

Silver-Bullion Certificates.

SPEECH

OF

HON. RICHARD P. BLAND,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Friday, June 6, 1890.

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

Mr. BLAND said:

Mr. SPEAKER: When the bill was first read the gentleman from Iowa [Mr. CONGER] offered a substitute, to which there was a substitute offered, and afterwards two amendments were offered to the original bill. During the whole of that time I undertook to offer as an amendment House bill No. 3378, providing for the free coinage of silver, and the Speaker held that it was not then in order to offer the amendment under the rule, but stated that he would investigate the matter. I now offer the bill as a substitute for the two amendments offered to the original bill.

The SPEAKER. The Chair is quite clear that under the rules that would not be admissible.

Mr. BLAND. Mr. Speaker, I can only enter my protest against this proceeding, which denies to a member of this House in the minority, and a member of the Committee on Coinage, Weights, and Measures, a privilege that every member of that committee will testify it was agreed he should have. When this proposition was before the Committee on Coinage, Weights, and Measures a substitute—this same substitute substantially, with one or two differences—was brought before that committee, a bill agreed upon by the Republican caucus. I raised the point then before the committee that if that was reported back to the House as a substitute the effect might, and probably would, be to prevent me from offering a substitute, which was already pending by leave of the committee, providing for free coinage. The chairman of the committee—I am sorry I do not see him present, but there are other members on the floor at this moment who know that what I am about to say is true—the chairman of the committee, when that sub-

ject was broached, remarked that it was understood by the committee that if my substitute could not be offered as an amendment to this substitute an arrangement would be made in framing the order for the consideration of the bill by which I should have the right to offer it. That was the understanding on the part of the chairman of the committee, it was the understanding of the committee and I call upon the members of the committee here present to state if what I say is not true.

Now, Mr. Speaker, I do not want to charge any gentleman with acting in bad faith, but I do charge that there has been great negligence in carrying out in good faith the promises which the committee made with reference to the offering of this amendment. Fair play has not been had in this matter. I found that when I undertook to get recognition yesterday when the gentleman offered his substitute the Speaker turned his back to me and his face to the other side, and recognized a gentleman on that side to offer an amendment. I undertook to offer an amendment to the amendment to the original bill, and again the Speaker turned around and recognized a gentleman on the other side. I undertook again to offer the amendment, and the Speaker again turned his face from me and recognized a member on his own side. He recognized gentlemen on that side to offer all the amendments that the Speaker now holds can be offered to this bill, and I want the House and the country to understand the gag-law that has been forced upon the minority on this side of the House upon this subject.

Mr. ROGERS. Will the gentleman allow me to call his attention to another matter at this point?

Mr. BLAND. With all due respect to my friend from Arkansas, I hope that I shall not be interrupted.

The SPEAKER. The gentleman from Missouri [Mr. BLAND] has the floor.

Mr. BLAND. Now, Mr. Speaker, why is this? If it is intended by this House that the representatives of the people here shall have an opportunity to offer their propositions to be voted upon in this bill, if it is intended that the majority of this House shall have an opportunity of amending this bill so as to make it conform to the will of the majority, why this gag-rule and this utter ignoring of members on this side of the House? I say, Mr. Speaker, it is for the purpose of passing a bill through this House which in its effect will again demonetize silver. That is the object of it.

I propose to devote a few minutes to the discussion of this substitute bill, and also of the bill originally introduced and reported here. Before doing so, however, I want to call attention to another peculiar feature of this situation. We have a law now upon the statute-book which authorizes the Secretary of the Treasury to purchase not less than two millions of silver bullion every month, and, as fast as purchased, to coin it into money, and he is authorized to purchase four millions a month and to coin it into money. That law, if executed by the officer authorized to carry it out, is better than the pending bill and would put more money in circulation than this bill would. Why, then, is it that those representing the Administration on this floor are so anxious to substitute something else for the existing law? That is the question. When we have a law upon the statute-book which, if executed in the spirit in which it ought to be executed, by coining four millions' worth of silver bullion every month, would, at the present price of silver bullion, put into circulation \$62,000,000 a year, why is it pro-

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posed here to substitute for that another law? This bill provides for the purchase of \$4,500,000 worth of silver bullion per month, which I suppose would amount to about \$54,000,000 if the law were executed, as its friends suppose it will be.

But, I repeat, we have a law on the statue-book which, if executed as its friends think it ought to be executed, would put into circulation \$62,000,000 a year, or eight millions more than can be put in circulation under this bill. Why then, I ask again, does the Administration come in here for the purpose of limiting the amount of silver that may go into circulation under existing law? Why is it? There is some reason for it. It has some meaning. There is some ulterior purpose. Certainly that purpose is not in the interest of the people, who want more money, who want the constitutional coin which the present law authorizes and requires.

There is some other object behind this bill besides furnishing a circulating medium, so called. That object is so plainly set forth by the Secretary of the Treasury that there can be no misunderstanding it. I have not time now to read the utterance, but I will incorporate it in my remarks in the RECORD. It will be found on page 46 of his report, where he says that it is not safe to further coin the standard silver dollar; that it is a constantly depreciating dollar; that it is not safe further to coin it, and that its coinage ought to cease.

That this is the position of the Secretary of the Treasury, whose bill we have before us to-day as the original proposition, for which the substitute is offered, and the substitute is no better than the original. The ulterior purpose of this bill is to stop the coinage of silver; in other words, to demonetize it. If that is not the purpose, if that is not the design, why does not the Administration execute the present law which authorizes the coinage of four millions' worth of bullion a month, which, with the seigniorage on it, would put in circulation \$62,000,000 a year.

What are the terms of the bill? It provides that the Secretary of the Treasury shall purchase four and one-half millions' worth of silver bullion per month. How are the notes to be issued upon it? And I want gentlemen to pay particular attention to this part of the bill. The notes are issued at the market rates on the bullion. How are they to be redeemed? Either in coin or in bullion at the market rates.

