SILVER COINAGE SHOULD BE FREE. LIKE GOLD.

The money of the people must be restored.

SPEECH

OF

HON. JOHN W. DANIEL,

OF VIRGINIA,

IN THE

SENATE OF THE UNITED STATES,

THURSDAY, MAY 22, 1890.

WASHINGTON.
1890.

SPEECH

OF

HON. JOHN W. DANIEL,

On the bill (S. 2350) authorizing the issue of Treasury notes on deposits of silver bullion.

Mr. DANIEL said:

Mr. PRESIDENT: The financial system of the United States is in disarray. It comprehends taxation, currency, and debt. Separately and collectively they are out of joint. The currency is insufficient in volume to sustain prices. It is irresponsive to the laws of trade. It is congested in the Treasury, and a hundred millions of it held to redeem another portion of it, which is legal tender like itself, while $30,000,000 are loaned out without interest to bankers.

Our taxation is excessive, a worse than useless burden, pouring surplus into the Treasury and stimulating extravagance to get it out. Our public debt has been put in such anomolous relations to the laws that the Government appears on both sides of the sales-counter, in obviously incompatible and contradictory relations. On one side of the counter it boosts up the price of bonds far beyond par value; on the other side it buys them before maturity at exorbitent rates.

When ever before did seller run up prices of things he had to buy, or buy when he was boosting the price? In this regard a mock-auction sale is the model of our so-called financial system. To call this "system" is indeed a misnomer. There is no more "system" in it than in a game of jack-straws. But there is science in it—the science of putting in a paper or silver jackstraw and pulling out a gold one.

AN "AMERICAN SYSTEM" OF TAXATION, AND A BRITISH SYSTEM OF CURRENCY AND DEBT.

Our arbitrary tax laws prevent our producers from buying in cheap markets. It does not prevent them from having to sell in those cheap markets their surplus products of wheat, corn, cotton, meat, and other staples. "Be patient in getting poorer," says the high-tax, gold monometallist, "and we will build you a home market." "Well," says the honest producer, "all right; but if we are to have a home market let us make more home money out of the silver God has given us wherewithal the people can pay their taxes, and give us higher prices." "Oh, no!" says the high-tax monometallist, "that would put us out of gear with the British gold and the German gold and the gold of Europe." "Your tax system," replies the producer, "is built on non-intercourse with foreign markets, and is called the 'American system.' How is it you demand an American system of taxes and a British system of currency? If you will not let me trade more freely and get high prices in foreign markets, why will you not let me make money freely that will circulate in the home market?"

As long as the high-tax monometallist can keep from answering that question or so befog it as to keep the people from answering it, he will continue in the jumble to pull out the gold jackstraws.

OUR GOLD IS FOR ONE CLASS AND OUR TAXES FOR ANOTHER.

Our public obligations are discharged according to the like science. We owe wages to our hundred thousands of employés; we owe their stipends to our sailors and soldiers; we owe salaries to our officials and agents, judges, jurors, clerks, men of science, men of skill, men of work; we owe payments to our contractors and laborers upon public works; we owe interest to our bondholders. But stand aside, judge and jury; stand aside, laborer and contractor; stand aside, sailor and soldier; stand aside, disabled veteran and worthy servant; we have several kinds of currency; in our house are many mansions; silver and greenbacks are good enough for you; we reserve gold exclusively for our bondholders! True, you got promises to pay when silver was demonetized. But we never thought that that gave you any right to gold, and you never had the audacity to claim it.

But our other creditors, not more deserving, not more needy, they want gold. So please wait for the second table. The gold feast is spread for a class, not for the people, nor their faithful servants who only give brains, and energy, and limb, and life to support the Government. On the hustings and in the platforms, "This is a Government of the people, for the people, and by the people." But we are in the Treasury now; there "This is a Government of a class, for a class, and by a class." You do not belong to it. Stand aside. And out of the jumble of contradictions the monopolist pulls out the gold jackstraws, and proceeds to deliver a lecture on the beatitudes of public faith and the British gold system.

GIVING TO HIM THAT HATH.

The class to whom we pay gold exclusively are a class who pay no taxes on the very investments that demand this exclusive benefit. Besides this, they are permitted to issue currency to the extent of 90 per cent. and draw interest from two fountains. They are exempt from taxes, and they do not wish to permit those who pay the taxes to pay in anything but gold so that they may be sure of getting gold.

Since August, 1887, we have not only paid interest on these untaxed bonds in gold, but we bought $250,000,000 of bonds before maturity for $293,000,000 of money, paying premiums amounting to $43,000,000 over and above their par.

The value of all the real and personal estate in the State of Nevada is $30,000,000. We have made a present to our bondholders of one State and a good portion of another.

Nor is this all. We are told it will not do to lend farmers any money on their products at any rate of interest. But we are taxing our producers to pay gold to those who pay no taxes, to pay debts not due, and to lend them money free—without a dime of interest!

IS THIS TRIBUTE TO CÆSAR?

Are we doing these things voluntarily or are we forced to do them? Has some Eastern despot taken possession of the American Republic and are we paying tribute to Cæsar? The Secretary of the Treasury says in his report that this premium, paying to bondholders is only done as an "expedient resorted to to restore a part of the surplus to the channels of trade, it being the only means open to the Treasury for theuse of money." (Report of December, 1889.)

DAN

THE CURRENCIES ARE OUT OF JOINT.

As the so-called financial system is in disarray, so is the currency system, taken by itself, in disarray.

We have four principal different kinds of currency, gold, silver, greenbacks, and national-bank notes, and two brevet kinds—that is, gold and silver certificates.

The greenback is sick. It can not multiply and replenish the earth. Fixed at one figure by law, limited to the arbitrary sum of $346,000,000, it can not rise above or fall below that sum. It is as rigid as a post in the ground. It is frozen in its place. No more, no less can it become.

The national-bank note is sick. It can not obey the command of nature to multiply and replenish the earth. Resting as on United States bonds, it must vanish as the bonds are paid. It is vanishing. It is a satellite—a moon of which the bond is sun, and as the sun is extinguished the moonlight can no longer shine.

SILVER IS ENSLAVED AND IS SICK.

Silver is sick. The doctor has been at its bedside for nearly twenty years. No man can take his silver to the Mint and get it coined—not an ounce. The Government buys two millions' worth of it a month. How much that is or will be nobody can tell until the purchase is made. The more silver we make the cheaper it gets, because the more there is that can not respond to demand and get to be a dollar. Silver dollars can not obey the command of nature to multiply and replenish the earth.

GOLD IS FREE AND IS WELL.

The only one of these currencies that the law has not tampered with is gold. Since the Mint opened in 1792 to the present day gold has had the privilege of free coinage. It alone can obey the natural laws which make it come and go according to supply and demand. The doctors have given gold no medicine and it is well—strong, healthy, and sound. It can multiply at its will and replenish the earth.

SILVER AND GOLD THE MONEY OF NATURE, THE MONEY OF HISTORY, AND THE MONEY OF THE CONSTITUTION.

In studying the world as the contemplated home of man, in the divine economy it would seem as if silver and gold alike were the appointed agents of Providence to subserve his uses in the office of money; and in studying history it would seem that as soon as human intelligence awakened to consciousness of its surroundings it recognized this fact and applied it to practical advantage. In the twilight of civilization they appear as the media of exchange of nations emerging from barbarism into the cultivated habits of social and commercial life. They have maintained a wonderful equilibrium of relation with each other through a stretch of ages; they are to-day the money of the vast majority of the human race; they were the money of our ancestors in the Old World, whether we trace our origin to Great Britain, France, Germany, Italy, Scandinavia, or Jerusalem; they were the inherited money of our colonies before we asserted our independence; they were ordained to be our money by those who framed our Federal Constitution; they were our money from the foundation of our Mint, in 1792, to the dismissal of silver from the right of coinage, in 1873; and no sooner was the fact of its surreptitious dismissal discovered by the people of the United States than they commenced political warfare for its restoration.

After five years of contest they succeeded, in 1878, by overriding the veto of a Republican President, in securing the coinage of $2,000,000 of silver per month by the Bland act, amidst voices prophesying panics, catastrophe, and ruin. And now at the end of twelve years more of struggle they demand its full and perfect restoration to free coinage, while they who then prophesied evil must confess their error as to the past, but still persist in prophesying evil for the future with a self-confidence that maintains its par with their self-interests.

TWO METAL MONEYS ARE BETTER THAN ONE METAL MONEY.

This is now almost universally acknowledged. Certainly it is generally professed here, and finds no open denial. The experience of the world has demonstrated it. The wisdom of the world has accepted it. The framers of our Constitution knew it, and required "gold and silver" only to be our legal tender.

The reasons are obvious, and are twofold:

First. Gold by reason of its smallness is suitable for large payments and unsuitable for small ones, and silver by reason of its size is more suitable for small payments. They tongue and groove together in commercial uses. They are complements of each other. The one, it is true, is like a race horse of fine breed that goes swiftly, the other the beast of burden that pulls the most behind him.

Second. The two together form a mass of money more stable in value than either one would be alone. If no tea came from China, the coffee of Brazil would be more fluctuating in value. If there were no corn, wheat would have more variations. If wine could not be made from grapes, or beer from barley, or brandy from apples, there would be greater fluctuations in the value of beverages made from other things. Two or more crops of articles that subserve like uses steadies the price of all of them. If silver were our sole money, the discovery of a silver mine would jostle and disarrange prices. If gold were our sole money, the discovery of a gold mine would weaken its value, and the failure of one would increase it.

The larger mass of money made of both metals steadies both. The vehicle on two wheels is steady; the vehicle on one wheel topples easily over. True, the two wheels must be of the same size to maintain the level of freight and passage. Legal tender is the broad, deep tire of the money wheels which reduces the tall and lifts the low wheel to the same equality of circumference.

IF WE ARE TO HAVE BUT ONE MONEY SILVER IS THE BEST.

If we were forced to have but one money silver is the best, because it can be used by the most people for the most purposes.

1. It is the best money by reason of its size. There is no more difficulty now in making large payments in silver than in gold, for large payments in both metals are now made in gold and silver certificates. You can not, however, so well utilize gold in small payments neither by its representative certificate on paper nor by its change into tiny pieces can you make it otherwise than too small for the great body of common uses.

2. It is the best money by reason of its quantity. There is more silver than there is gold. "The greatest good to the greatest number" is the spirit of the Republic; and silver can carry the greatest good to the greatest number, because there is more of it that can be turned into money.

It is the best money, because the people are better acquainted with it, and more commonly use it.

It is the money of the farmer, the mechanic, and the storekeeper. It is the money of the market woman, the blacksmith, the carpenter, and the hack-driver. It is the money of the laborer. It is the money of the poor man. It is the money of the people.

Especially is it the best money for Americans, for America produces one-half of the silver of the world, and less than a fifth of the gold. And if all the fine talk about protecting home industry and home products is not the merest false pretense, to be whistled down the wind, why should we not stand by our own, by that which is our chief and most valuable possession?

GOLD MONOPOLY IS LOCAL.

The contest for gold monopoly is a local contest. Not indeed made in those localities where the gold mine tempts the enterprise of adventure, or engages the miner's honest toil to produce gold, and add to the world's wealth. But the locality can be spotted. Go to the place where there are great investments which want quick accretion; go into the closet where the usurer weaves his web and files away his bonds. Go where the coupon-clipper is cutting silver coupons, and praying that Congress will continue its Midas touch, and turn it into gold; there you will find the gold man prompting his gold advocates whenever they can be gotten to speak for him; prompting them, not that he, like the gold-miner may provide wealth, but that he may turn his lesser wealth into greater, turn silver into gold by the subtle alchemy of larcenous laws or burglarious interpretations.

THE BATTLE FOR SILVER IS NOT LOCAL.

Well did the Senator from Colorado say that this issue—this silver advocacy—is not local. It is as broad as the fields of labor; it is as deep as the foundations of patriotism; it is as sturdy as the passion of man for liberty, and as pure as his love of home and family. It matters no more that the metal silver shall come from California, Nevada, or Colorado than it matters that the tea which cheers the fainting invalid should be plucked from a bush in China or Japan, or that the fine ether which rescues life from pain and death should be distilled from the aromatic herbs of distant climes.

