MONEY A PUBLIC INSTITUTION.

This country, with its enormous natural resources, has nothing to fear, protected by a wisely adjusted tariff, if a sufficient circulating medium to do the increasing business of the country is permitted by law, and if its mines continue to furnish precious metals as a regulator of exchange with the world.

As a mere private possession the nation has no more interest in money than it has in any other kind of property, but as a public institution money must be made a public benefactor.

SPEECH

OF

HON. PHILIP S. POST,

OF ILLINOIS,

IN THE

HOUSE OF REPRESENTATIVES,

WEDNESDAY, MAY 7, 1890.

WASHINGTON.
1890.

SPEECH

OF

HON. PHILIP S. POST.

The House being in Committee of the Whole and having under consideration the bill (H. R. 9416) to reduce the revenue and equalize the duties on imports—

Mr. POST said:

Mr. CHAIRMAN: Under a protective tariff this nation has prospered as no other nation ever prospered before. Millions of foreigners, leaving destitution, came to our shores to share the wealth of our citizens. The productive energies of our people were taxed to their utmost, and thrift, industry, and enterprise, received legitimate reward. But there came a check to productive industry; the years 1885 and 1886 were memorable for agitation, uneasiness, and depression. President Cleveland, attributing the trouble to the protective tariff, sent to Congress his free-trade message, which precipitated a prolonged tariff discussion in the Fiftieth Congress and before the people in 1888.

The Mills' bill, in accordance with the President's message, contemplated permanently low prices for everything, including agricultural products, a condition injurious to debtors and producers and beneficial to the income classes. The mortgages were originally the result of enterprise, and the possibility of profit on borrowed capital was calculated upon the average price of products. For the Government to change its policy with a view to decreasing prices and destroying the ability of the producer to profit by or even pay his indebtedness, is equivalent to increasing the indebtedness. The country properly repudiated that unwise and unjust policy.

We have now before us a bill "to reduce the revenue and equalize the duties on foreign imports," and the majority of the committee, who have for months given their attention to the details of this bill, say that "the general policy of the bill is to foster and promote American production and diversification of American industry;" that "while securing the needed revenue its provisions look alike to the occupations of our own people, their comfort and their welfare; to the successful prosecution of industrial enterprises already started, and to the opening of new lines of production where our condition and resources will admit."

In its most important features this bill conforms to the expressed wishes of the people I represent. It proposes to reduce the revenue over $71,000,000; it places jute, manila, and sisal-grass on the free-list, and admits without duty sugar under No. 16 Dutch standard in color, imported from any country which does not lay an export duty on that article. A tariff necessarily relates to details, and there are some schedules in this bill which I hope to see altered when it comes to be read and discussed by sections.

The gentleman from Georgia [Mr. STEWART] who has just preceded me referred to the industrial distress of the country attributing it to the protective tariff, and predicted further disaster from that cause. In response to that I take this occasion to again assert that the depression in this country is not chargeable to its protective tariff, nor can it be totally remedied by a change of schedules. For fifteen years I have been endeavoring to attract public attention to an insidious policy smuggled in from England, against which no tariff can afford protection. In discussing the Mills bill in the last Congress I said:

> Whatever system of revenue laws a country may have it can not prosper under a policy which curtails the currency. With a population and business constantly increasing and a currency stationary or decreasing, no genuine prosperity is possible, except to those who control the money of the country. Our Western farmers and producers understand this.

President Cleveland, who then occupied the Executive Mansion, was absolutely committed to the gold standard, and had devoted five pages of his first message to Congress to the impending danger to the country arising from even a limited coinage of silver. When the next Congress assembled he had shifted his assault from silver to the protective tariff, and credited that policy with threatening disaster and destruction to the Republic. In the midst of the battle between protection and free trade thus inaugurated no other topic could be considered. However interesting the different schedules of the tariff may be to merchants and manufacturers, to the great body of the producers there is a more important question, to which I wish to direct your attention.

MONETARY LEGISLATION.

Mr. Chairman, when Warren Hastings, arraigned for cruelly plundering the defenseless people of India, reflected upon the constant demands made upon him by the greed of the East India Company and the limitless power he had exercised as governor of India, he naturally exclaimed that he was amazed at his own moderation. When the owners of realized wealth consider how completely the monetary legislation of modern civilized nations has been conceded to them as representatives of great commercial interests, they might well exclaim that they wonder at their own moderation.

Giving full credit to the conservative tendency which accompanies wealth, without any general arraignment of those whose influence in the financial policies of nations has been so conspicuous, admitting that usually their counsel has seemed prudent, yet their advice rarely rises to such a height of patriotism as to require personal sacrifice on their part. In all the troublesome questions of state finance, their unselfish counsel has been generally directed to what would be the best policy for the Government to pursue after the interests of their own class had been fully guarded.

Six hundred years ago the Venetian fundholders perceived it to be to their advantage to secure for themselves the payment of the interest due to them from the State in "better money" than that in which the loans were raised. We are told that, "forming, as they did, a body of wealthy and influential citizens united by a common interest, no difficulty was experienced in the attainment of the object. The current money of the time consisted chiefly of silver and gold coins, both of them legal tender to an unlimited amount. It only became necessary to limit the legal functions of one of these coins in order to bring about a contraction of the currency." Accordingly silver was demonetized, and all payments, including the payment of interest on the public debt, were required to be made in gold.

Two hundred and fifty years ago, when the precious metals of the New World were pouring into Spain, the Spanish grandees who controlled the bullion refused to send it to the mint to be coined, because plenty of money enhanced the value of commodities, and they did not want rising prices, but falling ones.

Those who have considered it to be their privilege to outline the recent financial policy of our country are doubtless conservative and patriotic, but it might be difficult to mention a single legislative act suggested by them in the last quarter of a century which has been beneficial to the debtor and injurious to the creditor class. During that time the bondholders demanded and secured new legislative guaranties for the payment of United States bonds which were certainly not provided for in the original contract, or such legislation would have been unnecessary.

Whether this was right or wrong makes little difference now: it was temporary in effect, comparatively unimportant in result, and has passed from the realms of discussion. During that time also the system adopted by the Venetian aristocracy for securing payment of debts in a "better money" has been adopted here, and this is a matter of transcendent importance, not temporary in its effect, touching not merely the prosperity of the state, but the interest of civilization and the welfare of humanity.

MONEY A PUBLIC INSTITUTION.