Now, Mr. Speaker, we want to go back to the proposition that in all the history of this Government gold and silver have been used as money, when used at all, at a fixed legal ratio, fixed by law, which is to-day as 16 to 1. That is the ratio of our coinage, that is the legal ratio, and is the system on which our coinage is based under present law. The bullion is purchased under the present law and coined monthly into standard dollars, so that the two millions' worth of bullion purchased monthly will coin 2,600,000 standard silver dollars. In that way the circulation gets the benefit of the seigniorage and we keep up the ratio between the gold and silver at the mints of the United States.

But this bill is an entire and a radical departure from that principle. Now what is that departure? It is the departure recommended by the Secretary of the Treasury and his suggestion that we ought not to coin at the ratio of 16 to 1; owing to the depreciation of silver, that it is no longer safe to coin it at that ratio; and this bill fixes an entirely new one. Remember that! Do not forget it, because it is the salient point here! The bill fixes a new ratio entirely for the utilization of silver and the issue of money upon it. It fixes the market ratio of silver as measured by gold; we destroy the legal ratio ut-

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terly and entirely, and we make silver bullion to be utilized for the issuance of money upon it according to the gold valuation, and not the coinage value.

This proposition, Mr. Speaker, has been contended for by Wall street and the gold party ever since we begun to coin silver under the law of 1878. They have always claimed that if we would issue the money in that way on the bullion at its gold value there would be no objection to it. This bill for this reason is supported by my friend from Massachusetts [Mr. WALKER], for he stated that the less money you have the less miserable you are, and hence he is in favor of it. [Laughter.] It is a Wall-street scheme, a gold-bug scheme, to change right here, in the face of an intelligent American people and in this House of Representatives, the ratio between gold and silver and entirely in the interest of gold, and in order to make this more secure, for instance, if it can do it, the bill substantially provides that the certificates shall be issued at the cost price of the bullion, and the certificates shall never exceed in circulation the cost price, or, in other words, the gold price of the silver bullion.

That means the ratio at which the notes are issued and redeemed, because there is a clause providing for their redemption in coin, but at the option of the holder of the certificate in the discretion of the Secretary of the Treasury it can be redeemed in bullion at the market rate. So that you will see the difference in the existing law and in this bill. Under the existing law the certificate is issued on the dollar of $412\frac{1}{2}$ grains as fixed by law, that being our standard of value for the silver dollar. The bullion, of course, is purchased at market rates, but is coined into money and the paper issued upon it at that fixed rate of $412\frac{1}{2}$ grains of silver in each dollar. But under this bill it is issued on the gold basis, entirely on the gold standard, ignoring and departing from the silver itself as a standard of value, murdering it in the house of its professed friends, and setting up an entirely new rule.

Mr. SPRINGER. What do you understand by the provision in the fourth section, I believe it is, about seigniorage?

Mr. BLAND. I was coming to that, but before doing so, in order that I may be understood, let me say this: The seigniorage is not utilized for circulation, as I stated before. In coining bullion the seigniorage is the gain. We purchase the bullion and coin it into money. As I before said \$1,000,000 worth of silver will produce nearly one million three hundred thousand standard dollars or silver certificates under existing law. That excess of course goes into circulation. Under this bill this seigniorage is piled up in the Treasury in bullion. It is true that the bill provides the Secretary of the Treasury may coin a sufficient amount for the redemption of the certificates, leaving it wholly within the discretion, remember, of the Secretary of the Treasury. The notes to be issued redeem themselves, for they are made a legal tender for all debts except where the law or the contract otherwise provides.

We know that the public debt is payable in coin, but these certificates can not be made payable for public indebtedness, which is another departure from the present law and in the interest of the bondholder, because the silver dollar now coined is receivable in all debts whether public or private, because the public debt of this country is payable, not in gold, but specifically by the terms of the obligation in coin of the standard of 1870, which means the silver dollar of $412\frac{1}{2}$ grains that was then the standard dollar. But the bondholder receives an additional advantage under the bill, because the silver note which goes out under

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it can not pay his debt. The certificate is not receivable according to the terms of the bill in such payment.

Now, Mr. Speaker, as I said before, the bill provides that the Secretary of the Treasury may redeem the notes in coin. It does not say what sort of coin it shall be, but I take it for granted that it means gold or silver coin. Still it is at his discretion to coin so much as may be necessary for the redemption of the notes. How many greenbacks have been redeemed? None. How many of these notes will be presented for redemption in coin? Scarcely any; and if they are presented at all by any person it will be for redemption in bullion, as I shall show further on. But suppose that they are presented for redemption in silver coin. There is nothing in this bill that would prevent the Secretary of the Treasury from issuing silver already coined for the purpose, and it will be done.

We have three hundred and sixty millions of silver dollars now coined, fifty-eight or sixty millions of which are in circulation in silver coin and two hundred and seventy or two hundred and eighty millions in silver certificates. The rest is in the Treasury idle. There is not a great deal of it idle now, but the certificates are constantly coming in in the way of paying taxes. They can be retired, and the Secretary of the Treasury can, if he sees proper to do it, hold fifty or one hundred millions of present silver coin to meet the demands of this bill. There is nothing whatever to prevent it. We have already all the coin we need to redeem these notes, because your present silver certificates will be retired and the coin utilized, whenever it is called for, in the redemption of these.

Now, what does the Secretary say?

The continued coinage of the silver dollar at a constantly increasing monthly quota is a disturbing element in the otherwise excellent financial condition of the country and a positive hinderance to any international agreement looking to the free coinage of both metals at a fixed ratio.

Mandatory purchases by the Government of stated quantities of silver and mandatory coinage of the same into full legal-tender dollars are an unprecedented anomaly, and have proved futile not only in restoring the value of silver, but even in staying the downward price of that metal.

Do you think a Secretary of the Treasury who makes use of that kind of language, when left to his own discretion under this law, is going to coin a dollar? Why, certainly not.

The Republican party seem to have been dickering with the bullion mine-owners and with Wall street as to what sort of a bill they shall get up so as to satisfy both interests, leaving entirely the interests of the great mass of people of this country without consideration and without regard. They have learned, however, that the mining interests can not be caught with this Wall street chaff.

