very trouble which besets him. He has borrowed more than he can pay, and it hangs like a mill-stone around his neck. What he needs is such an adjustment of the currency of the country as will preserve something like equilibrium between the products of his labor and the money of the banker, so that he may satisfy that mortgage when it becomes due.

The fact that there is a large amount of money lying idle in the vaults of our banks is frequently invoked as an answer to the claim that we have an insufficient money supply. That sir, is no answer at all. When the circulating medium is insufficient to sustain prices and preserve a reasonable margin of profit, capital is very naturally withdrawn from active business, and by what may be called the law of monetary gravitation it finds its way into the banks. This very circumstance is one of the most ominous signs of the times. When I look over our broad national domain, rich in every form of natural wealth, still in the infancy of its development, and with opportunities for the profitable investment of money such as the world has never seen; and when instead of taking advantage of those opportunities, I behold the capital of the country shrinking into the great banking centers, seeking permanent investments and contenting itself with 4 per cent. interest on a 127 per cent. bond, the conclusion comes with irresistible force that there must be something radically wrong with our financial system.

But, by way of still further emphasizing the unsoundness of this position it is proper for me to add that the alleged increase of banking facilities is itself mere matter of assumption.

Among those who have studied the subject the weight of opinion is that there have been no material improvements in banking methods since 1873. Of course there are more banks and their volume of business has increased with the general increase of business throughout the world; but no changes are noted the tendency of which is to lessen the

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proportion of money actually used; and even if the proof were conclusive upon the point we might well ask why prices have so utterly collapsed if banking credit is a perfect substitute for money.

One of the most remarkable features of this whole controversy is the persistency with which the devotees of the gold standard reach out into the darkness, as it were, and grasp for intangible things. They seek for revolutions in mechanics, and they find none; they seek for revolutions in transportation facilities, and they find none; they seek for revolutions in banking methods, and they find none. But one great revolution certainly has taken place, namely, a revolution in the monetary system of the whole Western world. The fact of this revolution they admit, of course, but to its natural, nay, its inevitable effects they are as blind as so many owls winking and blinking in the dazzling light of the noonday sun.

No matter what the development of banking may be, there must be an abundant supply of money to sustain any form of credit; and in order to make even paper money perfectly effective, it must rest upon a basis of substantial value. The broader the metallic base the more paper it will sustain. Can anything be plainer than that? If the coin reserves be allowed to become too small, if the base of actual value be unduly narrowed, the superstructure of credit erected thereon comes down with a crash; and it is a matter of common knowledge that every panic that has swept over the commercial world, wrecking the fortunes of men and carrying ruin everywhere, has been the direct result of an undue extension of this credit system, upon which the advocates of the gold standard so largely rest their case. And right here I want to call the attention of the House to what has been said by an eminent advocate of that standard with reference to the credit system of England, which some financiers think it especially wise for us to permanently adopt.

I remember the time when traveling in France as a boy I could not get any gold without paying dearly for it. I have traveled in France since when I could hardly get any silver; and I believe it is notorious that France was, before the celebrated gold discoveries, comparatively very short of gold and very full of silver, and since that time she has been very full of gold and very short of silver. It may be said that she retained her position as a mercantile country notwithstanding that, and so she did; but her position and ours are totally different. Her credit system is a mere nothing compared to ours. The whole system is totally different. They never have panics in France, unless it be stock exchange panics. They do not know what a commercial panic is in France, because one may say no man trusts another, by comparison. * * *

Again, he says:

Unfortunately our stock of gold is very small. A difference of £10,000,000 would cause a panic during our present arrangements. * * *

Such is the language of Mr. William Fowler, and it needs no comment. No commercial panics in France, but the credit system of England, so delicate and precarious that a difference of £10,000,000 would create one, and yet we are told with all seriousness that we must be in accord with the financial policy of England. It may be that commercial panics are blessings in disguise, but, if so, unfortunately the disguise is so perfect that we have never been able to penetrate it.