The rights of mankind can never be fully secured until money is recognized as a public institution created for the general welfare. It is the public institution which, above all others, affects the happiness of every man, woman, and child in our country, and to submit it to the control of those who deal in it, of those who make its contraction and expansion a source of revenue to themselves, is in violation of every principle of justice. Capitalists claim that they control money, furnish money to the State, understand the true principles of finance, are conservative, safe advisers; that the farmers, the mechanics, the producers, do not comprehend these matters; and that therefore the capitalists should shape the monetary policy of the Government.

More than this, we have been told that the financial corporations can act together "with such power that no act of Congress can overcome or resist their decision." This may be true; it may be that law would be powerless, Congress impotent, and the people helpless; but if it be true, I have mistaken the signs of the times and the character of the American people. If it be true, I still assert that money affects not merely the rights of the possessor, but of every one; and that the rights of the honest citizen striving to supply his family with bread, the rights of the humble debtor striving to cancel a debt, are as sacred as the rights of the proudest plutocrat who piles up money in his coffers. Preserve inviolate the faith of the Government to the public creditor, has been the cry of the millionaire; preserve inviolate the faith of the Government to the private debtor, is the cry of the million. And not justice alone, but wisdom, demands that the ear of power be turned from the near whisperings of greed to the distant reverberation of distress and indignation.

An "irrepressible conflict" has commenced in this country between débtor and creditor, between producers and the income classes. The natural relations between men in this Republic are fraternal and coöperative, and this is especially so between the capitalist who has money to loan and the producer who needs money to carry on and extend his business. Their real interests are not antagonistic, but identical, and each class is a benefactor to the other. Why, then, are they assuming an attitude of hostility to each other? Who is responsible for the impending conflict, and how may it be averted?

The conflict is due to the fact that the gold dollar which has been declared the sole monetary unit or so-called standard is steadily rising in value, thereby its purchasing power is increasing and the price of all other property, including everything the producer has to sell, is decreasing. The effect is to decrease the profits of the producer and to take more labor, more products, more property of every kind to liquidate a debt. This condition is due to an unjust law, which omitted the silver dollar from the list of coins and made the gold dollar alone the monetary unit or standard of value—a law passed without publicity or previous consideration, but which has since been espoused by many of the creditor class, because it is to their temporary advantage. I say "temporary," because the ruin of debtors will be but a forerunner of disaster to creditors. The responsibility for this conflict rests upon Congress alone, and the remedy is to undo its thoughtless work and restore silver to its legitimate function.

Congress is often called upon to correct by legislation evils over which the statutes have no control. An individual adopts some theory or practice which he imagines to be beneficial to himself, and straightway becomes anxious to engraft it on the laws of the country as a reform, in order to compel every one to practice what he believes. Time-honored statutes should never be repealed to enforce some individual theory without full discussion and ample consideration, not alone by the Legislature, but by the people themselves, for it frequently happens that legislation intended to mitigate some known evil produces others unthought of and more serious. Therefore I do not believe that every monetary disturbance or depression of trade can be remedied by statute, or can profitably be brought to the attention of Congress.

In this case, however, Congress was the author of the evil, and can alone remedy it. Without a single word of legitimate discussion it changed, in a vital matter, not only the practice of the Republic ever since it was founded, but the practice sanctioned by the combined wisdom of civilized countries for more than three thousand years. It precipitated a conflict which will never cease until justice is done to debtor and producer.

It has been said that there is no subject about which more is written and less known than that of finance. Authentic history has established certain facts which are known, and suppose we thrust aside the speculations of theorists, the profound and contradictory opinions of experts, the solemn, often irrelevant and always voluminous discussions and findings of monetary commissions, and turn to the one source of knowledge worth considering in this connection—history. Viewed in this light, the difficulties of the question fade away. From it the student will learn all that can be known.

A concise history of monetary customs and legislation will show:

1. That silver and gold have always been used by advanced nations as money.

2. That the relative value for more than three thousand years has usually been between 13 and 16 to 1.

3. That whenever fluctuations have been greater they were local and temporary and could be distinctly traced to a change in the price of gold rather than of silver.

4. That from 1669 to 1872, a period of over two hundred years, the relative value of silver and gold remained approximately at 15.5 to 1.

5. That the rise in gold since 1873 is due to legislation in its favor.

6. That there has been no such depreciation in silver as is asserted by the advocates of the single gold standard.

7. That legislation inimical to the use of either gold or silver as money is injurious to laborers and producers.

8. That the benefit derived by the creditor class from the disuse of either metal as money and the consequent contraction of the currency is not real, but only apparent and temporary.

9. That ruin to the possessors of accumulated fortunes and realized wealth has always, and will always, surely follow the ruin of the producers.

Under the Assyrian rulers, seven hundred years before the Christian era, as well as under the Persian kings, the relative value of silver and gold was 13 to 1, and some evidence might be cited to show that this ratio had existed many centuries before. It is unnecessary to trace the fluctuations and their causes prior to and in the earlier part of the Christian era. There was little communication between nations and the spoils of war affected the local ratio.

The following table will show the ratio of gold and silver from 1669 to 1888, and that for two hundred years the relative value did not materially change until 1873:

Year.	Ratio.	Country.
1665	15.10	France.
1669	15.11	Upper Germany.
1679	15.00	France.
1680	15.40	Do.
1687–1700	14.97	Hamburg.
1701–1720	15.21	Do.
1721–1740	15.08	Do.
1741–1790	14.74	Do.
1791–1800	15.42	Do.
1801–1810	15.61	Do.
1811–1820	15.51	Do.
1821–1830	15.80	Do.
1831–1840	15.67	Do.
1841–1850	15.83	Do.
1851	15.46	England.
1852	15.57	Do.
1853	15.38	Do.
1854	15.33	Do.
1855	15.36	Do.
1856	15.33	Do.
1857	15.27	Do.
1858	15.36	Do.
1859	15.21	Do.
1860	15.30	Do.
1861	15.47	Do.
1862	15.36	Do.
1863	15.38	Do.
1864	15.40	Do.
1865	15.33	England.
1866	15.44	Do.
1867	15.57	Do.
1868	15.60	Do.
1869	15.60	Do.
1870	15.60	Do.
1871	15.59	Do.
1872	15.63	Do.
AFTER SILVER WAS DEMONETIZED.		
1873	15.92	England.
1874	16.17	Do.
1875	16.59	Do.
1876	17.88	Do.
1877	17.22	Do.
1878	17.94	Do.
1879	18.40	Do.
1880	18.05	Do.
1881	18.16	Do.
1882	18.19	Do.
1883	18.64	Do.
1884	18.57	Do.
1885	19.41	Do.
1886	20.78	Do.
1887	21.18	Do.
1888	21.99	Do.

THE DOUBLE OR OPTIONAL STANDARD.