The Secretary of the Treasury says that the purchase of two millions' worth of silver bullion per month has utterly failed to keep up the price of silver bullion; and so it has, for it has fallen down to 72 cents, or it was that a short time ago, when he wrote this report. If purchasing only two millions per month will not prevent a constant decline in the price of silver bullion, will the purchase of two millions and a half more per month increase it materially? Our silver-mine gentlemen may as well pay a little attention to that fact before they are euchered into this Wall-street scheme. And I speak of that only in the light of what has been going on in the past with regard to the Secretary of the Treasury and the manipulations of this bill. He says two millions per month has not stopped the downward tendency of sil-

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ver. Add two millions and a half more per month and it will not very materially appreciate it, except for a short time.

When gentlemen undertake to put in this bill a section providing that when silver reaches par with gold we shall have free coinage, they are either deceiving themselves or undertaking to practice a deception upon the people of this country. It will be an impossibility for silver to reach par when its coinage is inhibited practically and when its utilization takes up only four millions and a half per month. Compared to two millions per month the addition of two millions and a half more will not compel it to reach par. There is a ready market for gold at the mints of this country, for every dollar of it. When there is a ready market for gold and when it is a legal-tender money without limit or stint, to say that silver, under a bill which only takes about one-third of the annual product of the silver mines, will reach a par with a metal of which the mint takes the whole product, I say the proposition is absurd.

Then, too, it will be claimed, if this section is maintained in the bill, that Congress and the country are committed to the indefinite postponement of free coinage, awaiting not an international agreement, which has always proved ineffectual and impossible and always will; but they will go further and say that until this bill brings silver up to a par with gold this country will not enter upon a scheme of free coinage. The idea that silver could reach free coinage under this bill or a party that would give it free coinage under this bill is preposterous, even with the bullion-redemption section, as it is called, stricken out.

But we shall have what sort of a result? The bill provides that the holders of these notes shall have the right to demand bullion at its market rate in the redemption. Now, I will suppose an extreme case, and that is that I am the owner of four million and a half dollars' worth of silver bullion—which would be a very extreme case for a poor man like myself, who does not own a mine and who has no interest in any mine and never expects to have.

Mr. SPRINGER. There are people who do own mines, though.

Mr. BLAND. I could take four million and a half dollars' worth of silver bullion to-day and receive my notes, and that would comply with the law this month. I could go next month and surrender the notes and deposit the bullion; for, remember, under this scheme there may not be any withdrawals of bullion; it may be a matter of book-keeping. I have got four million and a half dollars' worth of notes, and I go and deposit those notes with the Secretary of the Treasury and demand a redemption in bullion. He gives me a certificate entitling me to that amount of bullion at its market rate, and I take that certificate, and that bullion lies in the Treasury vaults and is not withdrawn at all. Next month silver may go up a little or go down, as the case may be, and I go with my certificates, I surrender those certificates and take the gain, whatever it may be, if any, and the bullion lies there as purchased for that month—for it is a purchase and nothing else—and the next month I present the notes again and take out the same bullion, and repeat the operation from time to eternity, and four million and a half dollars' worth of bullion is all that we need to continue that operation under this bill from now until doomsday. [Applause on the Democratic side.]

Mr. SPRINGER. That is so. That is the end of it.

Mr. BLAND. Now, I say that is an extreme case. I do not know

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that that will take place. But I will tell you what will take place, and I need go back but a short time in our history to illustrate.

We know that when we had coined 50,000,000 of standard silver dollars Secretary Sherman stated to Congress that that was all the country would absorb and asked for a limitation to be placed on the coinage. Secretary Folger followed suit, and after him came Secretary McCulloch, and Secretary Manning, and every Secretary of the Treasury we have had from the time we began the coinage of silver up to the present hour has denounced it. They denounced the enormous accumulations of silver as a menace to the financial welfare of this country.

Suppose that the bullion scheme had then been in operation; do you not know that by the manipulations by a Secretary of the Treasury who believed that the accumulation here was a menace to the financial interests of the country—and they must have honestly believed it, for I do not dispute their honesty or sincerity of purpose—do you not know that this bullion would have been turned out of the Treasury in redemption of the notes held after having been received in the Treasury? Do you not know that after as much as \$50,000,000 had gone into the Treasury, which they believed was all the needs of the country would take, that they would have poured it out upon the market?

You may go on until you get \$100,000,000, but that will be the extent that they will get into circulation. After you reach that limit a cry will arise in Wall street—and they have always had their manipulators in the Treasury Department—that there is too large an accumulation of silver, and they will then find a mode of getting it out as provided for in this bullion-redemption bill. No limit is fixed at which they may withdraw this bullion and contract the currency. Under our national-banking system we found it necessary at one time to enact into law that there should not be withdrawn more than \$3,000,000 from the circulation every month; but here we give unlimited power to the Secretary of the Treasury and the holders of these notes to withdraw \$50,000,000, or they can go on and reach \$100,000,000, contracting the currency that much.

Mr. DINGLEY. Will the gentleman pardon me at this point? From the representations just made of this bill I think there was a misunderstanding as to the terms of the bullion-redemption clause. The redemption is to be at the discretion of the Secretary of the Treasury, on demand of the holder.

Mr. BLAND. I did not misunderstand, nor have I misrepresented it.

Mr. DINGLEY. And, another point, as to whether any law would authorize the deposit of the silver bullion with the Secretary of the Treasury and the taking out of a certificate of deposit.

Mr. BLAND. I say that is a matter of book-keeping. It does not matter whether it is left there by certification or taken out.

Now, the gentleman says it is in the discretion of the Secretary of the Treasury; so did I. In my argument, I misrepresented nobody, but I set forth to him and to those who favor this measure that the Secretaries of the Treasury from the time when we began to coin standard silver dollars have been hostile to it, and I read in his hearing the proclamation of the present Secretary, in his hostility to silver, acknowledging that the Secretary of the Treasury would exercise that discretion when he thought it was best to redeem the bullion in the Treasury. When it was in harmony with our financial condition, he would exercise that discretion in turning it out. Why leave that

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power with the Secretary of the Treasury? I would not reflect upon the honor and integrity of any gentleman who has occupied that high position, nor would I present to him the temptation to speculation in Wall street and of making millions of dollars every year out of it.