GOLD AND SILVER THE KING AND QUEEN OF MONEY.

These two metals are money companions wedded by nature. These metals are beautiful, they are portable, they are durable, they are divisible; they possess permanent and ubiquitous value; they are readily measurable and readily stamped and made cognizable at a glance of the eye. They are limited in quantity and acquired by labor. Before the jury of more centuries than the pyramids of Egypt look down upon, before the jury of all civilized and enlightened races of men, the case of gold and silver has been heard, and with one voice the centuries and the races answered that to them belonged the royal attribute of money. By universal suffrage they were crowned and placed upon the throne, and everywhere gold and silver, as by divine right and natural selection, are the king and queen of money.

EXPERIENCE, THEORY, AND PROPHECY.

Experience—

Says Dr. Johnson—

is the great test of truth and is perpetually contradicting the theories of men.

DAN

No people have more fully realized this than those of the United States during recent periods of their financial history.

Many of our most distinguished publicists have predicted disaster in every step our country has taken to enlarge the monetary facilities of our people, and permit them a sufficiency of currency to sustain the vast volumes of debt, taxes, and business which they have to deal with.

When the greenback paper dollar was issued this class said "ruin," but the paper dollar was issued and it won the battle against the South as the paper of the Romans defeated Carthage and the paper of Great Britain conquered Napoleon.

When silver was partially remonitized in 1878 they said "ruin." But it came and has done good service. It is proposed now to restore to silver the right of free coinage—to restore it to the place it held in our currency from 1792 to 1873—and the "bears" of the market again growl "ruin."

THE ANTI-SILVER PROPHECIES.

Twelve years ago, when what is known as the Bland act was before this body—the act which partially remonetized silver—Senator Wadleigh, of New Hampshire, uttered here on the 14th of February, 1878, language which was reiterated in various phrases in both Houses of Congress, and which sounds exactly like the speeches and essays we are now supplied with against any further resuscitation of our silver money. He said:

> The passage of this measure will result in driving all the gold from this country and giving us the single standard of silver.
>
> The cheaper metal will drive away the dearer.
>
> Two hundred millions of gold now in the country would, without this pernicious agitation, ere now have crossed the frail barrier of 1½ per cent. which separated it from paper currency, and gone into our circulation to restore hope and confidence and give strength and vigor to all business operations.
>
> The success of this measure will drive it to other enlightened and commercial nations, and leave to us the debased and bulky money which nearly every progressive nation in Europe has ceased to coin, and which supplies the few and degraded wants of the poor and ignorant millions of Russia, China, India, and Mexico.
>
> Even now there come from all parts of the country complaints of the burdensome accumulations of subsidiary silver coin, which refuses to circulate.

THE REFUTATION.

Mark this prophecy and the fulfillment:

The act passed. We have coined since then 343,638,001 silver dollars, and every one of them will to-day buy as much gold bullion or as much of anything else as a gold dollar. It did not drive away either all the gold or any of the gold out of this country. It did not give us the single standard, but it restored to us the double standard of value.

The cheaper metal did not drive away the dearer. Two hundred millions of gold then in the country with the act passed (not without it) crossed the frail barrier of 1½ per cent. which separated it from paper currency and came into circulation, and brought a stream of foreign gold along with it. Our gold did not go to "other enlightened nations," but they sent us theirs. We had two hundred millions of gold then. Gold has more than trebled. We have $689,000,000 of gold now.

It did not give us a debased and bulky money, but one that circulates more freely than gold. Only 73 per cent. of our gold is in circulation, and 86 per cent. of our silver is at work doing the business of the people; that is, in specie or its silver-certificate representative. Russia and India have taken away our wheat trade for the benefit of their "poor and ignorant millions." And what is more, the silver money that was coined, despite the prophets, has served to rescue us from financial catastrophe and commercial ruin.

The Secretary of the Treasury now says, in contemplating this result:

> It is freely admitted that the predictions of many of our wisest financiers as to when the safe limit of silver coinage would be reached have not been fulfilled, but it is believed that the principles on which their apprehensions were based are justified by the laws of trade and finance and by the universal experience of mankind. While many favorable causes have co-operated to postpone the evil effects which are sure to follow the excessive use of an overvalued coin, the danger none the less exists.

Again he says:

> The silver dollar has been maintained at par with gold, the monetary unit, mainly by the provisions of law which make it a full legal tender, and its representative, the silver certificate, receivable for customs and other dues; but the vacuum created by the retirement of national-bank circulation and the policy of the Government in not forcibly paying out silver, but leaving its acceptance largely to the creditor, have materially aided its free circulation.

Mr. President, is this news from the Secretary of the Treasury? Did not the silver men of this country tell him and tell this people that if they would make silver the equal of gold as money, it would maintain its power—legal tender. This is his testimony of the result which they predicted, I imagine he has told us nothing to prevent us from persisting in a policy of which we predicted the result, and of which to-day we hold up triumphantly its glorious fruits before this people.

KNOWLEDGE AND FREE COINAGE GROW TOGETHER.

What, let me ask, Mr. President, are the impediments to the free coinage of silver? The first impediment, in my opinion, is the want of accurate and enlightened information upon the subject of money. The number of persons in society who study and master the subject of finance is exceedingly small. Even amongst the most intelligent and best educated men information on this subject is, as a rule, very limited, because it is a subject that has to be studied in order to be understood, and few have even the promptings or the opportunities to become thoroughly acquainted with it. That I am correct in this opinion is shown by the fact that just in proportion as the country has been enlightened by discussion, the voices in favor of free coinage have multiplied and strengthened. In 1886 there was a debate in both branches of Congress in which scores of speeches were made and widely disseminated. Just in proportion as the masses of the people have learned to understand the question they have become clamorous for the free coinage of silver.

CERTAIN CLASSES WANT A LIMITED SUPPLY OF MONEY.

Behind the masses of society there is a class of capitalists who have large interests invested in bonds, stocks, mortgages, and private securities. They know their business. These classes well understand that if any portion of the volume of money be dismissed from service, the prices of commodities will fall, the purchasing power of a dollar will increase, and that their investments will rapidly enhance in value, not as the result of the accretions of labor, but as the result of the depreciation of what money can buy. The greed of this class of capitalists to reap where they have not sowed is one great and fixed obstacle to the free coinage of silver. England and Germany, great creditor nations, to whom the whole world owes debts computed by the thousands of millions, well understand this doctrine, and hence decry silver. Our creditor classes of America well understood this, and after the war they demanded the speedy retirement of the greenback. They understood it in 1873, when they obtained in some secret way the demonetization of silver. They unders'ood it in 1878, when they resisted its remonetization. They understand it now.

The Spaniards understood this when the bullion of America was carried to Spain as spoils of her conquest and refused to allow it to be coined into money because it would lessen the value of money already coined. The Venetians understood this centuries ago when their creditor class demanded the limitation of the legal function upon one coin in order to elevate the value of the other.

SPEAKING FOR A CLASS.

And, Mr. President, that it is understood well in this body, permit me to quote from the speech of the Senator from Massachusetts [Mr. DAWES], made in 1878. On December 13, 1878, that Senator said in his speech against the Mathews resolution, as reported in the RECORD of December 13, 1878:

> I speak, sir, in behalf of the bondholders of Massachusetts, and I do not, in so speaking, speak for a handful of men in State street or a platoon of men in Wall street, but I speak for every one man, woman, and child in three of the whole population of that State, who have $230,000,000 now invested in her savings banks, and reinvested by these banks in these securities to a very large extent.

LET US STAND FOR THE PEOPLE.

Now, Mr. President, if one man, woman, and child in three has some one to speak for them exclusively in the United States Senate, somebody ought to speak for the other two out of three who are unrepresented in his declaration.

Mr. President, I have not a word to say against the bondholder. I believe that national credit is one of the greatest possessions of any nation, and that it should be guarded with life, limb, and property; but I do not understand national credit to require that I should pay any man anything that I do not owe him, and I believe that when we have satisfied the demand of our creditor there is also something due to the great mass of the people.

FALSE IMPRESSIONS

are created in order to keep down the movement for the restoration of silver. It is industriously represented by the attorneys and advocates of monometallism—

1. That silver will not freely circulate.

2. That the United States have a mass of cumbrous silver in its vaults that we can not use here and are anxious to dump upon the European markets.

3. It is also represented that there is an immense accumulation of silver in Europe and other nations that will rush down upon us like an Alpine avalanche and suffocate us with silver.

I propose to dissipate these false statements and beliefs. I shall do it by witnesses which no one here will impeach, by the agents of the Cleveland administration on the one side and by the present Secretary of the Treasury on the other. Let us see how they have been created before we remove them.

FALSE IMPRESSIONS OF DANGER FROM THE SILVER AVALANCHE.

The monometallist plays the same game on both sides of the water. He warns Europe against the invasion of American silver. He warns America against an invasion of European silver. He plays off one against the other. The European and American monometallists carry on a game of "battledore and shuttlecock" with each other, and "the silver avalanche" is the shuttlecock that is knocked to either side of the ocean where it can do the most good—

To fright the souls of fearful adversaries.

Mr. Edward Atkinson, of Boston, Mass., an economist of distinction, was sent to Europe in 1887 by the Cleveland administration to "spy out the land" and see how it lay with reference to "the feasibility of establishing by international arrangement a fixity of ratio between the two precious metals in free coinage." His report was transmitted to Congress by President Cleveland, and from it I read as follows:

The general conviction among the financial men in Europe is that the United States Government is loaded with an excessive quantity of silver dollars which it can not get into circulation.

These dollars are coined at a standard which is at variance with the silver money of any other country, to wit: at the ratio of 16 of silver to 1 of gold.

It is believed that the financial officers of the United States are convinced that the product of silver is excessive, and that the ratio of silver to gold, *i. e.*, its price as bullion, is liable to fall even lower than it is now; therefore any initiative by the United States is looked upon as an attempt to relieve itself of an unprofitable stock and to provide a market for the future product of silver.

Any effort of the United States to promote a bimetallic treaty and to restore the free coinage of silver is not, therefore, regarded as a sincere effort to promote a better monetary system of which all nations may share the benefit, but rather as being induced by a desire to promote the special interest of the United States at the cost of whom it may concern.—*Bimetallism in Europe*, *Atkinson*, page 9.

AN AVALANCHE OF SILVER FROM AMERICA FEARED IN EUROPE.

Then Mr. Atkinson goes on to say:

The dread of a prospective "avalanche of silver," as it is sometimes called, from the continent of North America, especially from the United States, and that this fear, which has been perhaps the most potent cause of the unwillingness even to consider the question of bimetallism, may be wholly removed by the further investigation as to the relative production of silver and gold which may ensue.

CESSATION OF COINAGE IN AMERICA FEARED IN EUROPE.

Europe has been led to believe that we propose cessation of coinage. Mr. Atkinson says:

Another dread may also have been removed by my efforts in this direction, to wit, that of a sudden change of policy in the United States leading to the cessation of silver coinage, and also to the possible attempt to dispose of a considerable part of the present stock of silver coin.—*Bimetallism in Europe*, *Atkinson*, page 5.

THE OFFICIAL SOURCES OF FALSE IMPRESSIONS.

From what sources have gone forth to Europe the false impressions that silver does not circulate here freely, that we are anxious to dump it over in Europe, and that we contemplate cessation of the coinage of silver? Not by the American House of Representatives; not by the American Senate; not by the American people, but by administrations which have not truly represented the voice of this people; but our own financial heads and ministers and officers and emissaries have occasioned, and many of them have created and industriously circulated, these false reports.

SUCCEEDING ADMINISTRATIONS AGAINST SILVER.

A great practical impediment to free coinage is that we have never had an administration in sympathy with the people on this subject, or in sympathy with Congress when it was in sympathy with the people.

At the other end of the avenue the effort has always been to seem to desire, and to do not.