The singular uniformity in the relative commercial value of silver and gold for two hundred years previous to 1873, as shown in the above table, is easily accounted for. Notwithstanding the discovery at one time of gold in unusual quantities and at another of silver, so long as both metals were used as money, whenever from any cause one of the metals became scarce and dear, the other was more used, and with the withdrawal of the dearer metal from use as money, the demand for it ceased and it dropped back in its relative price. Neither gold nor silver would by itself be a correct measure of value, but as two metals are combined in the perfect pendulum of a clock, so together they form the most perfect measure of value ever devised.

In 1870 the double or single silver standard was used by 945,000,000 of people, the single gold standard by only 87,000,000, and of these Turkey and Brazil with 46,000,000 of population had specie payment suspended indefinitely, so that practically only 41,000,000 used the single gold standard.

The only nation of prominence in the list of gold-standard nations was Great Britain. She had the single silver standard until 1816, and her gold standard was adopted on the recommendation of Lord Liverpool, who in his letter to the King said that—

As a nation increased in wealth the material of their money should be made more valuable, and that Great Britain had reached that height of influence which required the single gold standard.

England as a creditor nation, to whom other nations were largely indebted, and as a principal gold-producing nation, advocated a single standard to increase the purchasing power of gold. The United States had nothing to gain in joining England in this scheme; the interests of our people were with the silver and double standard nations of the world.

A brief review of recent history and legislation will show how the United States came to make the mistake which Congress is now called upon to correct. As a result of the Franco-Prussian war an amount nearly equal to $1,000,000,000 was exacted from France as an indemnity. With this vast sum due her, Germany as a creditor nation thought it good policy to abandon her silver standard and adopt a gold one. In the United States some thoughtless or designing legislator inserted in an act regulating the mints a provision making the gold dollar the monetary unit and omitting the silver dollar from the list of coins.

We had, then, in 1873 France struggling to collect a fabulous sum of gold in order to free her territory from an invading army; Germany discarding her silver with a view to using gold alone; and the United States unconsciously changing her time-honored coinage laws and increasing the already unnatural demand for gold.

Gold is no exception to the universal law that supply and demand regulate the price. Two great commercial nations, 80,000,000 of civilized people, suddenly changing their monetary systems and establishing gold alone as a legal-tender coin, just at a time when another nation of 40,000,000 people was straining every resource to secure a fabulous sum in gold to meet a creditor's demands, was of itself enough to raise the price of gold with reference not merely to silver, but to every article of commerce. This is precisely what has occurred.

Germany has a complete defense, and her action might even be considered wise, since it is known that the relative value of gold and silver is fixed, not by the quantity produced nor by the cost of production, but by the law of the nation or nations which coin the greatest amount. Her victorious armies had exacted a thousand million dollars and it was expected that it would be paid in gold. As this amount exceeded the amount of silver coin in circulation threefold, self-interest seemed to lead to the abandonment of the silver standard and the adoption of gold, of which she had the most as her standard. It was not from the love of the gold standard, but because for the first time in her history she expected to have possession of more gold than silver.

France could not help herself. She must have gold to free her territories from hostile bayonets. The fact that she had a double standard, however, enabled her to meet the demand of her exacting creditors without ruining her commerce or distressing her producers. Her refusal to coin the rejected silver of Germany was not a policy deliberately adopted as one of wisdom, but was pursued in order to embarrass Germany and force her to bear the loss arising from the demonetization of silver.

It is to be noted here that France never demonetized her silver coin, and that Germany, after blowing her trumpets and declaring that her silver should be sold, subsequently refused to carry out that policy, and, without announcing that fact to the world, allowed her silver to continue in circulation. She quietly retraced her steps and left the United States "to hold the bag."

Of these three nations the United States was the only one whose action was entirely without excuse and utterly wanting in wisdom. We were the great silver-producing country. Our silver was exported because it was worth 3 per cent. more abroad in gold than when coined at home. By demonetizing it the price of gold was raised, so that ever since foreign nations have had the benefit of our silver production at from 10 to 30 per cent. less for gold than they would have paid but for this action.

But that is unimportant compared with the injury which it has done to the debtors and producers of this country; in that respect it is a wrong never paralleled in the history of civilization. Its effect was not immediately felt, because at that time all commercial transactions in the United States were carried on in a depreciated paper currency, but now that we have returned to specie payment it is wringing the life-blood out of the producing interests, and the full enormity of this most unrighteous law is being understood by those who are steadily suffering by its injustice.

THE FUNDHOLDERS AND BANKERS' PLOT.

In 1868 European bankers estimated that if the single gold standard could be universally introduced the circulating medium of the world then existing would suffer a sudden reduction of 38½ per cent., for which there could be no compensation in an increased supply of gold, and therefore the value of gold would rise. The objection to this course was then clearly pointed out, that as an increase of circulation is always beneficial, so the destruction of a large part of the existing circulating medium would be injurious to the true interests of mankind—a blow to the advance of civilization and to social progress.

How did it happen that the people of the United States, who are so keenly alive to their own interests and who so carefully watch legislation, permitted the demonetization of silver and the adoption of the gold standard? The truth is that they did not know what had been done; legislators did not know what they were doing. The demonetization of silver was the most peculiar legislative transaction that ever occurred in this country, and it is to be hoped that no similar transaction will be attempted in the future.

If any one connected with it appreciated what its effect would be it was not avowed, and it is charitable to suppose that no member of the Congress which passed the law had the slightest idea that the law would create consternation and distrust throughout the civilized world, and that within twenty years the most important question before Congress would be how safely to restore the coinage law as it existed prior to 1873.

A GREAT LEGISLATIVE FRAUD.

The act of 1873, which omitted the standed silver dollar from the list of coins, did not indicate in its title that it was of importance, or that it contained anything of interest to any person except to officers and employés in mints and assay offices. It was entitled "An act revising and amending the laws relative to mints, assay offices, and coinage of the United States."

It was a long act, consisting of sixty-seven sections, making elaborate provisions with reference to establishing the Mint as a bureau; appointing directors, clerks, and assayers; fixing the powers of superintendent and assistants, providing for their oaths and bonds and salaries; declaring the standard of both gold and silver coins, their weight, devices and inscriptions; providing for the purchase of metal and what should be done with the clippings; regulating the account of the coiner and melter, the allowance for waste, the testing of coins, the expenditure and how it should be paid, the business of the several assay offices, and the penalties for counterfeiting and embezzling.

The last section of the act says: "This act shall be known as the coinage act of 1873." That section ought to be amended so as to read: "This act shall be known as the great legislative fraud of 1873."