How any people, with a proper regard for their officers and the interests of their constituency, can vote for the passage of a bill that places that temptation in the hands of the Secretary of the Treasury, I do not know. We have already had too much discretion in this matter lodged with the Secretaries of the Treasury, and it ought to be no part of their duty to determine the financial condition of the country or as to how much money we should have, how it should go, or where it should go.

Now, Mr. Speaker, as I have already remarked, how can silver reach a par with gold under such a bill as that, because of the power which is given to the Secretary of the Treasury to depreciate the price of silver? It must be depreciated, because it is to be measured by the single gold standard; and the present Secretary of the Treasury says he is in favor of that. He announces himself in favor of the single gold standard, and, maintaining that, stated that he will support no bill nor recommend any measure that would utilize silver except at its gold valuation, and this bill utilizes it at that and nothing else. So, then, I say that the Secretary of the Treasury and an Administration that believe in a single gold standard will not undertake to appreciate silver to the value of gold; it is an impossibility.

The original bill is a bill simply to take the product of the American mines and issue notes upon that. As to what that product is to be in a year we can ascertain somewhat definitely, but as to what it may be in three or five years from now there is no knowing. This is a worse bill, if it is possible, than what is known as the substitute or caucus bill. It is very difficult to get up a worse bill than that. It is very difficult to get a bill more cunningly devised to present a fair face and a fair view in the interests of silver, but which puts a dagger at its heart in every section.

I want to know, gentlemen, if you propose to utilize silver bullion at its market rates compared with gold and make it a commodity on which to issue Treasury notes? Why not deposit zinc and iron and lead, of which we have plenty in Missouri? Why not come to the subtreasury bill at once and deposit farm products on which Treasury notes shall issue? Why not accept the proposition of the Senator from California in the United States Senate, who proposes to issue notes on land, which is a commodity; and if you vote to make a commodity of silver bullion, then your constituents may claim the same right for their products.

That will not do. These schemes are a departure from the true principles of coinage. The people want silver coined into money and not put in the Treasury as a commodity, to be again taken out as a commodity. When it is paid out of the Treasury let it come out as money. Then there can be no contraction of the currency, for when a note is surrendered for silver the silver coin, which is also money, will be put out in the redemption of the note. There is, then, no contraction of the volume of money, but only the exchange of a paper dollar for a coin dollar. But when the bullion is paid out there is a contraction to the amount of notes surrendered, for the bullion is not legal-tender money, and it can not by law be coined into money at our mints like gold. If we had free coinage of silver then we could redeem in bullion, for the bullion could immediately be coined into money for the

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holders' benefit, for we have no more legal or constitutional right to authorize a deposit of bullion and the issue of notes upon it, unless we propose to coin the bullion, than to authorize for the same purpose the deposit of corn or oats or wheat or cotton or iron or zinc or any other commodity—not one particle. And you are setting a precedent that will come home in the future in legislation on this money question. It will be very difficult to explain to your constituents why you should in this way favor the silver-bullion-producer and not favor the producer of other home products. If we compel the coinage of bullion into money, that is another thing, and that we must do to be consistent with the constitutional power given us.

There is but one thing to do with silver. The Constitution of the country never contemplated Congress ever having anything to do with silver except to coin it and make it into money, through the mints of the Government. Our power with respect to gold and silver is to coin money and regulate its value. That is the provision of the Constitution of the country; and no State can make anything but gold and silver coin a legal tender. I am standing here defending that constitutional provision, defending the rights of the people and protesting against setting a precedent that will probably be invoked in this House in favor of using every product of this country as a basis for money. For you can not tell where you may land when you once get away from the great theory of metallic money. That theory is that the metal must be coined, so much of it constituting a dollar, as fixed by law; and when you undertake to make a product or commodity of the precious metals, on which to issue money, you have departed from the theory of metallic money and are traveling in the road towards issuing money on all the products of the American people.

And these Treasury notes would be just as good if this whole provision for the deposit of bullion were stricken out. There is no necessity whatever for buying bullion to the amount of \$4,500,000 every month and piling it up in the Treasury. You are issuing Treasury notes that will be a legal tender in themselves, money within the contemplation of the Constitution as construed by the Supreme Court of the country, like your greenbacks, self-redeeming. Call it fiat money if you please; but is fiat based upon one commodity. Why not make it fiat like the greenback, based upon the faith of the nation and all commodities, instead of going to work to benefit the silver miner by purchasing so much bullion every month, in order to obtain his sympathy and support, unless you propose to coin the silver into money so that, whether in the Treasury or out of it, it is always coin or can have free coinage?

Any true friend of silver in this House who votes for this bill upon the idea that it is going to advance silver coinage, that it will meet the sympathy of the people, that it will be in the interests of bimetallism—of coin money and paper redeemed in coin—is mistaken altogether, for you are setting a precedent entirely different from that which we have heretofore followed with regard to the utilization of silver.

Now, what is bimetallic money? What is bimetallism? And that brings me to this question of free coinage. We tried free coinage in this country for more than eighty years, and it was found to be a sound financial policy. What does the free coinage of gold and silver mean? What does bimetallism mean? On what theory do we claim that the use of the metals is better than the use of fiat paper? The unlimited coinage of gold and silver means that the mints of the Government

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shall be open, as they were from 1792 until 1873, to every comer with his gold or his silver, at a fixed ratio of 16 to 1, our present ratio, to coin his gold and coin his silver, without limit and without hindrance; in other words, that the situation of our mints with respect to silver shall be what it is to-day with regard to gold.