We have never had an administration in sympathy with silver. Europe saw President Grant veto the bill for more money in 1874, and President Hayes veto the Bland bill in 1878. It also saw President-elect Cleveland in 1885, ere he became President, drop into line with the then predominant notions of New York bankers and recommend "the present suspension of the purchase and coinage of silver" and declare that "a financial crisis under the operation of the (Bland) act of February 28, 1878, is now close at hand;" that is, the displacement of our gold and the contraction of our silver currency.

It was truly said by Mr. Cleveland that these warnings had been uttered in the official reports of every Secretary of the Treasury from 1878 until 1885, and we all know the most distinguished of the Secretaries of the Treasury predicted in 1878 that when we got fifty millions of this silver we should be on the extreme edge of the precipice and must stop ere we fall over. We have multiplied that sum seven times and are further from the precipice than ever.

We all know this, that the President-elect only echoed the views that had been promulgated from the Treasury, from the Secretaries, Sherman, Windom, Folger, and McCulloch; and his own cabinet ministers, Manning, and Fairchild, took up the cry where they left off, and an unbroken front against silver has always appeared in the Treasury. Whatever party has been at the bottom, there, the Wall street gold theory has always been on top.

EUROPE INDOCTRINATED TO BELIEVE THAT THIS IS A GOLD-STANDARD COUNTRY.

Europe has also been indoctrinated with the idea that this is a gold-standard country. In 1867, when the distinguished Senator from Ohio [Mr. SHERMAN] was in Paris, where an international monetary convention was in session, Mr. Ruggles being our delegate—while there the Senator wrote a letter advocating the single gold standard and the reduction of the American gold dollar to the value of the French 5-franc gold piece, and declared if this was done "France will surely abandon the impossible effort of making two standards of value."

So, Mr. President, while the American people on this side of the water and in their halls of legislation are fighting for silver their ambassadors and ministers are not only fighting against it, but they are on the other side of the water representing that this is a single gold-standard people, and trying to induce other nations to adopt the American idea of a single standard.

Not only, therefore, does the Senator from Ohio appear as the constant, persistent enemy of silver in the United States, but as a monometallist, a single gold-standard advocate, seeking to still further contract the world's money by inducing France to abolish silver.

THE SINGLE GOLD STANDARD HELD OUT AS AN AMERICAN IDEA.

Mr. Ruggles, our delegate to the convention of 1867, recommended the single gold standard. He said in his report:

> The establishment of the single standard exclusively of gold is in truth the cardinal if not the all-important feature of the plan proposed by the conference, relieving the whole subject by a single stroke of the pen from the perplexity, and indeed the impossibility, of permanently unifying the multiplicity of silver coins scattered through the various nations of Europe. * * * It is a matter of world-wide congratulation that on this vital point the delegates from the nineteen nations represented in the conference were unanimous, not excepting France itself so strongly wedded by the natural traditions to a double standard. On all these questions the interests of monetary unification were materially advanced by the publication at Paris of the concise but admirable letter from Hon. JOHN SHERMAN, Senator in Congress from Ohio, a copy of which has been already communicated to the Department of State, but which for more convenient reference is now transmitted in duplicate, with its French translation. His opinions are unmistakably expressed in the following extracts:
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> "As the gold franc piece is now in use by over 60,000,000 of people of different nationalities, and is of convenient form and size, it may well be adopted by

other nations as the common standard of value, leaving to each nation to regulate the division of this unit in silver, in silver coin or tokens. If this is done, France will surely abandon the impossible effort of making two standards of value. * * * Gold coins will answer all the purposes of Eupopean commerce. A common gold standard will regulate silver coinage. In England many persons of influence, and different chambers, are earnestly in favor of the proposed change in the coinage. The change is so slight with them that an enlightened self-interest will soon induce them to make it, especially if we make the greater change in our coinage. We can easily adjust the reduction with the public creditors in the payment or conversion of their securities, while private creditors might be authorized to recover upon the old standard."

In 1868 the distinguished Senator from Ohio [Mr. SHERMAN], having returned from Europe, made a report indorsing the views presented by Mr. Ruggles, and declaring—

The single standard of gold is an American idea yielded—

Mark the words, Mr. President—

yielded to reluctantly by France and other countries where silver is the chief standard of value.

In other words, we have got Europe impressed with the idea that she must go to one standard under the impression that the predominating American thought is that way. Now, sir, when Europe is correctly advised that the people of this country demand the free coinage of silver (and they can only be advised of the opinion by the act), may we not suppose that they, who have been so deferential to the one standard against their will, will come into the double standard which coincides with it?

THE REPUBLICAN PLATFORM WAS SILVER AND THE REPUBLICAN ADMINISTRATION IS GOLD.

Silver started out bravely from Chicago in the Presidential canvass of 1888, and the nominating convention there declared in their platform:

The Republican party is in favor of the use of both gold and silver as money, and condemns the policy of the Democratic administration in its effort to demonetize silver.

Mark the words of the platform. Silver "as money" it calls for; not silver "as bullion" pawned for Treasury tickets, as the Secretary now recommends.

And here is the gold echo of the silver bugle in Secretary Windom's report to the present Congress:

The continued coinage of silver dollars, 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.

If we did not know what history has transpired since the Chicago convention we should have supposed that the men who made that platfrom had been defeated, for the thing that they denounced reappears. We know the fact to be that they were triumphant, because the people of this country saw their declaration in favor of silver, and because they knew the truth of their statement that a Democratic administration had antagonized it and deserved in a measure the criticism which it received. Now, after the country indorsed your platform and gave you victory in order that you might carry it out, you have a Secretary to bear the market and tell you the thing you want to do is the only thing that can prevent an international agreement.

THE UNITED STATES TREASURER STILL HARPING THAT SILVER DOES NOT CIRCULATE.

Now, Mr. President, always from the Treasury of the United States the people have palmed off upon them the misleading statement that silver will not circulate. We have it here from this Treasurer as we have had it from his predecessors, both Democratic and Republican:

The futility—

Wails Treasurer Huston in his recent report—

The futility of all efforts to force the coins into circulation having been demonstrated by former experience, no extraordinary inducements to take them have recently been held out to the public. The changes in the amounts outstanding have been unimportant, but the tendency has been toward a falling off in the actual circulation. The amounts issued and returned and the expenses of distribution have been about as usual, but in consequence of the shipments necessary for storage the total cost of handling has recently been heavy. Since the expenditure borne by the Treasury in distributing the dollars to the public has ceased to increase the circulation, and consequently has become a needless outlay, it might be worth while to consider whether it would not be as well to stop this expense and place these coins, together with the frational silver, on the same basis as the other currency with reference to the mode of issue.

To require consignees of silver to bear the cost of transportation might result n a decrease of the circulation, but the change could not be great. On the other hand, the coins would have the advantage of being held by the Government strictly on a par with the other currency. If to obtain them from the Treasury involved cost, they would perhaps not be so readily parted with. Hence the effect upon the circulation might be exactly the opposite to the one apparently regarded as certain. At all events, the Treasury would effect an important saving, and the anomalous discrimination against the credit of the silver coinage would be removed without giving the public any cause for complaint.

A most astonishing and marvelous statement that you have got to hold out extraordinary inducements to a people to take money! The extraordinary inducements are always held out on the other side in order to get it, and I will venture to say, while I have no particular confidence in my financial ability, that there is not a plain man of common-sense who has ever held a seat in the United States Senate, who, being in favor of silver and having the administration of that Department, could not circulate every dollar in twenty-four hours.

I object to that statement because it is misleading. I would hardly like to say that I thought it was intentionally so, for this is, perhaps, too harsh a judgment; but it is part of the habitual policy of the Treasury Department to put before this people all possible difficulties about silver, and to hold out to them nothing of their resolution and their hopes.

SILVER CIRCULATES MORE FREELY THAN GOLD.

Will silver freely circulate? Does it freely circulate? From the beginning of the silver discussion our ears have been belabored and our common sense has been insulted with the cry of the anti-silver men that it will not. They say it is too bulky and heavy for pecuniary transactions, and that it lies like a drug in our Treasury vaults. The same people who have thus cried silver will not circulate, have at the same time, and sometimes in the very same speech, declared that if we continue to coin silver, gold will be driven from circulation and silver will be our only currency. Apparently unconscious of the contradiction between these two statements, which are the very opposite of each other, they even yet irritate out understandings by the echoes of cries which take no cognizance of plain, palpable facts.

Not only does silver circulate freely whenever permitted to do so, but it has persisted in circulating against the most strenuous warfare of organized capital and governmental restrictions.

IT IS GOLD THAT WILL NOT CIRCULATE.

It is better qualified to circulate than gold because it can be separated into smaller particles and carried in the pocket, while gold, too small in substance for the mass of the small exchanges which constitute the greater portion of commerce, naturally holds back and gives way to its more nimble and current companion. So little fitted is gold for general circulation that the Director of the Mint (Mr. Edward O. Leech), in his recent report, recommends the discontinuance of the three-dollar and of the one-dollar gold pieces, and says:

> With regard to the three-dollar gold piece, it may be said that that denomination of coin serves no useful purpose, and that its present coinage is limited to a few proof coins sold at a profit by the Mint, to meet the demands of numismatic societies and coin collectors. There is no demand for it by the business public.
>
> The same objections apply to the one-dollar gold piece, with the additional ones that it is too small for circulation, and that the few pieces issued annually from the Mint are used almost exclusively for the purpose of ornament.—*Report of the Secretary of the Treasury*, page 140.

O, what a fall was there, my countrymen!

Your promises have gone to the junk-shop, your beautiful gold, which was the only thing that would circulate, is valued, according to your Director of the Mint, only by numismatic societies, and is sought for in the old curiosity shops of the country!

THERE IS MORE SILVER THAN GOLD NOW IN CIRCULATION AMONGST THE PEOPLE.

There is more silver currency than gold currency now in circulation amongst the people, although there is less silver coin than gold coin in existence!

From the seventeenth annual report of the Director of the Mint (1889), page 37 (see report of Secretary of the Treasury, page 128), the estimate of the stock of coin in the United States at the close of the fiscal year, July 1, 1889, is given as follows:

GOLD.	
In United States Treasury	$186,451,708
In national banks	152,169,400
In other banks reported	46,911,653
In private banks and among the people	294,530,744
Total	680,063,505
SILVER.	
In United States Treasury	57,458,901
In national banks	23,734,469
In other banks reported	2,118,516
In private banks and among the people	337,237,043
Total	420,548,929

It will thus be seen that while our silver money is about two hundred and sixty millions less than our gold money, there remains in the Treasury about one hundred and thirty millions less of silver than of gold, and that about 86 per cent. of our silver moneyis out in circulation while only about 73 per cent. of our gold money is out in circulation. Only some 14 per cent. of all our silver money is in the Treasury and 27 per cent. of our gold is in the Treasury. And yet the very superintendents and custodians make the impression upon the people and upon Europe that this money, the easiest, the most sought for circulation that ever went amongst our people, is a drug upon the market and has to be hauled around begging somebody to take it.

NO DANGER OF AN AVALANCHE FROM THE SILVER MONEY OF OTHER COUNTRIES.

It is plain that in none of these countries where less silver is necessary to make money than here will any silver divest itself of moneyhood to come here as in doing so it would be less valuable than where it is now. Will the six hundred millions of silver money in France, the two hundred millions in Germany, the hundred millions in Great Britain, and the thousand millions in India—will this mass of silver money, coined in the ratio of 15½ to 1 of gold or less, come here to become our money, when in doing so it must pay passage and make less money?

The bullion value here is but 75 cents to the dollar at our ratio, and would be about 72 cents at their ratio; hence France would lose about 28 cents on the dollar by sending her silver here to exchange for our gold, or about $168,000,000 on her entire stock of silver coin which she now carries at par with the gold; India over $275,000,000, and other nations in like proportion, making for them combined, a total loss in their circulating medium of over half a billion dollars. Does any sane person believe that such an exchange would ever be made, and that, too, in the face of the fact that none of these countries, unless it be France, now have a large enough circulation to meet the wants of their people? Not a single dollar would be thus exchanged.