While this act clandestinely passed through both Houses without opposition, and by an almost unanimous vote prevented the further coinage of the standard silver dollar, it did not take away the legal-tender quality of the silver dollars already coined. This was done by another legislative fraud.

The Revised Statutes of the United States were presented to Congress as a compilation of existing laws and nothing more. The committee stated that there had been no change of existing laws, that they had endeavored to have the Revised Statutes a perfect reflex of existing national statutes, and it was so officially stated on its face. Notwithstanding these assurances, the sun arose June 22, 1874, with all the silver dollars in existence a legal tender to any amount; when that act was approved on that June 22, 1874, they ceased to be a legal tender beyond $5, and the existing silver dollars were demonetized.

It has been authoritatively stated on the floor of the Senate of the United States that these acts of hostility to silver, so mysteriously enacted into law, were the result of a conspiracy of men who acquire wealth by the manipulation of money; "a combination between the Bank of England and the Treasury Department to depress the industries and cheapen the products of the United States;" that it was part of a scheme of moneyed men of this country and Europe to make money out of the distress of our country.

I wish I dare deny this grave charge and could produce the evidence to substantiate the denial. It has been clearly proved that the chairman of the committee who reported the original bill did not know for eighteen months after Hooper's substitute was passed that the silver dollar had been dropped, neither did the then Speaker of the House, nor the President who signed the bill.

The Senators who have with such ability and research exposed the result of this legislative action and incidentally the method by which it was accomplished, seem to have overlooked one act directly connected with the subject. It is an act which has not, I believe, been mentioned in any speech in Congress or in any newspaper, though to my mind it proves conclusively that whoever inspired it must have understood that the coinage act approved February 12, 1873, would create a monetary disturbance throughout the world. I refer to the act approved March 3, 1873, to "establish the custom-house value of the sovereign or pound sterling and to fix a par of exchange."

It had been customary to fix the relative value of the standard coins of foreign nations by law, and the second section of this act continued the practice so far as the pound sterling was concerned. The first section, however, provided that "the valuation of the standard coins in circulation of the various countries of the world shall be estimated annually by the Director of the Mint, and be proclaimed on the 1st day of January by the Secretary of the Treasury." Whoever inspired that act must have been willing to fix by law the value of the pound sterling in United States coin, and must have assumed that the standard coins of other countries would be liable to frequent changes.

SILVER THE STANDARD PRIOR TO 1873.

In 1873, as an officer abroad, it was my duty to certify to the value of a depreciated paper currency in the standard coin of the United States. That standard was, and always had been from the beginning of the Government, "the American or Spanish silver dollar." I have mentioned the United States in a list of double-standard countries because we had free coinage of gold and silver, and the popular opinion placed it there. But the only legal standard of value was the "American or Spanish silver dollar," and every certificate filed in our custom-houses prior to 1873 proves that fact. The gold dollar was a legal tender just like the greenback, but had the advantage of the greenback in also having a foreign exchange value.

GOLD STANDARD DISTURBED FOREIGN TRADE.

While the effect of the changes in our monetary laws in 1873 did not at once appear at home because we still used a depreciated paper currency, yet our trade relations abroad were disturbed by it as may be illustrated by tracing its operations with a single country. The value of the silver florin, the standard of Austria-Hungray, had been fixed by the United States statute of 1861 at 46.19 cents. After the law of 1873 was passed, it had no longer a fixed relative value, but was to be estimated by the Director of the Mint. His estimate in January, 1874, was 47.6 cents. Those who had commercial relations with Austria-Hungary were astonished at the change.

The silver florin was unchanged, the silver dollar of the United States was unchanged, but the Director of the Mint declared that the relative values of the standard coins of the country had changed nearly 4 per cent. I traced the cause distinctly to our change of the unit of value, and saw that it would be impossible, with any degree of fairness, to those transacting commercial business with Austria-Hungary, to leave this estimate subject to an arbitrary and great change at the end of the year, and I therefore proposed that this gold valuation should be reached by comparing the paper florin with the daily market rate for the gold florin in use in Austria-Hungary.

In the voluminous correspondence which followed with the Department of State, the Secretary of the Treasury, and the Director of the Mint, a correspondence which continued through five years, many phases of the silver question were presented. The Secretary of the Treasury adopted my suggestions, but in 1878, because of a decision of a United States court, in which the question had been raised, he rescinded his order. Subsequently, however, in 1879 he again adopted the plan I suggested as the only reasonable solution of the difficulty.

I make the following extract from a dispatch which I sent to the Department of State July 13, 1878, because it contains some facts to which I refer hereafter.

In the letter of the honorable Secretary of the Treasury dated March 23, 1878, a decision of the United States circuit court at New York is mentioned to the effect, that the practice of estimating the depreciated currency of Austria-Hungary with reference to the value of the silver florin as fixed by the proclamation of the Secretary of the Treasury, was correct.

The Director of the Mint, in his letter dated July 18, 1874, declared "the paper florins are to be redeemed in silver florins," and assumed that there was a regular and trustworthy quotation for the silver florin. Both these assumptions must be true, if an estimate of the value of the currency so made is to be relied upon. A few years ago these assumptions were true, but if the decisions of the United States circuit court and the honorable Secretary of the Treasury were given under the impression that they are now true, I beg to submit some reasons for believing that the silver of Austria-Hungary does not enter into the question of the value of the paper currency, and that the fluctuations quoted in the silver florin do not affect the value nor indicate the fluctuations which take place in the value of the paper currency.

Prior to 1866 the currency of the empire consisted of national-bank notes—promises to pay silver florins which were then the standard.

In 1866, however, the Government commenced to issue legal-tender state notes which do not pretend to be promises to pay anything, anywhere, at any time. They read on their face, after stating the denomination, one, five, or fifty guldens as the case may be, as follows:

"This state note will be received and paid out by all imperial and royal depositories and offices for all payments which are not required by law to be in coin."

It will be seen that these notes are a promise to receive, "not to pay," and that they do not claim to be redeemable, and have no more reference to silver florins than to gold florins.

As the national bank was compelled to accept these irredeemable state notes, the Government exempted the national bank by law from redeeming its notes so long as state notes are issued, so that legally and practically the business of this empire is conducted with a paper currency absolutely irredeemable and having no reference to either silver or gold, its value being derived from its legal-tender character.

The average amount of national-bank notes in circulation in 1876 was 291,000,000 and of state notes 342,000,000 florins.

* * * * * * *

The legal-tender promises to receive of the state not only furnish the larger part of the circulation, but fix the character of the entire currency. That currency which some American philosophers and statesmen are reported to be dreaming of and longing for has been established by law, and is in actual use in this country, a paper currency with a value stamped thereon, and which cost nothing but the printing.