We have now free coinage of gold. Every miner who extracts an ounce of gold digs up so many dollars and cents. He is not the producer of a commodity at all. Why? Because the mints of the country are always open to him to have that gold coined into legal-tender money, and the gold is worth in his hands whatever amount of money it will make when coined; it is practically money either in bullion or in coin. Now, if we had free coinage of silver at our ratio of 16 to 1, a silver dollar consisting of $371\frac{1}{4}$ grains pure silver, every man having $371\frac{1}{4}$ grains of silver would have the right to go to a mint and get his dollar for it. So that silver bullion would be placed on the same footing as gold bullion. All the silver would go to the mints to be coined into money. Silver could not possibly fall below $371\frac{1}{4}$ grains to the dollar, because the law fixes the value. Three hundred and seventy-one and one-fourth grains of bullion pure silver would be worth a dollar; because any one having that amount of bullion could go to a mint and get a dollar for it. He would not sell it for 1 cent less. There would be a legally established valuation. Silver must be on a par with gold so long as it has the same market and the same privileges with gold; and it can not reach a par with gold under any other conditions; it is an impossibility.

On what theory then do we proceed? Upon the bimetallic theory the vast stock of silver and gold now in circulation as money throughout the world, amounting to six or seven billion dollars, is utilized, it is a stock on which to draw. The annual production would give an increase, not meeting probably the increase of wealth and population, but there would be an increase on which to draw. In other words, it is the stock of metal on hand and that produced from the mines from year to year that supply the volume of money. This is not supplied by the legislator who may undertake to say, as in this bill, "We shall have \$100,000,000 to-day and \$50,000,000 to-morrow."

When Congress undertakes to limit, as it does in this bill and as the present law does, the amount of silver that is to go to the mints, Congress undertakes to fix what amount of money shall be coined and in circulation, instead of permitting the natural laws of supply and demand to regulate that volume. So I say, you are drifting away from the foundation idea upon which bimetallism is supposed to be based; and when we do that we have, to that extent at least, done away with the idea that coin money is any better than paper; because we can issue paper money and regulate its volume according to the population and business interests; and probably, if it is not overissued, it will keep at par with the precious metals. But that presupposes the idea that Congress is the judge of the amount of money that the people ought to have, instead of permitting that question to be settled by the laws of trade, the products of the mines, and the vast stock of metal on hand.

But the objection is made that if we undertake to authorize the free coinage of silver when silver is depreciated we shall be flooded with the silver of the world which will come to our mints; we shall be brought to a silver basis; and, as my good friend, the chairman of the Committee on Coinage, Weights, and Measures, said yesterday, we

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shall be relegated to the condition of the barbarians of India and China, etc. I did not know but I should see him wearing his pigtail, in view of the free coinage of silver. According to his apprehension we shall all be almond-eyed, tawny-colored, with our cues hanging down our backs. Why, Mr. Speaker, during the war and for a long time afterward we had no gold or silver either; we were on a strictly paper basis; yet we did not all turn to Chinamen or Hindoos.

The contention that we should lose all our gold should we coin silver free is rather an argument favorable to free coinage than against it. The benefit of the double standard arises from this fact, that is, the right of choice as between the metals, so that when gold, as now, is dearer than silver we may use the cheaper metal, silver; or, on the other hand, should silver become dearer than gold we would cease to use silver. This was the case after 1837, when we changed the ratio by lessening the amount of gold in the dollar for the evident purpose of cheapening our dollar, selecting gold as the metal out of which to coin the cheaper dollar. Silver has not lost its purchasing power as compared to commodities. Indeed, it is generally admitted that it has appreciated in purchasing power. Hence no wrong is done by free coinage, because silver will buy more now than for fifty years past.

To make the argument more striking let us get away from all idea of gold in this discussion, let us suppose it to be all raked up and in one massive lump sunk into the bottomless pit of perdition, so that the devil may have his due, and where all Shylocks are supposed at last to get their pay. What then? Well, this is the result: Silver has in fact risen in value, measured by all other things. It has not depreciated, but on the contrary has appreciated, is worth more now than for nearly a century past. That being so, what miserable idiot would pretend to say that silver is cheap? So that all we have to do to come to a universal agreement that silver is not cheap, but is itself very dear, is to leave gold entirely out of mind. When we come to compare wheat, corn, oats, cattle, cotton, as well as other products, whether of the field or the shop, where no tariff laws protect from falling prices, and even these do not entirely escape, with gold, we find gold has left all these as well as silver and gone up near one-half or 50 per cent., almost doubled in value since 1873, the date of our silver demonetization.

Why undertake to compel all payments to be made by this exclusive standard? Why give to bondholders, national, State, county, municipal, railroads, and otherwise, as well as all private creditors, the right to 6 feet in the yard when 3 feet is all that is or was promised or can honestly be exacted?

All other commodities measured by silver makes the silver in the dollar measure more than 3 feet to the yard; even that is an exclusive standard, but slightly so, it is true; but it is enough so, one would think, to satisfy all honest demands of creditors or rather demands of honest creditors.

No, Mr. Speaker, it will not do to say that silver is cheap. It is dear, very dear, to the debt ridden people of the world. Gold is so costly that it is now practically in the category of diamonds, and is fast being used up to ornament the persons and liveries of the rich. It is now becoming so far removed from the common people that the eye of the poor never beholds its tempting sheen. Our people can not and will not submit to the single standard of gold payments. They will not submit to this heartless exaction of Shylock.

But to recur to the principle I was contending for as underlying the

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argument for the double standard, or, more properly speaking, the optional standard of values. Now that gold is dear we would, if we had free coinage, undoubtedly use silver chiefly as money. We thus would in time bring back gold, because the very great demand for and consequent use of silver would, of course, greatly enhance the value of silver; while, on the other hand, gold being dropped for the time out of demand and out of use in the proportion of the increased use of silver, gold would fall till a parity of the two metals was reached, when both gold and silver, being of the same value, would both be used as money.

It might happen that some other nation would then demonetize gold and remonetize silver, and in that way make such a demand for silver as to send it up above gold again, for it has been above gold. In that event our currency would consist principally of gold, for the evident reason that debtors would have the choice of the cheaper metal. So it is a great advantage to have the free coinage and use of both metals. We are then more independent of the action of other countries. We would not be subjected to the great disturbances arising from the use of one metal, which, like gold at this time, is so eagerly sought for and in such great demand as to threaten us and all other gold-standard countries.