Should free coinage restore silver and gold bullion to a parity at our ratio of 16 to 1 they would still lose 3 per cent. by the exchange, or about $57,000,000. These facts would effectually bar such an exchange and inundation of silver we hear so much about..

Gold will buy more silver here than in any other country, and silver will buy more gold in any other country than here, unless it be in Mexico, where it is a little cheaper than here.—*Report of the minority of the House Committee on Coinage, Weights, and Measures.*

Does any sane person believe that such an exchange would ever be made, and that, too, in face of the fact that none of these countries, unless it be France, has now a large enough circulation to meet the wants of their people?

NO DANGER OF AN AVALANCHE FROM THE ANNUAL PRODUCT OF SILVER.

There is no danger of a silver avalanche from the annual product of silver, and no one has better shown this than the present Secretary of the Treasury. In his report of 1889 he asks the question, "May we not be flooded with the world's excess of silver?" And thus answers it:

As to the objection that we may be flooded with the world's silver, the proposed law itself and the statistics in regard to the present product and the uses of silver furnish a complete reply. Treasury notes would only be issued at the average price of silver in the leading financial centers of Europe and the United States, so that there could be no possible motive for shipping it from abroad. Why should any one pay the cost of transporting silver from Europe to exchange for our Treasury notes at the same price it would command in gold at home?

Mr. President, in that sentence of the honorable Secretary of the Treasury I behold what is to my mind the key of this whole problem. Why, says he, shall you who apprehend the silver avalanche why think it possible, if silver in Europe must pay the cost of transportation, to exchange for our Treasury notes at the same price it would command in gold at home?

The Secretary continues:

Probably we should receive some of the surplus product of Mexico; but, as will be presently shown, the amount would not be dangerously large. It would not come from South America, because it would command the same price in gold in London that it would in notes in New York, and nearly all the product of South America goes, in the shape of miscellaneous ores and base bars, to Europe for economical refining.

Now, then, let me intensify the question. If it can not come here, according to the statement of the Secretary of the Treasury, although you have the unlimited use of silver advocated by his bill, to become money at the same price that it can become there, if you free coin you will cheapen the relative price there by which it may become a dollar, and consequently enhance the impediment which he says is at present enough to keep it out.

Mr. President, let us look at the annual product of silver. *Omne ignotum pro magnifico*—an enemy in the woods is always dangerous because we can not count him, and we fear him tenfold the fear we have for him who stands out in the open field. We have apprehended a silver deluge because of some unknown dam of silver in some unknown country possessed by somebody unknown, by a vague and mysterious idea which has always been thrown up before us that there was some other stream which would rush in upon us. It is not so. We have here in the report of our present Secretary of the Treasury the statement of the annual product of silver and of its annual use.

IF WE COINED THE WORLD'S ANNUAL SILVER PRODUCT UNUSED ELSEWHERE, IT WOULD NOT MAKE A DOLLAR APIECE FOR OUR PEOPLE.

The annual product of silver the world over is $142,000,000, and by the present coinage laws of nations there are used up in coinage all the $142,000,000 except $51,000,000. We are consuming now $28,000,000 of that $51,000,000. Therefore, if you should open your mints to free and unlimited coinage, there is an annual product of silver, possibly to become your money, the wide world over, of less than double the amount that you are now coining, the difference between twenty-eight and fifty-one million dollars or $23,000,000.

NO ACCUMULATED STOCK OF SILVER IN THE WORLD.

As it is obvious, then, that the silver money abroad will not come into our money, as it is obvious, also, that there is no annual product of silver which we may fear, there is only one other point of apprehension, an apprehension that there is an accumulated stock of silver, not of annual production, not of present consumption, not money that will all prick up its ears and rush to America as soon as the Mint is opened, but of old teapots, and forks, and ladles, and teaspoons! This is the invasion with which America is threatened. I appeal to the present Secretary of the Treasury to answer that apprehension, and I read from his language. The present Secretary of the Treasury says:

There is, in fact, no known accumulation of silver bullion anywhere in the world. Germany long since disposed of her stock of melted silver coins, partly by sale, partly by recoinage into her own new subsidiary coins, and partly by use in coining for Egypt. Only recently it became necessary to purchase silver for the Egyptian coinage executed at the mint at Berlin.

NO AVALANCHE POSSIBLE FROM PAST PRODUCTS OF SILVER.

The Secretary continues in his report:

It is plain, then, that there is no danger that the silver product of past years will be poured into our mints, unless new steps be taken for demonetization, and for this improbable contingency ample safeguards can be provided.

Nor need there be any serious apprehension that any considerable part of the stock of silver coin of Europe would be shipped to the United States for deposit for Treasury notes.

There is much less reason for shipping coin to this country than bullion, for while the leading nations of Europe have discontinued the coinage of full legal-tender silver pieces, they have provided by law for maintaining their existing stock of silver coins at par.

In England, Portugal, and the States of the Scandinavian Union there is no stock of silver coin except subsidiary coins, required for change purposes, the nominal value of which is far in excess of the bullion value. Germany has in circulation about $100,000,000 in old silver thalers, but ten years have passed since the sales of bullion arising under the anti-silver legislation of 1873 were discontinued. It is safe to say there is no stock of silver coin in Europe which is not needed for business purposes.

The states of the Latin Union and Spain, which has a similar monetary system, are the only countries in Europe which have any large stock of silver coins, and the commercial necessities of these countries are such that they could not afford, without serious financial distress, to withdraw from circulation silver coins which are at par with their gold coins, to deposit them at our mints for payment of the bullion value in notes.

The following table exhibits the stock of gold and silver in European banks at a late date, and the notes issued against them:

Stock of precious metals in European banks and bank-notes outstanding.

[Compiled from the London Economist.]

Banks.	Gold.	Silver.	Notes in circulation.
Bank of England	£19,519,659	....	£25,204,740
Bank of France	51,930,000	£50,247,000	119,837,000
Imperial Bank of Germany*	26,746,000	11,000,000	55,665,000
Austro-Hungarian Bank	5,442,000	16,005,000	43,642,000
Netherlands Bank	5,308,000	5,984,000	17,725,000
Bank of Spain*	4,000,000	5,663,000	28,966,000
National Bank of Belgium*	2,600,000	1,306,000	14,168,000
Bank of Russia	30,049,000	2,919,000	95,142,000
Total	145,594,659	93,094,000	400,349,740

* Gold and silver not divided, but estimated from best authorities, agreeing substantially with the division given by the Commercial and Financial Chronicle and the Financial and Mining Record.

In view of these facts, there would seem to be no sufficient reason for limiting the amount of silver bullion which may be deposited for Treasury notes, and there are strong reasons against such limitation.

SHALL WE HAVE SILVER AS MONEY, OR SILVER IN PAWN AS BULLION?

So, Mr. President, we have come down to this fine point in the silver discussion. There is nothing else to divide. The silver men as represented on this floor and the silver men as represented by the Secretary of the Treasury, each say that there is no danger of a silver freshet, each say that there is no accumulated stock of silver in the world which we may apprehend, each say that there ought to be no limit to the amount of silver allowed to be used as currency, and the only difference between us, then, is whether that silver which you shall use as currency shall be money or shall be a warehouse product laid up in the Treasury as in a pawnbroker's shop, the ticket of it to be redeemed by whom it may concern and who may desire. We are in favor of silver as money and he is in favor of the pawnbroker or warehouse system.

FREE COINAGE RESTRAINED BY PHYSICAL LIMITATION.

But why, Senators, shall you refuse to give a vote for free coinage of silver when you have from the head of your financial department assurances that there is "no known accumulation of silver bullion anywhere in the world," and there can be no danger of a silver freshet?

If you will but reflect you will perceive that were such a freshet possible from the breaking of silver dams in some unknown country the current would not rise suddenly here.

The capacity of our mints puts a practical limitation upon the coinage of silver. The Secretary of the Treasury tells us that "the coinage of 5,600,000 silver dollars a month would tax the present mint organization to its utmost capacity, and would practically suspend the coinage of gold."

If, then, silver and gold alike be coined freely according to the utmost capacity of the United States Government at the present time to do it, we can not pour any silver freshet into this country, whether you make free coinage or not.

If silver and gold be coined freely we can not without new mints pour down any silver avalanche. Let it come freely, it will nevertheless come gradually. If we coin all the silver annually produced we could not coin more than a dollar a head for our people, less than 10 cents a month for each.

Our present coinage facilities will not admit more. And you must believe that a dollar apiece annually in silver for the American people will upset things and be "chaos come again" before you can conscientiously vote against free coinage.

OUR RATIO OF SILVER TO GOLD IS TOO HIGH.

Another impediment to free coinage is the amount of silver we put in our dollar. The ratio of silver to gold in our metal dollars is, as we all know, 15.98 proportions of silver (commonly designated as 16) to 1 of gold. The ratio in France, Italy, Belgium, and Switzerland, which constitute the Latin Union, is 15½ of silver to 1 of gold; and such is also the ratio in Austria and the Netherlands, while in most countries the ratio is still lower than this. In India it is 15 to 1.

Now, if we would make our ratio the same as that of the Latin Union we would speedily induce it to go to free coinage; and this would create a money level and silver would flow freely, according to the laws of trade, where most useful.

SIR ISAAC NEWTON ON THE OPERATION OF THE RATIO.

Sir Isaac Newton appreciated the operation of this principle when he was director of the mint in London. He was asked why silver went abroad. He answered that France and Germany had a ratio different from that of England, and said:

It appears by experience, as well as by reason, that silver flows from those places where its value is lowest in proportion to gold, as from Spain to all Europe, and from all Europe to the East Indies, China, and Japan; and that gold is most plentiful in those places in which its value is highest in proportion to silver, as in Spain and England.

It is the demand for exportation which hath raised the price of exportable silver about *2d.* or *3d.* on the ounce above that of silver in coin, and hath thereby created a temptation to export or melt down the silver coin rather than give *2d.* or *3d.* more for foreign silver; and the demand for exportation arises from the higher price of silver in other places than England, in proportion to gold—that is, from the higher prices of gold in England than other places, in proportion to silver, and, therefore, may be diminished by lowering the value of gold in proportion to silver.—*Nomisma or Legal Tender, Henri Cernuschi*, page 26.

And then he suggests:

If gold in England, or silver in East India, could be brought down so low as to bear the same proportion to one another in both places, there would be here no greater demand for silver than for gold to be exported to India; and if gold were lowered only so as to have the same proportion to the silver money in England which it hath to silver in the rest of Europe, there would be no temptation to export silver rather than gold to any part of Europe. And to compass this last, there seems nothing more requisite than to take off *10d.* or *12d.* from the guinea—*Nomisma or Legal Tender, Henri Cernuschi*, page 26.

CERNUSCHI ON THE OPERATION OF THE RATIO.

Henri Cernuschi appreciates this principle as well as Sir Isaac Newton, and almost all the writers on finance go to show that if you are to put the ratio the same in this country or about equal with what it is in others, we would no longer stand upon the mountain nor they in the valley; the silver plane would be created and the operation of the laws of trade would preserve a balance between the two metals in each country and between the countries of their correspondence. He says (page 27):

So you see that the voyage of gold or silver is not the result of the changing productiveness of the mines, but that it is dictated by the laws alone. If you establish in India your ratio of 1834 (1 to 16), and introduce in England your ratio of 1792 (1 to 15), you will see all the gold of England going to India, and all the silver of India going to England. The relative value in the market between gold and silver is the result of a struggle between the laws of the different countries.

If a treaty was made establishing everywhere the same relative weight between gold and silver coins, with everywhere a uniform charge for the coinage of the two metals, there would be no more reason for exporting the one or the other. The globe is round; if the mint laws are the same in every nation, the exportation of gold or silver leaves no profit, "no more temptations," as was remarked by Sir Isaac Newton.

FAWCETT ON THE RATIO.