It is not silver, it is not gold, nor is it a promise to pay silver or gold, nor is it a promise to receive as equivalent to silver or gold; it is a paper florin, a legal tender for all debts, except debts which are by express law or express agreement payable in coin. It is a new currency, and the feature which distinguished the former note circulation, and to which the Director of the Mint must have referred, when he said the paper florins are to be redeemed in silver, has been entirely stricken out, nor is it to be considered as a mere temporary currency, for if I am not mistaken it is much more easy to establish such a currency than to abolish it.

The monetary discussion has taken a wide range in the United States, but it is a singular fact that I have never seen the peculiarities of the currency of Austria-Hungary referred to in any publication in this or any other country. English official communications have dismissed this currency with the statement that specie payment was suspended, which as to the state notes is untrue.

GOLD APPRECIATED 41 PER CENT. IN FIFTEEN YEARS.

The value of the silver florin of Austria-Hungary in United States gold dollars, as estimated by the Director of the United States Mint, was as follows:

Year.	Cents.	Year.	Cents.
1874	47.6	1884	39.8
1875	45.3	1885	39.3
1880	41.3	1886	37.1
1881	40.7	1887	35.9
1882	40.6	1888	34.5
1883	40.1	1889	33.6

During all these years the Austrian silver florin has remained unchanged. It is the same standard coin of an empire, and prior to 1873 it bore a stable relative value with United States coin. In 1874 this florin was estimated by the Director of the Mint at 47.6 cents, or 2.10 silver florins equaled $1 in gold. In 1889, fifteen years later, the florin was estimated at 33.6 cents, or 2.97 silver florins equaled a gold dollar. Forty-one per cent. must then be added to the price of this silver coin to equal its gold price in 1874.

During those fifteen years either silver remained stationary and gold advanced 41 per cent., or gold remained stationary and silver depreciated 29 per cent., or there was an appreciation of gold and a depreciation of silver. The history which I have traced proves that no such extraordinary change in the relative value of gold and silver ever before occurred since the precious metals were used as money, and proves also that this change was brought about by coinage legislation.

If it were of the slightest importance in this discussion it could be proved that gold has appreciated and silver has remained practically stationary in value. The royal commission appointed by England to inquire into the recent changes in the relative value of the precious metals, in their final report, made in October, 1888, were unable to trace the change to the depreciation of silver. They found, however, that in countries where a silver standard prevailed the average prices of all kinds of products had remained practically the same as they were prior to 1873, and that in countries where the gold standard prevailed there had been a decrease in the average prices of all kinds of products, and the decrease corresponds with the difference between the price of silver and the price of gold.

In other words, statistics show that products of every kind, including silver, had maintained a certain price with the sole exception of gold. The commission also found that the production of gold has fallen off, its use largely increased, and yet their English respect for the pound sterling as an absolutely truthful measure of all values was so great that they were unwilling to declare that the price of the metal from which it was made had increased.

To suppose that legislation tending to make gold the single money-metal of the commercial nations of the world, coupled with a falling off of the production of the gold mines, would increase the relative value of gold, is reasonable. On the other hand, to suppose that gold has remained stationary while all other products, including silver, have depreciated 29 per cent. in the last fifteen years, is a proposition so absurd that it is unnecessary to pursue it. Silver always has been, and still is, the defining metal of the world.

The fault does not lie with either metal. Had gold been demonetized and made useless as money and silver made the sole monetary unit among nations, the value of silver would have risen and prices of everything measured by it would have fallen. It was not the policy of England, nor the action of Germany, which alarmed commercial nations. It was the course of the United States in 1873 in demonetizing a precious metal largely produced here. The safety of our own producers requires a reversal of this action in the interest of labor, in the interest of justice, in the interest of peace.

RESTORE SILVER TO ITS CONSTITUTIONAL FUNCTION.

The question is, shall silver be restored to its legitimate place as a money metal in absolute equality with gold, as was contemplated by the Constitution of the United States? Shall silver be coined free, as gold is coined; shall it be a legal tender in payment of all debts, as gold is a legal tender; shall the nominal value of a certain number of grains of pure silver be declared by law, as it was prior to 1873, or shall silver be continued as an article of merchandise to be bought at its foreign market value in gold, and gold alone recognized as a money metal?

Mr. Chairman, I am aware that it is claimed that the banks at the great commercial centers of this country absolutely control monetary affairs, and that it is folly for Congress to meddle with them, except to enact such laws as the representatives of the great commercial interests require. I am aware that in 1877 a great newspaper in New York City declared that "the capital of the country is organized and Congress dare not fly in its face" by passing a silver bill, and after Congress did direct the coinage of at least $2,000,000 per month and the New York banks decided not to allow silver coin as clearing-house money, this newspaper declared "practically the banks of the city of New York repeal the silver bill."

I dissent from this doctrine. I do not believe that a money bag has become superior to a man, or that the laws of this nation should be dictated by the temporary interest of the few without regard to the welfare of the many. I reassert here that manhood rules the country, not wealth, and that neither the possessor nor the representative of wealth has any rights superior to any other citizen.

But admitting all that the wildest gold monopolist ever claimed as to the power of wealth to enforce or repeal the laws, it can not affect the duty of Congress or of any member who has taken a solemn oath to support the Constitution. What that duty is every member will decide for himself.

I believe that the Constitution recognizes gold and silver as the money metals, and that both metals should be used in our coinage as full legal tender. I also believe that Congress has power "to coin money and regulate the value thereof," and that in exercising this power it should declare the weight of gold and of silver respectively which should constitute a legal-tender dollar. The ratio at which gold and silver should be coined is a proper subject for discussion, but at some fixed rate there should be free coinage for both metals.

THE SILVER DOLLAR.

In 1792 Congress declared that "the money of the United States shall be expressed in dollars or units, and that the dollar shall be of the

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value of a Spanish milled dollar as the same is now current and contain 371.25 grains of pure silver."

This weight of the American standard silver dollar was thus fixed, and it has never at any time been changed. It ought not now to be changed, because silver is the product of regular mining, requiring machinery and capital, and is subject to less fluctuations than gold. There never has been any great and sudden outpouring of silver, but there has been a steady increase in quantity, though not enough to keep pace with the increase of population and business and the increasing demand for money.

THE GOLD DOLLAR.

If Congress is satisfied that the relative value of silver and gold has permanently changed, not by reason of the legislation making gold the exclusive unit of value, but by circumstances not controlled by legislation, and that a readjustment in the weight of gold and silver coins should be made, then by all means let the time-honored silver dollar of 371.25 grains of pure silver stand, and reduce the weight of the gold dollar.