This is the argument that Hamilton so strongly pressed in his advocacy of adopting both metals as standard money. All, or nearly all, our export products go to countries where the gold standard prevails. Should we coin silver and use that metal to such an extent as to take the place of our five or six hundred millions of gold, and our gold go, as it would, to those countries, the effect would be to give those nations a larger volume of money, and thus greatly increase prices there. Consequently our export products, when sold in those countries, would bring a much larger price than now, probably as much as 10 or 15 per cent. more than now, and it might be greater, so that our exports of breadstuffs, meats, cotton, and manufactures would bring a much larger return to us. Besides, as the foreign markets for these products fix or regulate materially the price of these same products at home, the home price would go up correspondingly.

This is absolutely necessary for the products of agriculture. The price at home and abroad for these products would be enhanced by free coinage of silver. Relief in this way or else by freer trade, so that one commodity may be exchanged in foreign countries for another and imported here without the exactions of a confiscating tariff, or the agriculturists of this country are doomed to slavery. They ought to have both remedies, and if they are true to their own interests they will insist on both.

Now, sir, the Secretary of the Treasury—if I had the time I would go through his arguments, but I will only allude to them—goes over the field with regard to silver in advocating his own bill, giving the amount of silver taken by India from year to year, some thirty-five or forty million dollars, the amount we are coining; the amount that goes to China, the amount used by Mexico and South America; and after stating that France and Germany and England have use for all the silver they have, and can not part with it without great financial disaster, he figures out fifty millions of silver as being all that would probably come in to be purchased under his bill; and his original bill provided for purchasing all that came, without limiting it to the product of the American mines, but taking it from all the world. So that

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when you figure it down you find that \$50,000,000 is all that would probably come into our mints under the bullion scheme. I think, however, it would probably exceed that. With free coinage for a few years it might go to \$75,000,000 or \$100,000,000. I do not know the exact amount with free coinage.

That is the only logical way to meet this question; all these make-shifts and compromises are simply seeking how not to utilize in a legal, constitutional, proper way the silver of the world. Why, sir, the little nation of France alone, which was coining both gold and silver at a ratio of 15½ to 1 at a time when we were not coining silver on account of its high value here, its value being at our ratio 3 per cent. above gold—when England was not coining it, though Germany was—France thus kept the two metals at par for over eighty years; and this continued even after Germany and the United States had demonetized silver; these metals remained at par at the French mint as long as France maintained her system of free and unlimited coinage. It was only in 1874, when she put a partial limit on silver coinage, that silver began to fall; and in 1879, when she put an absolute limit upon it, silver went down still further.

Now, do you tell me that a country of the vast wealth and resources of the people of the United States, with 65,000,000 or 70,000,000 of population and with her growing wealth, can not do what little France has done? Look at our situation here in Congress to-day. We shall appropriate probably for the next fiscal year not less than \$500,000,000, appropriations by the Federal Government alone, saying nothing of the vast appropriations by the States. Take into consideration our schemes for subsidies, our schemes for ship-building; take into consideration the appropriations for pensions, that will probably run up to \$150,000,000.

In two years from now we can not expect the appropriations by the Federal Government to be less than \$550,000,000 or \$600,000,000. Where are the people of the United States to get the money for those appropriations? Are you going on with this vast machine of taxation and appropriation and yet provide the American people with no method of paying these enormous expenditures? You are bankrupting the people to-day. Throughout this country values have fallen everywhere.

I ask gentlemen to study this matter as shown in the statistics which I publish with my remarks. In 1873, when silver and gold were at a parity, values were 30 per cent. higher than they are to-day. As silver bullion has gone down so have commodities. Silver bullion has dropped 28 per cent., or gold gone up, more correctly speaking, since the period I have named, as shown by indisputable statistics; and commodities, as measured in gold, have gone down 30 per cent. So that we see silver and commodities have gone down together; and all since 1873. How is it possible to restore silver and commodities to their value as in 1873?

If the free coinage of silver had been maintained and silver bullion utilized, there would still have been an appreciation of money, both gold and silver, and a fall of commodities; there is no question about that; because there is not enough silver. We might have prevented the fall to the extent of 15 or 20 per cent. When you talk about appreciating values you must also bear in mind that the free coinage of silver will not only appreciate silver bullion, but will depreciate gold bullion; in other words gold must fall. These are comparative terms.

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When we speak of money rising or falling in value, we compare it to commodities. If commodities have fallen 28 per cent. it means that money has gone up not only 28 per cent., but largely above that.

So that I say, Mr. Speaker, the unlimited coinage of silver, even assuming all that is claimed by its opponents, would not give a rise in prices of exceeding 15 per cent., and a corresponding rise in the value of silver. Other commodities would rise only from 10 to 15 per cent., and gentlemen who suppose that the effect of such a provision of law would be to make a modification of 25 to 30 per cent. in values would find themselves altogether mistaken. There is not sufficient money metal in the world to keep up such a rate. You may give unlimited coinage of silver and coin all that comes to you, and yet you can not restore values to what they were in 1873, before the depreciation came; and when you speak of the benefit to the silver man it can readily be shown that he makes nothing by the free coinage of silver as compared with the vast volume of benefit conferred upon all of the industries of this country; for at best he can only make 15 per cent. in the rise in the silver, for the rise is made up by a fall to a certain extent in the price of gold; and when he has to pay for his machinery and for everything that goes into his mining operations, these increased wages and other costs, his benefit by the free coinage will be still further lessened.

Take the simple production of wheat in this country for the last year as an illustration of this point, and the benefit which would be conferred upon the wheat-grower would be far in excess of the gain that could possibly accrue to the silver miner under a free coinage of silver. In other words, the wheat-grower of the United States would gain four times on that product alone what the silver-miner would gain; and then, if you take wheat, corn, cotton, cattle, lands, and the vast manufactured products of the country constituting the many billions of dollars of commodities of this country, the gain on all of these would not be less than a billion of dollars if you counted it at 28 or 30 per cent. increase, and not less than a half a billion dollars if 15 per cent., by the free coinage of silver, whereas the silver-miner would gain but an exceedingly small fraction of that amount, not as much as six millions. So, Mr. Speaker, the assertion that this would be to the exclusive interest of the silver-miner is misleading; his gain is inconsequential, and the matter is simply brought here to frighten men away from free coinage in the interest of gentlemen who want dear money and cheap goods crying out, "bonanza king." It is a Wall-street cry, and I have heard the echoes of it here during this discussion.