Mr. Fawcett, in his work on Gold and Debt, explains the ratio. He says:

The original establishment by law in Great Britain, France, and the United States that the legal values of gold and silver should be as 1 of gold to 15½ of silver, was the result of nearly two hundred years' observation of the following facts, namely: That the intrinsic value of each metal as a commodity, aside from its uses as currency or money, was continually fluctuating in accordance with the increase or decrease of its production, but that this increase or decrease of production, and consequent increase or decrease of value, was never the same in both metals at the same time. The experience was that when the production of gold had diminished that of silver had either remained stationary or increased, and *vice versa*. There was no theory to show that this should necessarily be the case, but such was and had been the fact for over two hundred years.

In order to prevent wide fluctuations in the standard of values it was sought to establish a bond between the values of the two metals, so that the diminishing value of the one might be checked by either the stationary or the increasing value of the other. Experience had shown that the average commercial value of silver had been as 15½ of silver to 1 of gold, and that, though either one might temporarily change in value, so as to change its relative value, it would certainly come back to it sooner or later if both metals were equally used as money. As previously remarked, the values of both metals is to a very large extent fictitious; there is no other use than as money that would warrant more than one-fourth the present values of either gold or silver. The depreciation of 29 in the 100 of the value of silver (or the increase of 41 per cent. in the value of gold, whichever one may choose to call it) which took place from October, 1874, to July, 1876, mainly as the result of the demonetization of silver by Germany, proved it.

It was, therefore, to prevent fluctuations in the standard of values that the two metals were, so to speak, "yoked together" by the legal establishment of their values as permanent at 15½ to 1. It was believed, and experience has proven, that if both metals were equally used as money this relative valuation was the point from which there would be the least departure. During the discussion of this subject in Congress (1875-'76) there seemed to be a disposition on the part of the advocates of the double standard to change the relative legal values of gold and silver by the coinage of a large silver "dollar" as compared with the gold "dollar." But any departure from the standard of 15½ to 1 is the same in principle—only less in degree—as the complete demonetization of either of the metals. To meddle once with a rule established by the experience of centuries only makes the necessity of meddling again at some future time.

THE PROBABLE EFFECT OF FREE COINAGE OF SILVER.

The probable effect from conferring the free-coinage right upon silver, will be—

1. To multiply the number of American dollars.
2. To enhance the value of the silver bullion that makes a dollar.
3. To maintain the value of gold bullion, but not to increase it.
4. To bring gold and silver bullion nearer together in value, stimulate business and prices, and to maintain the value, and most probably to increase the value of productions.
5. To give the United States the control of the silver market, and to transfer headquarters from London to New York.
6. To attract gold to us instead of expelling it.
7. It will give powerful stimulant to international agreement and be the forerunner of the universal dollar.

That it will multiply the number of American dollars is obvious. That it will raise the price of silver bullion is equally obvious.

SILVER MONEY MAINTAINS ITS PAR WITH GOLD MONEY, AND SILVER FREE COINAGE WILL PUT SILVER BULLION UP TO OR NEARER IN VALUE TO GOLD BULLION.

Silver money maintains its par with gold money where, over the whole world's surface, silver and gold are admitted alike to become money. Every portion of silver that becomes money becomes instantly the peer of the gold money. The United States have $386,000,000 of silver dollars, every one of which is the value equal of a gold dollar, will pay as much taxes, discharge as much debt, and buy as much of anything that man can eat or wear or in any manner use as a gold dollar. The silver dollar will buy as much gold bullion as a gold dollar, although the silver metal that makes the dollar is worth a quarter less than the gold metal that will make a dollar. Three conspicuous, significant, self-interpreting facts stand forth in this analysis:

1. The silver admitted to moneyhood is the par of gold.

2. No portion of silver is beneath the par of gold save that portion which is denied the right of moneyhood.

3. The silver which is denied the right of moneyhood maintains its value alongside with the value of those commodities which have fallen in price, and will exchange for just as much now as it would have exchanged for at a time when all silver could have become money like all gold. In short, commodity silver is on the same plane of value as other commodities, and money silver on the same plane as money gold.

Whether we say gold has appreciated in value, or dismoneyed silver has declined, the fact is that the gap between silver as a commodity and silver as money closes instantly, and just in proportion as the silver commodity is permitted to be coined. The logical conclusion from this simple statement of facts is inevitable:

1. That all silver should be readmitted to free coinage.

2. That all silver being so admitted, would, like that which has been admitted, value equally with gold.

3. It is most reasonable to conclude that as soon as there is restoration of silver to its ancient plane of money dignity the prices of those productions which went down with its decline will again rise with its ascension.

WILL THE GOLD BULLION NECESSARY TO MAKE A DOLLAR BE WORTH MORE THAN A DOLLAR?

There is no reason to suppose that the gold bullion necessary to make a dollar will enhance in price and be worth more than the dollar into which it has the privilege of conversion. On the contrary, the right of free coinage conferred on silver bullion will take away from gold bullion its exclusive right of free coinage, and it would seem paradoxical to assume that in curtailing the exclusive free right of any article that it would thereby add to its value. The investiture of an article with faculty, privilege, or additional use will undoubtedly add value to it, as it necessarily increases the demand for it. But when did it ever happen that divestiture of exclusive faculty, privilege, and exclusive use conferred value? Coffee would be dearer if there were no such thing as tea; wheat would be dearer if there were no such thing as corn, and beef would be dearer if there were no such thing as bacon.

If a law were to be passed to-day that coffee, wheat, and beef might be freely consumed, but tea, corn, and bacon should only be consumed to a certain limited extent, would not the free articles go up in the market and the proscribed ones go down? The tea that could not be drunk and the corn and bacon that could not be eaten, what would they be worth? As soon as they were disfranchised the doctors would tell us they did not have intrinsic value.

And all the time the appetites of the people would be the same for both wheat and corn, for both beef and bacon, for both coffee and tea, and if you allowed them to get them they would still consume them with the same old-fashioned avidity.

FREE COINAGE WILL RAISE THE VALUE OF SILVER.

Is it not reasonable to believe that as soon as all silver bullion has the free right of coinage it will approximate or go to the par of the corresponding amount of gold bullion necessary to make a dollar? As each amount of metal will then have equal privileges, and subserve the same monetary uses, is it not reasonable to suppose that they will then closely approximate or equal each other in value?

PRICES WILL RISE.

Mr. President, another effect of a free coinage of silver would be to increase the price of products in the markets of the world. It is a fact that gold men oppose silver because they know as a fact that the purchasing power of gold will go down.

MONEY ATTRACTS MONEY.

I believe too that the free coinage of silver will bring gold to us, not drive it away.

Money attracts money. Riches produce riches. Wealth has no liking for anything as much as itself. Everything assimilates with its kind. Money is the most social, self-assimilative, and procreative of all material things.

AMERICAN AND FRENCH SILVER ATTRACTED GOLD.

American silver has drawn gold to us. We had but two hundred millions in gold when we had no silver money in 1878, and it was at a premium of 1½ per cent. We partially restored silver, and we have to-day between three and four hundred millions of silver and between six and seven hundred millions of gold, and gold instead of being at a premium has been brought to a parity by putting the silver in circulation. German gold did not draw gold to Germany as anticipated after the Franco-German war. But French silver and gold drew gold to France.

France to-day, with a population of 38,000,000, has three times as much silver as we have in proportion to population in actual circulation, and twice the amount of gold in actual circulation. It is because prosperity, good prices, and active business attract both silver and gold and men wherever the sun shines.

The immigration that flows into this country from the discontented masses of the Old World is not a stream of immigration from silvery France, but is the overflow of the discontented from the gold countries—Germany and England.

THE RESULT OF DEMENETIZATION OF SILVER IN GERMANY.

I have a paper here which shows the result in Germany of her demonetization of silver just as the result indicated itself here. Prof. Thorold Rogers says of it:

> At a time when the domain of civilization is increasing in every direction, and when the need for the corresponding means of exchange has consequently increased, one of the great states of Europe has expelled silver and at the same time adopted gold. She thought herself able to do this, owing to the gold indemnity imposed upon France, but she has inflicted the greatest injury upon her population and has ruined her industries.

DAN

THE GRESHAM LAW NOT ABSOLUTE.

Mr. President, there is a doctrine of finance announced by Sir Thomas Gresham, the founder of the Royal Exchange of London, that the cheaper money will drive the dearer money out of circulation, as a man will hold what he values most and part first with what he values least when he can get the same for the least valuable that he can for the most valuable.

Mr. President, if this were an absolute law, and if it were true that silver was a cheaper money than gold, why has not silver already driven gold away? There is something, then, at fault either in your premise or in your conclusion. Either silver is not a cheaper money than gold or the law that the cheaper will drive away the dearer is not true. Either your fact is false or your conclusion is erroneous.

RICARDO VS. GRESHAM.

Mr. President, there is another law upon the subject of money that is just as strong as that of Gresham. No one thing in this world is governed by one law. There is a conflict of laws, and it is in their balance that the world goes on its gait. I put Ricardo now against Gresham, and give you Ricardo's law:

It is a mistaken theory to suppose that the guineas of 5 pennyweights 8 grains can not calculate with guineas of 5 pennyweights or less. As they might be in such limited quantity that both the one and the other might actually pass in currency for a value equal to 5 pennyweights 10 grains, there would be no temptation to withdraw either from circulation; there would be no real profit in retaining them.—*Ricardo's reply to Bosanquet*, pages 95, 96.

WALKER VS. GRESHAM.

I put Francis A. Walker's exposition of this law also against Gresham's:

This principle is that of two sorts of money circulating together the inferior will drive out and replace the better. Stated thus without qualification, as it usually is, the proposition is not true. It is only when the body of money thus composed is in excess that the better part begins to yield place and retire from circulation.

When, however, the aggregate amount of the two or more sorts of money in circulation becomes excessive, that is, greater than the community's distributive share of the money of the world, the principle of Gresham's law begins at once to operate, acting through the desire of men to pay their debts or effect their purchases with the least valuable commodity which will answer the requirements of exchange. By this means the heavier coins are selected for exportation in payment of debts abroad, where only the actual weight of fine metal will determine their power in exchange, or for consumption in the arts, industrial or decorative, at home, where the denomination of the coin is of equally little account.—*Francis A. Walker on Money*, pages 194, 195.

NO DANGER OF TOO MUCH MONEY.

Mr. President, let us ask ourselves this question, are we going to have too much money in America by reason of the free coinage of silver? I have already shown from the report of the Secretary of the Treasury that it can not exceed the amount of about a dollar a head per year for the whole American population. The fact must be conceded that with the increasing volume of money prices will rise.

When prices are increasing money is seldom hoarded, because there is every temptation to its free use. Money is generally hoarded when prices are declining, because the money-holder says to himself, "If I wait I can buy cheaper." On the contrary, he rushes to invest when prices are rising, because he says to himself, "If I buy to-day I can sell for more to-morrow." Now, it is acknowledged that as soon as silver is admitted to free coinage there will be a tendency of prices upward.

ANTICIPATION OF MORE MONEY STIMULATES PRICES.

The very anticipation of free silver coinage has given a rise to stocks and prices in New York and an upward tendency everywhere. And, therefore, as prices will rise with free coinage it is natural and logical to assume that money will not be hoarded as long as that tendency exists.

GOLD WILL NOT LEAVE WHILE INVESTMENTS HERE TEMPT IT.

Unless by the operation of other causes, gold is not likely to leave this country when silver is admitted to free coinage. Nor will it ever leave this country until it finds a better field of investment elsewhere than it can find here. As long as this country has lands, minerals, stocks and bonds, and other properties inviting investment at better rates than are offered elsewhere, money will have no tendency to quit our shores for foreign parts. Investors are not turned away from buying our stocks and bonds by the anticipation of more money through free silver coinage. They look to the maintenance of prices here, and hence they seek our shores.

GOLD NOT LIKELY TO GO TO A PREMIUM.

Nor is the gold dollar likely to go to a premium over the silver dollar. What condition will exist to drive it to a premium? What use will there be for a gold dollar making it desirable that a man shall part with more than one silver dollar in order to get a gold dollar? He can pay as much tax with his silver dollar as with a gold dollar. He can discharge as much debt with his silver dollar as with a gold dollar. He can buy as much of any commodity with his silver dollar as with a gold dollar; and why then shall he give more than a silver dollar in order to get a gold dollar? After he has gotten it it would render him no greater service.