The American gold dollar has been changed before and may require similar changes in the future, because the production of gold is fluctuating. The great mass of gold has been found in alluvial deposits not requiring great labor, machinery, or regular mining operations to secure it. It is said that in twenty-two years the Brazilian auriferous fields increased the world's supply of gold fourfold. At present the supply of gold is decreasing, and its scarcity naturally increases its price.

SILVER AND GOLD.

I do not, however, believe that any change of ratio is necessary. All that is required is to open our mints to the free coinage of both gold and silver at a ratio of 16 to 1. This will be notice to the world that if any country wants American silver, it must pay for it at the rate paid prior to 1873. The silver coins of France and the Latin Union and Germany have a relative value of 15.5 to 1. To suppose that these coins will be sent here to be recoined at 16 to 1 is to suppose that the holders rather pay sixteen ounces of silver for one of gold than to secure the same amount of gold for fifteen and one-half of silver.

THE BRITISH EMPIRE VS. AMERICA.

There is no necessity for international agreement as to the ratio at which gold and silver should be coined. The whole world with the exception of England agrees that silver shall be coined at 15.5 to 1, or at 16 to 1. England wants the single gold standard; she is not a silver, but a gold producing country. In the four years from 1885 to 1888 the British Empire produced $115,398,642 in gold and only $10,288,250 in silver. History teaches that whenever a strong nation changes the ratio, it has been for the purpose of enhancing the value of that metal over the production or coinage of which it possesses the control. Whatever enhances the value of the gold England possesses and the gold she produces is to her advantage. She has no interest in silver except to get it cheap.

In the same four years, from 1885 to 1888, the United States produced $132,975,000 in gold and $215,152,000 in silver. Our interest is diametrically opposed to that of England. An international agreement means to bow to the wishes of England. As we produce both gold and silver it is now easier to declare our monetary independence of England than it was to declare our political independence in 1776. To the monometallists of this country who are allied with aristocratic England this may sound like treason, but treason to that alliance is American patriotism. Besides, there are two Englands, and, unless aristocratic England listens to the cry of industrial England, ere many midsummer suns shall gild palace and hovel there, you may "look round broad England and miss a throne."

GOVERNMENT CERTIFICATES.

It is universally agreed that the money metals should be held by the Government as bullion to be coined when needed, and that certificates should be issued for circulation. To accomplish this I introduced on January 20, 1890, House bill 5379 requiring the issue of legal-tender certificates to the depositors of gold and silver, the product of United States mines. This bill would secure the following advantages:

1. Restore gold and silver to their constitutional equality.
2. Replace silver to the exact position as money which it occupied prior to 1873.
3. Enable depositors to receive either coin or its paper legal-tender representative.
4. Give free coinage to American silver, but obviate the objection made by those who are fearful that our country will become the "dumping ground" for foreign silver.

This bill has been favorably commented upon by many of the papers in my district, where the silver question has been widely discussed.

The Peoria Transcript said:

> The silver question is certainly the most important question now presented for the consideration of Congress. It is not a party question. It is not a sectional question. * * * We believe that finally some bill resembling in essential details the one introduced by General POST will be adopted. * * * Gold is the rich man's dollar; silver is the poor man's. General POST's bill proposes that the dollar of the poor man shall have the same purchasing power, the same power to pay customs dues or debts, that the dollar of the rich man has.

The Peoria Journal, which has given great prominence to the silver discussion, said:

> General POST's bill is intended to allow this country to make the price of its own silver, and not England. * * * It is by all odds the best measure yet hit upon, and it is extremely doubtful if a better could be devised. * * * There is not a shadow of a doubt but that the adoption of the gold standard by the Congress of the United States has been the direct cause of more and dangerous evils to this Republic than any other one thing since its foundation.

That representative Eastern Democratic paper, the New York World, on April 29 had the following:

> THE SILVER ISSUE.
>
> The Republican majority in Congress is coming more and more under the control of the extreme silver men. * * *
>
> The truth is that they want silver legislation simply that a market may be furnished for the products of their mines. They do not care for more money as a circulating medium, but they do care for more money to lock up in their own bank vaults. In insisting that all the bullion shall be coined they simply are seeking a higher price for their goods, and their talk about "insults" to silver is bate for gudgeon.
>
> This is the philosophy of the silver question in a nutshell.

In answer to this I call attention to the following resolutions adopted by a representative body of men who are accustomed to consider economic questions and who know as well what the farmers of Illinois want as the New York World knows what the capitalists of New York want. These resolutions were passed by the Peoria County Grange, Patrons of Husbandry, March 6, 1890, and were presented to the House of Representatives and referred to the proper committee:

Whereas we believe that the depreciation in price of farm products is due, in a great measure, to the contraction of the currency; and

Whereas we believe that such contraction is brought about by the demonetization of silver and by legislation in favor of Wall street and gold; and

Whereas we believe that the interests of the agricultural and laboring population of the United States demand that there should be a free coinage of silver, or its equivalent in certificates, that shall be redeemable in coin, that shall be legal tender for all debts, public and private:

Resolved by Peoria County Grange, That we heartily indorse the bill presented to Congress by Hon. P. S. Post relating to this question.

Resolved, That we ask the Representatives and Senators from this State to use their influence toward the enactment of this bill into a law.

GOVERNMENT PROFIT ON SILVER.

The gold advocates express great anxiety lest the Government should lose its profit on coining silver. The profit on silver coinage marks the premium on single-standard gold. It is secured by taking a quotation in a foreign market, where national interest requires cheap silver. When the product of American silver mines brings the least in the London market, then the profit of our government is greatest. The English profit and the Treasury profit both come from the national wealth of America.

Silver mining as a whole is an unprofitable industry; for every rich mine a hundred do not pay. Silver is produced at an average loss, and its coinage value is far below the average cost of production, but as the precious metals are the measures of value for the increasing transactions of mankind their continued production is of the greatest importance to governments. The United States should not permit England to plunder our silver mines. If our Government issued a promise to pay the exact amount of silver deposited it could lose nothing. It would put a stop to foreign robbery, and the increase of the currency would relieve our industrial distress.

HOPELESS RUIN TO PRODUCERS.

The profit which might accrue to the Government by continuing a false system of coinage is beneath consideration.

A government which would continue to make a profit for itself and its income classes by distressing its wealth-producing citizens could not long exist. The result of such a policy can be readily anticipated, and if the historian ever writes the "rise and fall of the great American Republic," he will substantially repeat the "rise and fall of the Roman Empire."