Mr. Speaker, we are in a most anomalous condition to-day in regard to our financial policy. Before the war each State had a banking institution or system of its own. They have been wiped out by a tax of 10 per cent. Since then we have had the national-banking institution, by which bonds were deposited and money issued. They are going out of existence, practically wiped out now, and may be gone altogether in a short time. So that we are compelled, we are driven to provide some other financial system to supply the wants of the people of the country. When the national banks are gone, where are you to get money to supply the increase of population, as well as the increased volume of business? You can issue fiat money or give unlimited use of silver; you can give unlimited use of gold and silver, and on top of that you will be compelled to issue two dollars for every one, and we can do it and have a redemption fund of coin behind it to meet the demands of a rapidly growing population and a rapidly increasing business.

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They talk of issuing money on population; but that will not do. You must not only take into consideration the population itself, but you must also include the vast increase of products, the value of which is measured by the money volume in circulation; increase of products brought about by the ingenuity and invention of men, the vast increase of labor-saving machinery, which will turn out to-day three or four times what it did twenty years ago and twice what it did ten years ago, doubling almost the wealth of the country each ten years. Can you expect values to be maintained while money is being contracted? Can you expect values to be maintained when money is not issued in sufficient quantities to meet the increased demand? If by the increased machinery the products of the country are almost doubled every ten years, you can not keep up the value of the product without doubling in the same period the circulating medium; and when gentlemen tell me that this increase of products has lowered the prices of commodities, I say: "Yes, but it occurs because you have not kept pace with the increase in products by meeting the increased demand for circulating medium."

But, Mr. Speaker, just proceeding upon that idea, I say that money measures the value of the products; that is one of the great functions of money, to keep up prices. When, therefore, you double the amount of the wealth in the country you must, in order to keep up the prices, double also the circulating medium. Can you double the circulation every ten years by the free coinage of silver? I answer, no; you can not begin to do it. You may give unlimited use of both gold and silver and use them as a basis on which to issue your circulating medium, and yet you will have a fall in prices assuredly. The volume will not even then be sufficient to keep pace with the growth of wealth and population. Prices will rise for a short time no doubt, but the vast production of the country will again exceed your means of furnishing the circulating medium; and they will eventually decrease in value, and that in a few years. You must supplement this volume with something else.

According to the bankers' ruse you can issue \$3 of circulating medium on \$1 of specie. You have then unlimited silver and unlimited gold, and you have the best basis for redemption. To-day you issue dollar for dollar, gold and silver. This bill goes further and says it shall be issued, not at the coinage value, but at the bullion value, thus adding 28 cents, at the present price of the silver bullion, to the debts of the country instead of decreasing them. We must come to free coinage—and there is no use in trying to mislead ourselves—or to national bankruptcy and national banks.

If these two amendments were inserted in the bill—that is, stop bullion redemption and keep notes out equal to coinage value of the bullion deposited—you would carry out the idea of a proper and fixed ratio between the two metals and utilize both; but in place of that you have an entirely new departure, which the country will not accept, but which will be condemned, as was the demonetization act of 1873, for this act is simply on a par with that infamous provision of law. [Applause on the Democratic side.]

[During the delivery of the foregoing remarks the hammer fell.]

Mr. BLAND. I should like to have two or three minutes longer.

Mr. SPRINGER. I ask unanimous consent that the gentleman proceed for three minutes.

There was no objection.

Mr. BLAND then resumed and concluded his remarks, as above.

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APPENDIX.

The following estimate of the Secretary of the Treasury as to amount of silver that would come to our use under his bullion plan is here subjoined. It is fair to say that with the plan of free coinage the amount would be more than the estimate; upon the plan of the honorable Secretary, probably one-fourth more. After making estimates, the Secretary says (see last annual report, page 68):

"From the above figures the annual product and consumption of silver may be stated approximately as follows:

Annual product (coining value).....	\$142,000,000
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Disposition:	
Required by India.....	35,000,000
Coinage of full legal-tender silver by Austria and Japan (average).....	10,000,000
Required for subsidiary coinages of Europe and South America and colonial coinages.....	16,000,000
Amount annually exported to China, Asia, and Africa (other than used in Indian coinage).....	10,000,000
Annual coinage of Mexican dollars, not melted.....	5,000,000
Amount used in the arts and manufactures (estimate).....	15,000,000
Surplus product.....	51,000,000
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Total.....	142,000,000

"From the above it will be seen that the annual surplus product of silver, which would probably be deposited at the mints of the United States, approximates \$51,000,000 (coining) value, corresponding to 39,445,312 fine ounces, worth, at the present market price of silver (96 cents), \$37,867,500."

The bill or substitute of the majority of the committee now proposed to be passed is as follows.

The SPEAKER. It will be read to the House. The Clerk will report the substitute offered by the gentleman from Iowa [Mr. CONGER].

The Clerk read the proposed substitute, as follows:

Substitute submitted by Mr. CONGER, namely: Strike out all after the enacting clause and insert the following:

"That the Secretary of the Treasury is hereby directed to purchase from time to time silver bullion to the aggregate amount of \$4,500,000 worth in each month, at the market price thereof, not exceeding \$1 for 371.25 grains of pure silver, and to issue in payment for such purchases of silver bullion Treasury notes of the United States to be prepared by the Secretary of the Treasury, in such form and of such denominations, not less than \$1 nor more \$1,000, as he may prescribe; and a sum sufficient to carry into effect the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

"SEC. 2. That the Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand, in coin, at the Treasury of the United States, or at the office of any assistant treasurer of the United States, and when so redeemed may be reissued; but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion then held in the Treasury purchased by such notes; and such Treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes, and all public dues, and when so received may be reissued; and such notes when held by any national-banking association may be counted as a part of its lawful reserve: *Provided*, That upon demand of the holder of any of the Treasury notes herein provided for the Secretary of the Treasury may, at his discretion and under such regulations as he shall prescribe, exchange for such notes an amount of silver bullion which shall be equal in value at the market price thereof on the day of exchange to the amount of such notes presented.