FREE COINAGE WILL GIVE AMERICA CONTROL OF THE SILVER MARKET.

Furthermore, Mr. President, it will give to America control of the silver market of the world. I read now a brief passage from the circular of Henry Clews & Co., bankers, of New York, of April 19 of the present year. It shows that as the bankers of this country have come to the study of this question they have come to the free coinage idea of silver. Says Mr. Clews in his circular:

> If the silver bill be passed and exports of silver consequently stopped, the tendency will be to transfer control of the silver market to New York. This will certainly be favorable to American interests, for the aim of England is invariably to depress silver in order to cheapen the cost of making the rupee, which, whether composed of silver bought at 44*d.* or 60*d.*, buys in India the same amount of wheat and other products. Consequently the dearer the rupee the less grain India is likely to export, and the better the foreign demand for American wheat, which has suffered so much from the competition of India. In this connection it is interesting to note how widely silver is used in coinage. China, with a population of over 400,000,000, and India, with a population of nearly 300,000,000, use silver as their principal basis of coinage. Of the great powers only Great Britain and Germany cling to the single standard, while all the remainder, including the United States, use both silver and gold.—*Henry Clews & Co.'s circular of April* 19, 1890.

NO MONEY WILL LEAVE US PERMANENTLY UNTIL OUR MONEY VOLUME IS EXCESSIVE.

Mr. President, I think we may see with sufficient clearness to declare that no portion of our money will have a tendency to leave us or part in parity until the whole volume of our currency is in excess of our distributive share of the world's money. The question, therefore, at last resolves itself into the twofold inquiry: Will the silver free coinage give us such excess, and if some of our gold should leave us would it be a disaster greater than running the risk of having too little money? To have too little money is a great misfortune and one very difficult to cure. I have never known, however, of any man or any nation that would not find a way of getting rid of too much. We have endured the risk of having too little so long that just for the sake of variety, if nothing else, I should like to enter into the peril of having a little too much. I do not perceive that any of those gentlemen who have got millions have ever suffered in their own minds much from a sense of being overweighted with too much money or that any nation has ever suffered from having too much money. It is those who suffer who have not got it, and those who have are the ones who stand in the way of their getting it in order that there may be more value in that which they have got.

MORE MONEY A BOON TO HUMANITY.

The world is no longer a series of segregated and unsympathetic states. Railroads gave it bones, telegraphs gave it nerves, telephones multiplied its tongues, water courses and seas pervaded by steam-vessels are great arteries of communication, and the newspaper press morning and evening illumines it like a mighty orb shining for all nations. It is now sentient through all its parts; and there is a balancing movement throughout the realms of commerce. What lowers or heightens prices in one place affects prices everywhere. If you would free coin silver in America you would gladden the heart of humanity by giving to the laborer a larger price for his product.

THE MAINSPRING OF MONEY IS FREE COINAGE, AND THE BALANCE-WHEEL IS LEGAL TENDER. THE POWERS OF MONEY.

Mr. President, in this discussion about the use of silver in free coinage we must not forget that the mainspring of money is free coinage, and that the balance-wheel of money is legal tender.

Money fulfills four offices in society. First, it purchases commodities; second, it discharges debts; third, it pays taxes; and fourth, it serves as a scale, denominator, standard, or unit of value. It has a trinity of powers: the commodity-buying, the debt-discharging, and the tax-paying power; and it subserves the use of price-marking, value-estimating, and account-keeping, which is rather a convenience of mercantile mechanism, a collateral and incidental use, than one of the operative forces of money.

THE PURCHASING POWER OF MONEY IS IMPERFECT IN ITSELF.

One of the three powers of money, the purchasing power, is by itself an imperfect, limited, and conditional power. Money could not buy unless commodity was willing to sell. It takes two to make a bargain, and the money-owner could not become purchaser with his money unless the property-owner would voluntarily sell his property. Great, then, as is the purchasing power of money, that power, if it were the only one that money possessed, would leave it helpless and powerless if antagonized by the property-owners. They could crush the life out of it by refusal to sell for money, and then money without automatic existence, or self-assertion of any kind, would hide itself in the mass of untitled properties which come and go without a name.

THE DEBT AND TAX PAYING POWERS OF MONEY ARE ABSOLUTE.

When money becomes a legal public institution, vested by law with certain faculties, all of its powers become absolute, dominating, and exclusive. Even its purchasing power, which before was imperfect, becomes now self-enforcing; and while this fact is not at first apparent, it becomes so when we analyze the processes of the money system. Money may discharge debt, whether the creditor is willing or not. Money may pay taxes whether the tax-gatherer is willing or not; and nothing else but money can of its own motion do either. If a debt of $10 is due, nothing but $10 can pay it. If $10 of tax is due, nothing but $10 in money can discharge them. No amount of property has absolute right to step in and say, you shall take me for this debt or this tax. But money speaks to debt or tax with sovereign voice and abolishes them with sovereign and unappealable decree.

THE LEGAL-TENDER POWER CREATES THE SOVEREIGN VALUE.

The absolute debt-paying, tax-discharging prerogatives of money constitute what is known as its legal-tender capacity. This capacity is conferred upon it by law, and makes it amongst properties what a monarch is amongst men. It is the sovereign value, and all other values are measured by it, because it is the only value which is self-assertive, self-enforcing, constant, and independent.

HOW THE PURCHASING POWER OF MONEY BECOMES ABSOLUTE AND DICTATORIAL.

It is now evident that by reason of its absolute power to discharge debts and taxes the purchasing power of money is measured, and that that power now becomes absolute which was before originally imperfect and conditional. With tax upon his land, cattle, or household goods, payable in money, a property-holder must get money to discharge it. With a debt by mortgage or otherwise over his homestead or his field the debtor must get money to pay it. Hence he must sell a portion of his property to get it; or in default the law comes in with sheriff or marshal and sells it for him and takes the money paid for it to hand over to tax-gatherer or creditor. Hence, property-owners can no longer combine and crush the life out of money. They must sell or be sold out. It no longer takes two to make a bargain. The law has already made a bargain for the property-holder, and it enforces it for the money-holder's right. The money power with two prerogatives, has out of them evolved a third—the absolute power to buy, by reason of the power to enforce sale; and this money power dominates, calculates, estimates, or marks down the prices of property, and erects itself into standard of value because it is the only value that every citizen in society must bow to in order to discharge his obligation. Clothed with such prerogatives as these money sways human fortunes with autocratic powers more sweeping and wider spread than any ever conferred upon or usurped by a king amongst mortals. It is said that the two upright lines with the "S" flourish, that constitute the dollar-mark, are rude representations of the pillars of Hercules. Money is the Hercules of value.

VALUE IS A RELATION NOT A QUALITY.

And now, though I repeat an idea which has been put before this body, I again repeat it because it is the necessary logic of this discussion.

What we term value is not the quality of a thing, but that relation between a person and a thing, in which the thing acquires capacity to fulfill a physical or mental want of the person. If man did not exist there would be no value in gold and silver, or coal and iron, or milk and honey. The gems of ocean would remain undisturbed in unfathomed caves, and the rarest flowers would blush unseen. If man did not exist, neither gem nor blossom, nor gold or silver, nor coal or iron, nor milk and honey, would have any value whatsoever. The simplest idea of value is the relation of the thing that can satisfy to the want that creates desire.

QUALITY IS INTRINSIC, BUT VALUE IS EXTERNAL.

Men often use the words "intrinsic value" as if value was a quality inherent in a thing, as pungency is the quality of pepper, savor of salt, sweetness of sugar, or hardness of steel; but such is not the case. Value is external to the thing desired, and external also to the person desiring. Pungency would exist in pepper, savor in salt, sweetness in sugar, if never man had trod upon the earth, being absolute properties of those articles. But their value is whatever the person desiring will do or give in order to get them.

Barbon, who wrote two hundred years ago, understood this when he said:

> Value is only the price of things, and that can never be certain.
> If things have no value in themselves it is an opinion and fashion that brings them into use and gives them value.

Well does Macleod say in his Economics:

> A single object can not have value, and this unhappy phrase intrinsic value means so much overdrawn, and the slightest reflection will show that to define value to be something external to a thing, and then to be constantly speaking of intrinsic value are self-contradictory and inconsistent ideas.

Commercial value is a still more complicated term. It involves the conception of at least two persons—a thing desired by one and possessed by another, and also what the one desiring is willing to do or give to the one possessing in order to get it. Commercial value is value in exchange, and is the mere estimate of the mind of what should be done or given in exchange for what is desired.

IF THE WORLD DEMONETIZED GOLD AND SILVER THREE-FOURTHS OF THEIR VALUE WOULD BE LOST.

Mr. President, it is well estimated by a distinguished writer that if you were to take away from silver and from gold its crowning sovereign value to pay debts and taxes, you would leave the silver and gold of the world with one-fourth of their present value. They would then have only the value of the article as used in plate or in ornament. But the money value has added three-fourths to the value of the gold and silver that make money.

This being the case, we are obliged to realize at the end of this discussion that money is a value created by law to serve the people as a medium of exchange and as a solvent of debt and taxes. It is also clear that just in proportion to the volume of that medium which will discharge debt and taxes is the purchasing power of money and of prices of things that money will be.

FALL IN THE PRICES OF PRODUCTS.

Mr. President, there has been a fall in the values of the products of the soil all over the United States. The bonds, the mortgages, the notes, the debts, the taxes, the obligations, and contracts to pay of every kind remain at one fixed figure.

The underpinning, the property which is to discharge it has parted away from it and has left the roof of debt, the roof of mortgage, the roof of obligation at the same height from the ground of solvency, but between the roof and the earth there has been a partition of value so that the property-holder must pay more to discharge his debt than he contemplated in its making.

THE CAUSES OF DEPRECIATION IN VALUES.

In this we perceive, Mr. President, not only the effect of the like cause on this side of the ocean that we do upon the other, but we perceive the operation of a universal law. The cause of this thing is not doubtful nor questioned. The Secretary of the Treasury shows in his report the reason why silver has gone down, and there is scarcely a financial writer or economist on either side of the water who does not acknowledge the fact that the dismissal from circulation of a vast portion of the world's money in the demonetization of silver has been perhaps the greatest contributing cause to this result.

GREEDY CAPITALISTS WOULD AS SOON DEMONETIZE ONE METAL AS ANOTHER.

It was no discontent with silver as a circulating medium which led the world in the train of procedure which produced this consequence. On the contrary, within the present century there has been a movement against gold just as decided and just as assertive as that which exists against silver now. In 1848 and 1849, when the gold placers of California and of Australia were multiplying the gold wealth of the world, these results were the almost instantaneous consequence. In the first place, the money volume of the world was increased; in the second place, the prices were so increased that prosperity spread far and wide; and, in the third place, the bondholder, the creditor classes of the world, seeing that gold was becoming cheaper, tried to strike it down just as they try to strike down silver now.

They do not care whether you demonetize silver or demonetize gold. Their object is to have less money, in order that what they have may buy more. If they can get to that result by killing gold they will kill it. If they can get to that result by killing silver they will kill it. Like Iago in the play the usurer says:

> Whether he kill Cassio,
> Or Cassio him, or each do kill the other,
> E ery way makes my gain.

THE MOVEMENT AGAINST SILVER IS MONARCHICAL AND THAT FOR SILVER DEMOCRATIC.

The movement to demonetize silver and resist its remonetization is a movement dictated by kings, ministers, courtiers, satellites, sycophants, and monopolists. It is the movement of monarchy and of autocracy, whether it be upon the throne hedged in by the divine right of kings, or upon the throne hedged in by syndicates and trusts and rooted in the subtle and despotic power of the almighty dollar. The movement to remonetize silver and to resist its demonetization is a movement springing from the pure fountain called Republicanism or Democracy, whichever you please to call it, which believes in the great doctrine of our Federal Constitution, that to promote the general welfare and not the welfare of a class is fundamental to the institute of government.