I realize perfectly that in such a country as this, with its tremendous business activity and ever-swelling tide of commerce, both foreign and domestic, a great use of credit is inevitable; but I think that we should have just as much primary money back of that credit as it is possible for us to obtain. I believe that the joint use of silver and gold is better than the use of either alone, for the same reason that leads me to believe that two dollars are better than one. Aside from the fact that the two metals together will sustain more credit, they also afford a steadier measure of value than one alone. It is obvious that a large

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body is less liable to fluctuation from local and special causes than a small one. If we have but a single metal any increase or decrease of production operates directly upon that one and there is nothing to moderate its effects. With two, an increase of one may be accompanied by a decrease of the other, or the ratio of gain or loss may be different, and the one acts as a balance to the other. The urgent necessity for the use of both metals is further emphasized by the fact that the supply of gold seems to be gradually diminishing, while there is a continually increasing use of the metal in the arts.

Soetbeer estimates that the amount of new gold available for coinage does not exceed $15,000,000 annually, and upon this slender basis the advocates of the single standard propose to erect a towering and tottering edifice of credit with which to transact the business of the world. It is also worthy of the gravest consideration that the total product of both gold and silver is scarcely greater than it was ten years ago, and every reasonable probability points to a decrease rather than an increase in the future. How utterly absurd is it, then, to even contemplate the idea of discarding silver from our monetary system! And if they are to be jointly used, in what way can they be so advantageously utilized as by placing them upon exactly the same footing? Any limitation upon the privileges of silver virtually preserves the gold standard which may be a matter of the most serious consequences hereafter.

Suppose the bill reported by the committee should fail to bring the two metals together! Is there a shadow of doubt that every national, State, and municipal creditor in this land would feel that he had an unquestioned right to demand gold? It has been peculiar to the finances of this country that the public creditor has always demanded and received the best; that is, the most valuable money in existence. I would make it all equally good. I would have no best. I am willing for the creditor to have gold if he wants it, but I would not allow the value of that gold to be artificially enhanced by the dethronement of its associate metal. I would put gold and silver upon a precisely equal footing, and the paper money should be made absolutely inter-convertible with the metallic, so that every dollar in circulation should be the equal of every other dollar. There is no way, in my opinion, by which this can be accomplished except by free coinage. If we merely allow a certain amount of bullion to be deposited with or purchased by the Government, it still leaves the ordinary conditions of supply and demand free to influence the price. But link them together by free coinage at a fixed ratio, and they never can separate. We then get the full and permanent benefit of both.

Now, sir, I have said that the bill under consideration does not meet with my approval. I believe that the solution of this problem requires complete, absolute, and unqualified free coinage. It is absurd to expect one metal to maintain itself by the side of the other, when it is loaded with restrictions which tend to keep it down. To give us a half-way measure, and promise us free coinage when parity is reached, is about the same in principle as for a physician to prescribe a half dose of medicine for a sick patient, promising him a full dose when he is entirely well. This bill may bring silver to par; if so, it practically solves the question. But it may not have that effect, and if it fails, there is scarcely a doubt that our opponents would use it as an additional argument against us. They would say that "silver has been fairly tried and found wanting; let us now discard it entirely."

My great objection to the bill is the so-called "bullion redemption clause." I have never been able to see any merit in that provision. If I were a firm believer in the gold standard I might regard it with some favor. If I believed that our financial salvation depended upon

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maintaining the value of dollars at so high a figure as to render it almost impossible for a poor man to ever get one, this provision would certainly commend itself to my judgment. Its declared purpose is to "anchor these notes to gold." This carries with it the assumption that no dollar can possibly be a good dollar unless it be a gold one, or measured in gold.

From what I have already said, it will be clearly understood that this idea I most emphatically reject. We say that the demonetization of silver was wrong and that it ought to be completely restored. But in view of the diversity of opinion existing and the fact that there is an actual difference in value between the two metals, the great bulk of the silver men are willing to concede that the silver shall be taken by the Government at its gold valuation, and, as a further concession, they will consent to a limitation of the amount to be received, which shall operate as an effectual safeguard against an inundation from abroad which many seem to fear.

The silver men say that having made thus two concessions, nothing more can reasonably be asked. Here we have a Government of the richest and strongest nation that the world has ever seen; a Government that can control every dollar of the tangible wealth of the country for any legitimate public purpose. It purchases a limited amount of silver at its gold valuation. If that Government can not take some chances on maintaining the value of the money which it thus creates, without establishing a silver-bullion warehouse, it had better surrender its prerogative of controlling the money of the country.