Looking back forty years we find the villages and towns of America scattered throughout the land, each with its manufacturing industries, its shoemakers, its blacksmiths, its tailors, and its wagon-makers. Manufactures were nowhere concentrated, and farmers' sons became artisans, but continued respected citizens of their native towns. The great fortunes created for owners of real estate by the sudden growth of cities, derived from railway manipulation, from corporations, monopolies, and trusts, had not been dreamed of. In 1853, in a public address, William H. Seward said: "While our Constitution and laws establish political equality, they operate to produce social equality also, by preventing monopolies of land and great accumulations of wealth, and so they afford incentives to universal activity and emulation."

The discoveries of gold in California increased the currency and gave a new impetus to business. The war followed, and with it came an expansion of the currency on account of the necessities of the Government. At the return of peace there were $46 per capita in circulation. Business flourished as never before. The homestead law of 1862 caused a rush from foreign lands, for in the minds of the European renter great dignity and security attached to the ownership of land. Railroad facilities were demanded to carry the products of these farms to markets. Government credit and land grants built them.

The business of the country changed. Isolated factories in villages ceased to exist and manufacturing cities sprang up. The farmers' sons, who were wont to acquire a trade in the neighboring villages, were now compelled to be farmers or leave home and become employés in factories. While these great establishments could manufacture cheaper, at the same time they did not require so many to do the work, and the proportion between those engaged in agriculture and in manufactures was disturbed.

The farms throughout the West were opened up at great expense and necessarily with borrowed money. Their competition affected the price of Eastern farm products, and this caused a further migration to the cheaper lands of the West.

Then followed the demonetization of silver, and the return to specie payments. The expected profit and independence to be secured by farming could not be realized with a contracting currency and constantly falling prices. The railroads, which had proved such a great blessing to the new country, collected for transportation large sums of money, part of which was distributed among its employés, but the net earnings went to the stockholders in the East, and from this cause alone more than $300,000,000 collected among Western producers are annually carried to the money centers.

To this must be added the yearly interest on mortgages flowing in the same direction, returning only to make a new mortgage and more interest. Even the farmers who were not in debt soon began to find that they must change their manner of living or go into debt to support it. Some of them might be able to hold their own products for better prices, but other farmers were compelled by necessity to sell to the middlemen as soon as the crop was gathered, and these forced sales fixed the price of all farm products. The only class who seemed to prosper under these circumstances were new immigrants, who had been accustomed to the most rigid economy and to a manner of living unknown in this country.

The most patent cause for this distress is the constantly rising value of money. If low prices continue there can be but one result. The mortgages will be foreclosed and the independent farmer will become a thing of the past. If the farmer can not pay interest on a mortgage he can not pay an equal rent on the land. The income of the capitalist who held the mortgage must be reduced; if it is not, the farm will be abandoned and his income entirely destroyed. Farms will depreciate in value as well as all other property.

Those who are apparently the gainers by this contraction of the currency and this loaning of their money on farm mortgages at a high rate of interest, by making conditions with which it is impossible for their debtors to comply, will lose not merely their incomes, but also their capital invested. In destroying the producer who could make their wealth profitable they destroy themselves.

It was by a process such as this that the Campagna about imperial Rome was converted in sixty years from a fertile plain to a desert, and it has since remained a marsh, exhaling a deadly miasma. The catastrophe of an unequal distribution of wealth and a lack of money among the producers is already upon us. With money scarce prices fall, industry becomes unprofitable, poverty follows, then ignorance and vice. It is not without reason that the philosopher looks forward to a state without money, and where the Government is the employer and supporter of its citizens. It is not without reason that the student of history points to revolution, ruin, and desolation which, under like circumstances, have overwhelmed states.

Alison in his History of Europe says:

Whoever has studied with attention the structure or tendencies of society, either as they are portrayed in the annals of ancient story, or exist in the complicated relations of men around us, must have become aware that the greatest evils which in the later stages of national progress come to afflict mankind arose from the undue influence and paramount importance of realized riches. That the rich in the later stages of national progress are constantly getting richer and the poor poorer is a common observation, which has been repeated in every age, from the days of Solon to those of Sir Robert Peel; and many of the greatest changes which have occurred in the world—in particular, the fall of the Roman Empire—may be distinctly traced to the long-continued operation of this pernicious tendency.

The greatest benefactors of their species have always been regarded as those who devised and carried into execution some remedy for this great and growing evil.

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The evils complained of arose from the unavoidable result of a stationary currency, co-existing with a rapid increase in the numbers and transactions of mankind; and these were only aggravated by every addition made to the energies and productive powers of society.

To perceive how this comes about, we have only to reflect that money, whether in the form of gold, silver, or paper, is a commodity, and an article of commerce; and that like all similar articles, it varies in value and price with its plenty or cheapness in the market. As certainly and inevitably as a plentiful harvest renders grain cheap, and an abundant vintage wine low priced, does an increased supply of the currency, whether in specie or paper, render money cheap, as compared with the price of other commodities. But as money is itself the standard by which the value of everything else is measured, and in which its price is paid, this change in its price can not be seen in any change in itself, because it is the standard; it appears in the price of everything else against which it is bartered.

An increase in the currency when the numbers and transactions are stationary, or nearly so, is immediately followed by a rise in the money price of all other commodities; and a contraction of it is as quickly succeeded by a fall in the money price of all articles of commerce, and the money remuneration of every species of industry. The first change is favorable to the producing classes, whether in land or manufactures, and unfavorable to the holders of realized capital or fixed annuities. The last augments the real wealth of the moneyed and wealthy classes, and proportionately depresses the dealers in commodities and persons engaged in industrial occup tions.

But if an increase in the numbers and industry of man coexists with a diminution in the circulating medium by which their transactions are carried on, the most serious evils await society, and the whole relations of its different classes to each other will be speedily changed; and it is in that state of things that the saying proves true, that the rich are every day growing richer and the poor poorer.

The two greatest events which have occurred in the history of mankind have been directly brought about by a successive contraction and expansion of the circulating medium of society. The fall of the Roman Empire, so long ascribed, in ignorance, to slavery, heathenism, and moral corruption, was in reality brought about by a decline in the gold and silver mines of Spain and Greece, from which the precious metals for the circulation of the world were drawn, at the very time when the victories of the legions, and the wisdom of the Antonines, had given peace and security, and, with it, an increase in numbers and riches to the Roman Empire.

This growing disproportion, which all the efforts of man to obviate its effects only tended to aggravate, coupled with the simultaneous importation of grain from Egypt and Libya at prices below what it could be raised at in the Italian fields, produced that constant decay of agriculture and rural population, and increase in the weight of debts and taxes, to which all the contemporary annalists ascribe the ruin of the empire. And as if Providence had intended to reveal in the clearest manner the influence of this mighty agent on human affairs, the resurrection of mankind from the ruin which these causes had produced was owing to the directly opposite set of agencies being put in operation.