Great Britain, a monarchy, in 1816 led off in the demonetization of silver. Unable to conquer America with lead and steel, she inaugurated that step while yet smarting with the lessons taught her by Decatur on the northern lakes, and by Andrew Jackson and his Southern braves at New Orleans; and, stimulated to broader dreams of conquest by just having conquered France at Waterloo, she sought in 1816 to complete the conquest of France just as Germany thought to complete it after Sedan in later years. But each time France has held up her silver buckler and fenced them off with her silver-hilted sword.

Far-reaching in her prevision of events, Great Britain sought by the wiles of commerce to accomplish what she had failed to do here by force of arms and had but partially done abroad, and to-day, as the wheat of her myriad of Indian ryots takes the place of our American product in the Liverpool market, she beholds the triumph of a policy which has narcotized American brains, corrupted American morals, and impoverished American farmers. While some of our economists amuse ignorant readers by copying English phrases about "the best money," "the fixed and invariable value of gold," and talk scholastically about "intrinsic value," England gathers in her golden harvests, piles up her "cent per cent.," and laughs in her sleeve at our ignorance and our folly.

Germany, a monarchy, demonetized silver in 1871, when fresh from conquest, reeking with plunder, and greedy for aggrandizment.

Belgium, Italy, and Greece, Denmark, Norway and Sweden, Holland, Russia, and Austria-Hungary, all of them monarchies, soon followed in the train of the policy dictated by "the man of blood and iron." Switzerland, a weak republic, was swept into the current of autocracy by the influence of vicinage. France, gifted with scientific knowledge, renowned for her skilled economists, pulsating with republican thought and aspiration, has clung to silver with tenacity that has yielded only so far as alien influences have forced upon her a policy of subserviency at war with her experience and with her wisdom.

NO GREAT REPUBLIC EVER WILLINGLY DEMONETIZED SILVER.

No great republic of the world has ever wittingly or consciously dismissed silver from its service as money. True, the United States of America did demonetize it—in fact, but not by conscious action—in 1873, and then occurred the most shameful thing that was ever recorded in the history of this nation. I shall make no personal allusions as they might do injustice, for that dark-lautern proceeding is fully known only to those who were in range of the dark lantern that shed its light on some small coterie of plotters.

Then an act was smuggled through Congress—framed not by a member of the body who passed, but by the "fine Italian hand" of an outsider who had no legislative responsibility upon him—which dropped the silver dollar out of our circulation.

NO PUBLIC CALL FOR DEMONETIZATION IN THE UNITED STATES.

In all our thirty or forty million people no public meeting or party platform had called for that thing to be done. In neither House of Congress did a single Senator or Representative show by speech his knowledge that it was done. The President of the United States when he signed the act did it ignorantly.

Mr. SHERMAN. The Senator certainly does not wish to misstate a fact?

Mr. DANIEL. No, sir.

Mr. SHERMAN. Not only was the dropping of the silver dollar stated to us by the official report of the Secretary of the Treasury in 1870, communicating his message and sending that bill to Congress, but in frequent debates both in the Senate and the House the fact that the silver dollar was dropped from the coinage was stated explicitly and the reasons given for it.

I do not wish to disturb the Senator except to correct him in that important fact. I have already shown to the Senate on one occasion before, by the examination of the original bill, that the Secretary of the Treasury called specific and special attention to the bill as sent to us, that the silver dollar was dropped from the coinage, and in the debate, here in the Senate and in the debate in the other House, especially by Mr. Kelley, and Mr. Hooper, specific attention was called to the fact that the bill dropped the silver dollar and the reasons were given for it. I do not want to interrupt the Senator now, but I may hereafter at some time refer to it more at length.

Mr. TELLER. I should like to ask the Senator to give us the date of those debates of which he speaks.

Mr. SHERMAN. On the 25th of April, 1870, the letter of the Secretary of the Treasury came here with that bill, and one of the leading items, pointed under a double head, was that the silver dollar was dropped from our currency. I showed that distinctly on a former occasion. The Senator from Oregon [Mr. DOLPH] the other day showed that very fact and quoted the remarks made by Mr. Hooper, in which he gave the reasons for dropping out the silver dollar, and of Mr. Kelley also. Both of those gentlemen, now dead, in a debate expressly pointed it out. It was pointed out here in the Senate, and the dollar that was finally put in the place of the silver dollar—that is, the trade-dollar of 420 grains—was put there by the unanimous resolutions of the Legislature of California, presented here by the Senator from that State, and upon his motion the dollar of 420 grains, intended for a trade-dollar, was put in the place the former dollar occupied.

Mr. MORRILL. To supersede the Mexican dollar.

Mr. SHERMAN. So as to supersede the Mexican dollar.

I know the Senator from Virginia does not wish to mislead upon a fact of that kind; and if I do not interrupt him, for I never choose to interrupt a Senator in the midst of a speech, I remember that in a debate between the late Senator from Kentucky, Mr. Beck, whose death we mourn, he made this same statement, that has been made over and over again in the Senate and House, that the silver dollar was surreptitiously dropped from the coinage. I then got the original files and showed the original letter of April 25, 1870, had it read, and showed every stage of that bill. It was printed at least eight or ten times, circulated widely all over the country, and sent to everybody who was supposed to know anything about the bill, and attention was especially called to the fact that the silver dollar was dropped from the coinage. The bill was debated in both Houses. The fact was brought out here only the other day by the Senator from Oregon [Mr. DOLPH]. The Senator from Kentucky, with the manly generosity that distinguished him, because, although he was very strong in his opinions, he was always willing to be corrected, at once acknowledged his error; and there are Senators here within the hearing of my voice who probably remember the circumstance.

That dollar was never surreptitiously dropped. It may have been foolishly done, but it was done after debate. The circumstances connected with it, the why and the wherefore, were given in both Houses of Congress and stated by the Secretary of the Treasury. I have no objection to any comment being made upon that fact. It may have been very unwise; I will not interrupt the Senator here to debate that; but the fact is that it was known to every member of Congress. It is true General Grant said he did not know the effect of the measure, and many other outsiders did not; but no man could have been present here in the Senate Chamber as a member or in the other House of Congress and attended to his duties and not have known it.

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Mr. HOAR. How many times was the bill printed?

Mr. SHERMAN. It was printed some eight or ten times, perhaps more than that, from the beginning to the end for three years during two Congresses, from April 25, 1870, to February, 1873, and the fact that that dollar was dropped from that bill was as bold and palpable a fact as any fact of legislation in the history of our country.

Mr. DANIEL. Mr. President, the Senator from Ohio was entirely right to interrupt me, or at least to make his explanation, and he but does me simple justice in saying that he knows I would be glad to allow any explanation of that kind.

Mr. SHERMAN. I supposed the Senator knew that, but I was greatly surprised when another Senator made the same declaration about the silver dollar being surreptitiously dropped who was present here as a member of the Senate, and I can show over and over again he refers to it here. I knew the Senator did not intend to mislead.

Mr. DANIEL. But, Mr. President, the fact is very little short of the statement made. So far as this movement to demonetize the silver dollar was concerned, it was a matter unknown to Congress and unknown to the people of the United States when it was done. Speaker Blaine did not know it when the act passed. Senator STEWART, of Nevada, representing that great silver community, who was a member of the body, did not know it. The Senator from Texas [Mr. REAGAN], who has always had an eye on silver, did not know it.

Mr. SHERMAN. He was not here.

Mr. DANIEL. Was he not then a member of the other House?

Several SENATORS. No.

Mr. ALDRICH. Will the Senator allow me to say that the Senator from Nevada, who also has his eye always upon silver, was here and voted for the bill.

Mr. TELLER. He did not know it.

Mr. STEWART. I did not know it, and I will give the Senator, if he wants it, the entire discussion. It was not stated in the discussion that there was any intention to leave the dollar out. On the contrary, the very last thing that was done was an amendment offered by the Senator from Ohio providing for the inscription on the silver dollar. I will get it in a moment and show it. That was adopted.

Mr. SHERMAN. The trade-dollar.

Mr. STEWART. No, the silver dollar and the trade-dollar both.

Mr. SHERMAN. In the bill as it came to us—I will get the original files again and introduce the same evidence I did here before.

THE COUNTRY DID NOT KNOW WHAT WAS SO QUIETLY DONE.

Mr. DANIEL. Mr. President, a year after that bill was passed in the American Congress, so silently had it gone through, General Grant wrote a letter expressing his surprise that silver did not come into market.

Now, sir, I do not desire to convict anybody or any person of doing anything that is surreptitious or improper, but I desire to proclaim the fact which the American people can not be too often reminded of, that one of their money metals was taken out of the currency and they were put upon the single-gold standard to make contracts by without being apprised of it, and that the very officers of their Government who did it, did it in such a quiet and remarkable manner that the President of the United States did not discover it.

A great many thing pass here that we do not know; that is, in a critical sense. There are so many bills that no man has the mind and the eye to read them all. But, Mr. President, it is a duty of a committee when it propounds a bill which looks simple on its face but contains in the body of it a revolution to let people know that the revolution is on hand in order that they may revolve with it.

FOREIGN INFLUENCES AT WORK HERE AGAINST SILVER.

I take from the Bankers' Magazine of August, 1873, a little extract. It says:

In 1873 silver being demonetized in Germany, England, and Holland, a capital of £100,000 ($500,000) was raised, and Ernest Seyd, of London, was sent to this country with this fund as the agent of foreign bondholders to effect the same object.

This is from one of the most respectable organs of the money interest of the United States, and it announces the fact that England and Holland furnished a fund of half a million dollars and sent an emissary over to America to procure a result which was effected in the manner stated.

Mr. SHERMAN. What date does he fix?

Mr. DANIEL. It is the Bankers' Magazine of August, 1873.

Mr. SHERMAN. But what was the date fixed when Seyd was sent here. When was Seyd sent here, according to that statement?

Mr. DANIEL. There is no statement of that. I have only the paragraph before me.

The CONGRESSIONAL RECORD of April 9, 1872, contains the report of a bill presented to the House by Mr. Hooper, of Massachusetts, the chairman of the Committee on Coinage, in which the following language occurs as coming from Mr. Hooper's own lips, and refers to the act which was passed dropping the silver dollar from our coinage laws, where it had been recognized as the unit of value since 1789:

The bill was prepared two years ago and has been submitted to careful and deliberate examination. It has the approval of nearly all the mint experts of the country and the sanction of the Secretary of the Treasury. Ernest Seyd, of London, a distinguished writer and bullionist, is now here and has given great attention to the subject of mints and coinage, after examining the first draughts of this bill made various sensible suggestions which the committee accepted and embodied in the bill. While the committee take no credit to themselves for the original preparation of this bill, they have given it the most careful consideration and have no hesitation in unanimously recommending its passage as necessary and expedient.

General A. J. Warner, of Ohio, who is one of the most earnest and able silver advocates in the United States, told me that after the demonetization bill was passed he was traveling in Europe and the first information he derived that the United States of America, of which he was a distinguished, well informed, and intelligent citizen, was on the single gold standard was from a banker in London, who informed him there to his great surprise that this act which created the trade-dollar had dropped the standard dollar from circulation.

But, Mr. President, it is immaterial to this discussion whether this act was done ignorantly, criminally, or otherwise.

THE MOTIVE OF DEMONETIZATION IS SELF-AGGRANDIZEMENT.

Whatever opinion men may entertain about the incidents of silver demonetization or the character of the actors who have participated in it, one thing is so clear that neither falsehood of declaration, sophistry of argument, nor cunning of rhetoric can disguise the fact that the sole motive prompting the demonetization of silver, whether in Europe or America, is the aggrandizement of the few at the expense of the many.

Every action of intelligent creatures has a motive; and we are bound to attribute this motive to the silver demonetization movement from our knowledge of—

1. The character of the actors.
2. The effect of the act.
3. And the absence of other motive.

Trace this demonetization movement in all its stages from its fountain head at the British throne in 1816 until its poisoned waters oozed through these Congress Halls in 1873, and never anywhere at any time do we find any impulse given to it save by those who expected to reap a selfish, exclusive, and peculiar benefit from it.