This provision is wholly unnecessary as a preservative of national credit. These notes being legal tender, with all inducement to speculation withdrawn, probably very few of them would ever be presented for redemption, in which case they could be redeemed in gold. But suppose they could not. The silver bullion is all there in the Treasury, and if it fail to gravitate back to par it is an easy matter for Congress to authorize its coinage into dollars of such weight as will make them equivalent to gold. But it is said that this involves danger and that we should take cognizance of premonitory symptoms and guard against it at the threshhold. Very well, show us the "premonitory symptoms." I am not able to see them. Every man is liable to be stricken with small-pox, but it would hardly be fair to say that every man shows premonitory symptoms of that dread disease. Our opponents ought to be fair. In view of the fact that they are not able to point to any country that ever has been injured by bimetallism they ought to be willing to give us a chance to prove whether or not we are right. As long as they can deny to us that chance they keep the question in the domain of theory, and upon that basis they can continue the battle. But if we be given an opportunity and demonstrate the correctness of our argument they are then in the position of defeated theorists; and their ambition does not run in that way.

When silver men object to this provision they are instantly accused of desiring to place the country on a silver basis and flood it with "Cheap John" dollars. But, with singular inconsistency, in the very next breath they are charged with trying to force up the price of their bullion and to compel the Government to pay them 100 cents for silver which is now worth only 72.

The mental process by which the possibility is figured out, of the silver men raising their bullion to par and at the same time foisting a 72-cent dollar upon the people, is a mystery which I have never yet been able to solve.

To my very common-place intellect 100 per cent. bullion and 72 per

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cent. dollars are about as directly opposed to each other as any two things that can be imagined.

But to recur to this provision. The avowed purpose of the bill is to restore silver to par. The direct tendency of this clause is the other way. The very act of withdrawing bullion, as here provided, would have the effect of depreciating its value.

The Secretary of the Treasury himself admits that such would be the effect, but he says that he thinks very little would be withdrawn; that is to say, the provision is a good one, if it be not acted upon, but the instant its machinery is set in motion it widens the gap between gold and silver, and the fundamental purpose of the entire plan fails. But it is asked, "What object is there in any man withdrawing bullion?" A sufficient answer is, that if there is no object in withdrawing bullion there is certainly no object in having the provision there.

But it is well for gentlemen to bear in mind that when this bill was originally framed it contained a provision allowing the Government to redeem the certificates in gold, for the sole purpose of preventing the withdrawal of bullion in a spirit of speculation—a distinct recognition of the possibility of such speculation under this provision. It may be that this danger is remote and somewhat exaggerated, but it is certainly within the range of possibility and even of reasonable probability; and unless it can subserve some good purpose which will more than compensate for this danger, it ought to be stricken out. That good purpose has never been shown in a manner that in the slightest degree addresses itself to my intelligence.

The objection to this provision is not one of mere sentiment—it is one of principle. Every rock-rooted advocate of the gold standard is in favor of it; every bimetallist is opposed to it. Every argument in its support, by whomsoever made, is based upon the theory that the gold standard must be maintained at all hazzards. It is said that as long as the holder of these notes can go to the Treasury and get their gold value in silver bullion, we have a safe and reliable currency based upon gold.

Grant it, by way of argument. Now, suppose it be acted upon. In a season of panic, bullion is withdrawn in large quantities. Down goes the price. Bullion being cheaper, more and more people will want it, thinking it will rally again, and they will profit thereby. Every ounce of bullion thus withdrawn from the Treasury forces the price still lower, and that previously withdrawn loses its equivalence with the notes for which it was exchanged. What becomes of this boasted security?

But let us go a step farther. Finally the bullion is all withdrawn, and there are still large amounts of notes outstanding. What then? Nothing but coin redemption remains, and in the mean time the value of silver has fallen, the Lord only knows how low. More notes are presented, and the holders decline to accept silver dollars. What sort of a monetary situation have we then? The gold standard has been upheld, but what has become of silver? Discredited, disparaged, disgraced, its complete restoration indefinitely postponed; it has been made a monetary outcast. This is an extreme case which I have supposed, but it is one of the possibilities presented by this bill, and the logical deduction by which the result is reached is as perfect as reasoning can be made.

It is argued very adroitly that our objection to having silver treated as a commodity is untenable, because both gold and silver are commodities now. True, they are commodities; but, unlike other commodities, they are endowed with monetary functions—silver partially, and gold completely. What we object to is the denial of privileges to silver that are accorded to gold. It is not a sentimental objection, but

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a most substantial one, materially affecting the relative values of the two metals. If you will give to us free coinage you may denominate silver a mere commodity to your heart's content without wounding our sensibilities in the least.