Columbus led the way in the career of renovation. When he spread his sails across the Atlantic, he bore mankind and its fortunes in his bark. The mines of Mexico and Peru were opened to European enterprise; the real riches of those regions were augmented by fabulous invention; and the fancied El Dorado of the New World attracted the enterprising and ambitious from every country to its shores. Vast numbers of the European as well as the Indian race perished in the perilous attempt, but the ends of nature were accomplished.

The annual supply of the precious metals for the use of the globe was tripled; before a century had expired the prices of every species of produce were quadrupled. The weight of debt and taxes insensibly wore off under the influence of that prodigious increase in the renovation of industry; the relations of society were changed; the weight of feudalism cast off; the rights of man established. Among the many concurring causes which conspired to bring about this mighty consummation, the most important, though hitherto the least observed, was the discovery of the mines of Mexico and Peru.

Again Alison, referring to the distress in Great Britain in 1819, three years after she demonetized silver, says:

In truth, the evil had got beyond the reach of human remedy, for it arose from the confirmed ascendency in the legislature of a class which had gained, and was gaining, immensely by the general suffering with which it was surrounded. * * * Everything turned to the profit of capital and the depression of industry; and so strongly were the interests magnified by these changes intrenched in the legislature that the cause of humanity seemed hopeless.

Every effort of industry, every triumph of art, every increase of population, tended only to augment the general distress, because it enhanced the disproportion between the decreasing circulation and increasing numbers and transactions of mankind; and prophetic wisdom, resting on the past, and musing on the future, could anticipate nothing but a decline and fall, precisely similar to that of ancient Rome, for modern Europe.

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Even the terrible monetary crash of 1848 failed in drawing general attention to the subject or making the suffering classes aware of the source from which their difficulties proceeded.

* * * * * * *

California conquered by armies, the reserve treasure of nature opened up, and the face of the world was changed.

The silver mines of Mexico and Peru in the sixteenth century and the gold mines of California in the nineteenth century, as Alison shows, averted a catastrophe to civilization. The silver mines of Colorado and the Sierra Nevadas can save our people from distress and degradation. Will Congress permit it?

PROSPERITY OR RUIN.

No nation can prosper with falling prices, with the real estate of producers rapidly being transferred to the money-loaning non-producers, who can not use it. Civilized America can not continue to exist upon such conditions any better than could civilized Rome.

Money should be—

1. A medium of exchange.
2. A measure of value.
3. A standard for deferred payments.

Variations in the value of money for the first two purposes are of little importance, but if the money appreciates it not only imposes additional burdens on the debtor class upon whom industrial undertakings depend, but it creates uncertainty in contracts, destroys enterprise, and impairs the productive capacity of the country.

This country, with its enormous natural resources, has nothing to fear, protected by a wisely adjusted tariff, if a sufficient circulating medium to do the increasing business of the country is permitted by law, and if its mines continue to funish precious metals as a regulator of exchange with the world.

UNITED STATES MONEY.

Independent of bank circulation, our Government ought to have three kinds of state money, all legal tender.

1. Silver.
2. Gold.
3. Legal-tender promises to receive for all debts, public and private.

The silver and gold should be brought into circulation to the fullest extent by means of the more convenient certificates redeemable in their respective coin. All three kinds of money should be independent, acting as a regulator of value for each other.

No coin certificate should be issued with an option to the Secretary of the Treasury to use which coin he pleases. The Government should not deal in options. A coin certificate would destroy the effect of using two metal currencies. It would be just as wise to smelt the gold and silver together and issue dollars from the combined metal as to issue a coin certificate.

A national legal-tender "promise to receive" would be better than a Government promise to pay. The moment they ceased to circulate freely with the silver and gold certificates, the moment they depreciated, the Government could, by its power to tax, reduce them. When a Government issues a legal-tender promise to pay, it either refuses to fulfil the promise or locks up out of circulation a large sum of other money in order to be in a position to fulfill its promise. The United States issues $346,000,000 legal-tender notes and then locks up $100,000,000 in gold. The banks issue their notes and then proceed to lock up money for reserves. These reserves of every description reduce the circulation and contract the currency, and no one can tell for a certainty how much the currency has been contracted or how small the circulation is per capita. It is estimated that it is now $10 per capita in actual circulation. As fast as the legal-tender promises to pay come into the Treasury they should be replaced by promises to receive, and the $100,000,000 gold held for redemption should be released.

Under our monetary system the United States requires more money per capita than Europe. The country is large and currency must be supplied to every town and village, while they in turn must keep deposited at the money centers enough to carry on their exchanges. Individual time bills of exchange on the money centers do not here operate to increase currency as they do practically in Europe, where such a thing as a promissory note is unknown. In Europe the borrower in the remote provinces secures his loan at the rate of interest existing in the money centers on which he draws. In New York the owners of stocks have privileges of borrowing not accorded elsewhere in the Republic.

In his report to Congress in 1791, Alexander Hamilton said:

> To annul the use of either of the metals as money is to abridge the quantity of the circulating medium, and is liable to all the objections which arise from the comparison of the benefits of a full with the evils of a scanty circulation.

I am in favor, as the fathers of the Republic were in favor, of the full use of both gold and silver as money. Whatever proposed legislation tends to that end I will support, whatever does not will meet my earnest opposition.

If it be true, as I contend, that there has been no depreciation in silver since 1873, but that there has been a rise in gold, the real result of coining silver in its own right and according to its own value would be to bring back gold to the standard from whence it started. The producer would be benefited. The creditor classes ought not to complain; they have too long derived an unfair and oppressive advantage from the appreciation of gold. Alchemists, creditors, and bankers call gold the king of metals. We want no king in America, and least of all a money king. The true and permanent interests of the capitalists demand that the unjust legalized contraction of the circulating medium shall cease.

It was the law which seized men, willing or unwilling, and sent them to battle and to death, while at the same time it protected from seizure the money needed to carry on the war. While some sacrificed health, limbs, and life to preserve the country and the law, others, taking advantage of the law, were raised above the general condition of society. Let those who more than others have been the beneficiaries of the law beware how they defend that act which struck from the currency one of the precious metals to the injury of productive industry and to the advantage of realized wealth.

The interest of wealth fades into insignificance when compared with the interests of civilization and humanity. As a mere private possession the nation has no more interest in money than it has in any other kind of property, but as a public institution money must be made a public benefactor. [Applause.]

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