"SEC. 3. That the Secretary of the Treasury shall coin such portion of the silver bullion purchased under the provisions of this act as may be necessary to provide for the redemption of the Treasury notes herein provided for, and any gain or seigniorage arising from such coinage shall be accounted for and paid into the Treasury.

"SEC. 4. That the silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of charges or deductions, if any, to be made.

"SEC. 5. That so much of the act of February 28, 1878, entitled 'An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character,' as requires the monthly purchase and coinage of the same into sil-

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ver dollars of not less than \$2,000,000 nor more than \$4,000,000 worth of silver bullion, is hereby repealed.

"Sec. 6. That whenever the market price of silver, as determined in pursuance of section 1 of this act, is \$1 for 371.25 grains of pure silver, it shall be lawful for the owner of any silver bullion to deposit the same at any coinage mint of the United States, to be formed into standard silver dollars for his benefit, as provided in the act of January 18, 1837.

"Sec. 7. That upon the passage of this act the balances standing with the Treasurer of the United States to the respective credits of the national banks for deposits made to redeem the circulating notes of such banks, and all deposits thereafter received for like purpose, shall be covered into the Treasury as a miscellaneous receipt, and the Treasurer of the United States shall redeem from the general cash in the Treasury the circulating notes of said banks which may come into his possession subject to redemption; and upon the certificate of the Comptroller of the Currency that such notes have been received by him and that they have been destroyed and that no new notes will be issued in their place, reimbursement of their amount shall be made to the Treasurer, under such regulations as the Secretary of the Treasury may prescribe, from an appropriation hereby created, to be known as 'National-bank notes; redemption account;' but the provisions of this act shall not apply to the deposits received under section 3 of the act of June 20, 1874, requiring every national bank to keep in lawful money with the Treasurer of the United States a sum equal to 5 per cent. of its circulation, to be held and used for the redemption of its circulating notes; and the balance remaining of the deposits so covered shall, at the close of each month, be reported on the monthly public debt statement as debt of the United States bearing no interest.

"Sec. 8. That this act shall take effect thirty days from and after its passage."

Mr. McCOMAS. Mr. Speaker, I desire to offer an amendment to the substitute.

Mr. BLAND. I wish to offer an amendment.

The SPEAKER. The gentleman from Maryland is recognized to offer an amendment, which will be read.

The Clerk read as follows:

Amend by adding to section 6:

"And purchases of silver bullion shall be suspended while it is being so deposited for coinage."

Mr. TAYLOR, of Illinois. I offer an amendment to the original bill.

Mr. BLAND. I offer an amendment to the amendment.

The SPEAKER. The gentleman from Illinois is recognized to offer an amendment.

Mr. BLAND. Mr. Speaker, I have risen to offer an amendment.

The SPEAKER. The Clerk will read the amendment proposed by the gentleman from Illinois.

The Clerk read as follows:

Add to section 1 of the original bill: "Provided, That if the net amount of silver bullion received in accordance herewith and not paid out as hereinafter provided, shall be less than \$2,000,000 worth in any one month, it shall then be the duty of the Secretary of the Treasury to purchase, during the succeeding month, at the market price, not exceeding however \$1 for 371.25 grains of pure silver, an amount of silver bullion equal to such deficiency, and to issue in payment therefor Treasury notes hereinafter provided for."

Mr. BLAND. Mr. Speaker, I desire to offer an amendment.

Mr. O'DONNELL. Mr. Speaker, I offer a further amendment to the original bill.

The SPEAKER. The amendment of the gentleman from Michigan will be read.

The Clerk read as follows:

Amend the amendment by striking out the word "two" and inserting in lieu thereof the word "three."

Mr. CONGER was recognized.

Mr. BLAND. I desire to offer a substitute for the two amendments.

The SPEAKER. It will not be in order.

Mr. CONGER. Mr. Speaker—

Mr. BLAND. Mr. Speaker, when will it be in order—

The SPEAKER. The gentleman from Iowa has been recognized.

Mr. BLAND. I rise to a question of order. There have been two amendments offered to the original bill. I now desire to offer a substitute for the two. That is certainly in order.

The SPEAKER. The gentleman from Iowa is recognized.

Mr. MCCREARY. I rise to a parliamentary inquiry.

Mr. BLAND. I want to know if it is not in order under parliamentary proceedings to offer a substitute at this time.

The SPEAKER. The gentleman from Missouri is not in order. The gentleman from Iowa in charge of the bill has been recognized.

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Mr. BLAND. I rose to a parliamentary inquiry. I certainly have a right to an answer to my parliamentary inquiry.

The SPEAKER. The Chair will examine that question when the amendment is offered.

Mr. BLAND. Then will the Chair recognize me to offer a substitute?

The SPEAKER. That is another matter altogether.

Mr. BLAND. Yes, evidently.

The following is the free-coinage amendment or substitute desired to have pending and was prevented from being considered by arbitrarily ruling it out:

A bill (H. R. 3878) for the free coinage of silver, and for other purposes.

Be it enacted, etc., That from and after the passage of this act all holders of silver bullion of the value of \$50 or more, standard fineness, shall be entitled to have the same coined into standard silver dollars of $412\frac{1}{2}$ grains troy of standard silver to the dollar, upon like terms and conditions as gold is now coined for private holders; that the standard silver dollar heretofore coined and herein provided for shall be the unit of account and standard of value in like manner as now provided for the gold dollar, and shall be a legal tender for all debts, public and private, except where otherwise stipulated.

SEC. 2. That so much of the provisions of the act of February 28, 1878, entitled "An act to authorize the coinage of the standard silver dollar and restore its legal-tender character," as provides for issuing certificates on the deposit of silver dollars shall be applicable to the coin herein named; and so much of the said act of February 28, 1878, as provides for the purchase of silver bullion to be coined monthly into standard silver dollars be, and the same is hereby, repealed.

SEC. 3. That the Secretary of the Treasury is hereby authorized to adopt such rules and regulations as may be necessary to enforce the provisions of this act.

BLAND