That this clause is intended to maintain the gold standard is fully shown by the report of the Secretary of the Treasury, with whom the plan originated. On page 50 he adverts to the fact that we are upon a gold basis absolutely, and states that the standard dollar is an "anomaly, and not an exception."

On page 62 (speaking of this plan) he says:

If it be objected to on the ground that it will degrade silver from its position as money and reduce it to the level of a mere commodity, the reply is that silver bullion is now a mere commodity.

With all deference to the Secretary, I feel like saying, that this is a very unsatisfactory and irresponsive answer; because the fact that silver has been reduced to the grade of a mere commodity is the very gravamen of our complaint.

It is the identical thing which we are trying to change, and it might with just as much propriety be urged that when a man is sick we ought not to try to cure him, because he is sick.

I wish to be entirely fair in my criticism of this bill. With this objectionable clause stricken out, it would be about as good as could be framed, short of a bill for straight free coinage. The limitation of the amount to be received, and its purchase at its gold value meet the two principal arguments against free coinage; while the ingrafting of full legal-tender quality upon the notes, with redemption in coin fully preserves the monetary status of silver, and thus obviates the main objection of the extreme silver men.

With this provision eliminated, and all opportunity for speculation removed, I believe that within a reasonable time silver would rise to its former par value, and the free-coinage clause would hold it there.

But under any circumstances my duty is clear. No measure can command my support as against free coinage. Nevada is sometimes opprobriously termed the "rotten borough." No man who is acquainted with our people, would ever so far forget himself as to make use of that epithet. Owing to geographical and climatic conditions which are beyond our control, the population of the State is, unfortunately, small; but I venture to say that in breadth and generosity of sentiment, in devotion to the welfare of our whole country, general intelligence, energy, and all those qualities which go to make up an advanced and progressive people, those whom I have the honor to represent will compare very favorably with the people of any other Congressional district in the United States.

If there is a man or woman (or child that is old enough to think) in my district not in favor of free coinage, I never saw or heard of that person, and I have lived among them for more than twenty-one consecutive years. Moreover, my own views are in perfect accord with those of my constituents. I neither own a national bank nor a silver mine. I have no more direct interest in this question than any other member of this House has in the welfare of his particular district. But I represent a people who are a unit on the question, and in representing their views I also represent my own. Therefore, no matter in what shape free coinage, or any measure pointing in that direction, may be presented I shall feel it my bounden duty to give to it my cordial support, and I trust that such opportunity may be offered.

The feelings of our people upon this question are clearly indicated by the vote cast in the last general election. With the example of Mr. Cleveland's administration before us, we gave Mr. Harrison 400 ma-

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jority more than we did Mr. Blaine in 1884, although the latter was the most popular living American in that State. It was purely the result of our belief that the present Executive of the country was in full sympathy with us upon this question. I yield to no man in devotion to the principles of the Republican party. But my first allegiance is to the country, my second to my district, my third to the party. This is in no sense a party question. I acknowledge no party trammel, and I shall act in accordance with the united sentiment of my constituents.

In conclusion, I wish to say that I am not so much of an optimist as to believe that free coinage will operate as a panacea for every human ill, or that it will in any sense bring about the millennium. There are many other elements and conditions which affect the welfare of society. As long as men differ in their physical and mental constitutions, just so long there will be extremes of poverty and wealth among them. Absolute equality is impossible, but that is no reason why we should not endeavor to get as near to it as the varying natures of men will permit. Our country is one of boundless resources and almost limitless opportunities. We have no class distinctions, no inherited rank, no artificial barriers of any kind between us. There is nothing to curb the honest ambition of any citizen of this great Republic.

But we must look well to our economic laws, bearing, as they do, so directly upon the fortunes of men, to the end that all may have an equal chance in the struggle for advancement, and that our people may not be converted into a nation of millionaires and paupers.

Looking over the whole field of our legislative history, I can discover no one act which, in my judgment, was more destructive of natural equality than the demonetization of silver; and I firmly believe that its complete restoration will carry more of happiness and more of prosperity to the American hearthstone than any economic measure ever crystallized into law beneath the Dome of this Capitol.

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