BEWARE OF CONTRACTIONISTS WHO PRETEND TO FEAR CONTRACTION.

No law conceivable to the cunning of cabinets, no regulation known to bureaucracy and red tape, no device of the money-changer, no sophistry coinable in the mind of the paid penman or that can be carried "trippingly on the tongue" of the rhetorician has been lacking to run silver down and out of its mission as money. And those who either created or support this policy tell us now they are afraid they will contract the currency by driving out gold if we shall coin more silver. Let us not be deceived, Mr. President. From whence come these warnings against contraction? From prophets whose prophesies are back numbers, from contractionists whose work has brought down the masses of the people to the feet of the classes and whose dissertations have become stale and obsolete.

The men who put this country in a strait-jacket after the war by suddenly withdrawing the greenback from circulation; the men who supported and applauded the contraction of our paper currency; the men who approved the contraction of our metal currency by the demonetization of the silver dollar; the men who are clamoring for the retirement of the $346,000,000 of greenback currency which yet remain with us as part of our circulating medium—these are the men—contractionists by creed, contractionists by history, contractionists in interest, contractionists in practice—these are the men who have the face to turn their backs on their own notorious and universally recognized public characters, and tell us they are afraid of more silver because it will contract the currency!

IF FREE COINAGE WOULD CONTRACT THE CURRENCY, THE GOLD MEN WOULD FAVOR IT.

If it were true, which I utterly deny, that free-silver coinage would contract the currency, then these contractionists would rejoice and be exceeding glad. They would revel in the thought, for the money-holder would then find a rich harvest in the appreciated value of money and in the depreciated value of property, the bondholder would get an interest of larger purchasing power and the opportunity to aggrandize himself in cheap absorptions of those farms and other properties put in his power by mortgage and debts held over them.

Beware of the professional and practiced contractionist who is afraid of contracting the currency! They are putting on your uniform, but they are the old enemies of silver and abundant money all the same.

SELF-AGGRANDIZEMENT THE ENGLISH AND THE GERMAN MOTIVE, AND IS NOW THE AMERICAN MOTIVE TO OSTRACISE SILVER.

Mr. President, no one doubts that self-aggrandizement was the sole motive that led England to demonetize silver in 1816; and not only was this aggrandizement to be accomplished for herself as a country, at the expense of other nations; it was also to be accomplished by her rich money-holders at the expense of her property-holders. The autocrats of Germany and other European monarchies followed her example as soon as their opportunity offered, and here in the United States we have only to look over the face of this country and into the faces of our public men to recognize at a glance that the anti-silver men are those who represent aggregated capital in gold, who wish to push silver out of their way that gold may have monopoly.

There is a United States bond of which payment is demanded in gold upon a coin contract, there is a national bank holding some of these bonds whose payment is demanded in gold, there is a bank deposit which seeks payment in gold, there is a mortgage waiting payment in gold behinds the pens and tongues of all the writers and speakers who are striving to drive silver to the wall. Point out to me anywhere an anti-silver man and I will point you to the gold influence that has set his head to thinking gold, his pen to writing gold, and his tongue to speaking gold; and I will further point out the immediate personal benefit of the class to which he belongs, or of which he is the type and spokesman, that he calculates on deriving from pulling silver down.

HOW AGGRANDIZEMENT WORKED IN ENGLAND.

England demonetized silver in 1816. From 1816 to 1823 more than four-fifths of the land-owners of England lost their estates. In 1822 the number of land-owners in England was 165,000. In 1861, according to the census of that year, 30,000 persons were the owners of the whole land surface of England. That is one land-owner to every 652 persons. The matter was still worse in Ireland, where 8,412 of the population of 5,729,967 held the ownership of all the lands, while in Scotland it was even more deplorable than in Ireland, 2,975 persons at that time holding all the lands of that country, which was one land-owner to every thousand and thirty other persons.

HOW AGGRANDIZEMENT HAS WORKED IN GERMANY.

Germany demonetized silver in 1871. Mr. Lavaleye, writing in 1881, says of the result:

> At the sitting of the Reichstag, of the 18th June, 1879, the governor of the imperial bank, Herr Von Decherd, declared, in reply to a question by ex-Minister Delbruck, that the sale of demonetized silver had already involved a loss of 96,500,000 marks ($23,100,000), and that for the sale of the remaining 500,000,000 of marks ($120,000,000) a rather higher loss must be calculated upon. (A mark is worth 24 cents.) It was then that Prince Bismarck interposed and declared that he would no longer bear the responsibility of such an operation. Germany is a considerable producer of silver, and her present production is worth less by $5,000,000 per annum from the depreciation of silver. Germany owns at least $400,000,000 of investments, whose interest, payable in silver, now yields $2,500,000 a year less than if that metal was at par.

THE EFFECT UPON THE GERMAN FARMERS.

He thus describes the effect upon the German farmers:

> "This direct loss, important as it is, is nothing, however," says M. Herr Von Bar, "compared with the indirect loss resulting from the fall of prices." Himself a large land-owner, he first speaks of agriculture: "It is cruelly suffering from the reduced value of all produce. The farmers are paying their rents irregularly, or not at all; their stock in trade has often to be distrained to recover arrears of rent. The land-owners are overwhelmed with mortgages. When at last, in order to extricate themselves, they try to sell their estates, they find no purchasers, or have to be satisfied with a price one-third below former estimates. The discouragement is universal. No more agricultural improvements are being effected; employment is, consequently, lacking, and there is great indigence. Hence that increasing emigration, for which special trains and steamers have to be arranged. It is a veritable exodus. What remedy for so much suffering? The agriculturist, perceiving at length the real cause of the evil, demand the abandonment of the gold standard. * * * The fact is strange,

yet certain, that from this immense crisis has sprung that odious and inexplicable return to the intolerance of the Middle Ages, called the 'anti-semitic movement,' the Judenheize (Jew hatred); the Jews, being large holders of gold whose power is unduly increased, are regarded by the populace as enriching themselves by the ruin of others. The capitalist, unhurt, even profits by the cheapness of enforced sales."

HOW OUR FARMERS ARE SUFFERING.

Let these facts tell the tale as to our farmers:

"By taking the corn crop for 1888 we find by this report that there was raised in the United States 1,987,790,000 bushels of corn, valued at $677,561,580, and by the report of 1889 we find there was raised the enormous crop of 2,112,892,000 bushels, valued at only $597,918,820. In fact, the corn crop of 1889 exceeded that of 1888 by 125,192,000 bushels, and is valued at less money by $79,542,760.

"The wheat crop of 1888 was 415,868,000 bushels, valued at $385,248,030, while the wheat crop of 1889 was 490,560,000 bushels, valued at only $349,491,707. It will be seen that the wheat crop of 1889 was greater than that of 1888 by 74,693,000 bushels and sold for less money by $42,756,223.

"The oat crop of 1888 was 701,735,000 bushels, valued at $195,424,240, and that the oat crop for 1889 was 751,575,000 bushels, valued at $171,781,008, or the oat crop was greater in 1889 than in 1888 by 49,780,000 bushels, and is valued for less by $23,643,232.

"In other words, the farmers have raised of these cereals 249,664,000 bushels more in 1889 than in 1888, and the entire crop has sold for $145,942,215 less money than last year."

HOW WEALTH IS ACCUMULATING IN THE HANDS OF THE FEW.

Mr. Thomas G. Shearman, writing in the Forum for September, 1889, shows where the lost wealth of our producers is going. He says:

As lately as 1847 there was but one man in this country who was reputed to be worth more than $5,000,000; and, though some estimated his wealth at $20,000,000, there is no good reason for believing it to have been so great. The wealth of his lineal descendants is estimated at $250,000,000, or over $50,000,000 each. In 1867, in the New York constitutional convention, one of the most prominent delegates stated that he could name thirty men residing in that State whose wealth averaged $15,000,000 each. The St. Louis Globe recently published a list of seventy-two persons who were worth collectively the whole of our national debt, averaging $18,000,000 each.

The wealthiest railroad manager in America in 1865 was worth $40,000,000, but not more. His heir died recently leaving an estate of nearly $200,000,000, and there are several gentlemen now living who are worth over $100,000,000 each. Within a short period a number of quiet, unobtrusive men of no national fame have died in Pennsylvania leaving estates of over $20,000,000 each. Twenty living persons in the oil business are reputed to be as rich. Forty persons could be easily named none of them worth less than $20,000,000 and averaging $40,000,000 each. At the lowest reasonable estimate there must now be more than two hundred and fifty persons in this country whose wealth averages over $20,000,000 for each.

But let us call the number only two hundred. Income-tax returns in Great Britain and the United States show that, in general, the number of incomes, when arranged in large classes, multiplies by from three to five fold for every reduction in the amount of one-half. For extreme caution, however, we estimate the increase in the number of incomes at a very much lower rate than this. At this reduced rate the amount of wealth in the hands of persons worth over $500,000 each in the United States would be about as follows:

200 persons at $20,000,000	$4,000,000,000
400 persons at $10,000,000	4,000,000,000
1,000 persons at $5,000,000	5,000,000,000
2,000 persons at $2,500,000	5,000,000,000
6,000 persons at $1,000,000	6,000,000,000
15,000 persons at $500,000	7,00,5000,000
Total	31,500,000,000

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This estimate is very far below the actual truth. Yet, even upon this basis, we are confronted with the startling result that 25,000 persons now possess more than half of the whole national wealth, real and personal, according to the highest estimate ($6,000,000,000) which any one has yet ventured to make of the aggregate amount. Nor is this conclusion at all improbable.

THIS FATAL POLICY MUST BE REVERSED AND THE UNITED STATES MUST LEAD.

Mr. President, the fatal policy that has carried ruin in its track in the Old World and is bringing ruin to our producers here, which is grinding the many and enriching the few, must be reversed. The first step is in the complete restoration of silver to moneyhood, and the United States must lead.

Now, Mr. President, America is the greatest gold and silver producing continent of the world, and the United States is the greatest gold and silver producing nation of the world. And in this fact the hand of manifest destiny points out our career of dominion as clearly as in any of the conditions by which we are surrounded or as in any of the incidents which have marked the evolutions of our history. In the happiest zone of the earth's climate, with a stretch of territory the broadest in expanse of any so eligibly located, with lands that yield richly to the husbandman's labor and mines that pour forth inexhaustibly their wealth of mineral and metal; washed by the two great oceans which set us apart from the ancient peoples of the East and alike from the polished but aristocratic and caste-ridden civilizations of Europe, and yet which afford us the means of free communication with them all; with rivers flowing inward and pulling the land and its people together as it were by the natural laws of gravitation, and then giving them a common outlet from their center to the seas through the Father of Waters; settled by a people who are scions of the greatest race that ever inhabited the earth, and drawing accessions from the most enterprising and ambitious of all races, the elements seem by Heaven provided to frame here the greatest nation of men, they seem too here to be better combined under more favorable circumstances than any that ever existed in the history of any people. When to all these benefactions of Providence it has been discovered that we are more richly endowed with silver and gold than any people that ever existed, does it not seem a shameful and humiliating thing that any should warn us not to help ourselves freely to our own lest we prove too weak to maintain ourselves against the commercial prowess of British and German gold?

When we were but a feeble folk of three millions in number, when we had but little store of either silver or gold or any precious substance, when we had neither armies nor navies, and Great Britain burdened ns with taxes and threatened us with subjugations, we did not answer that we were too weak to hold our heads up and go our own gait into the broad highways of national independence which Providence opened before us.

What was your trivial tax on tea which the men of Boston threw into the sea compared to your enormous tax of $120,000,000 which today you are pouring into English treasuries from your subserviency to English gold? Not producing silver herself, and trying to keep silver down in the market, she has held up the value of one coin, has put down the value of another, and cringing before her commercial policies as if the blood and brains of our fathers had died out in their sons, we build around us a Chinese wall of an American system of taxation to prevent us from having intercourse with Great Britain, and yet say we must preserve the gold standard for the sole object of not becoming independent, but that our tribute to her may realize to her more money.

Not from the counting-rooms of exchange, not from behind bags of accumulated and usurious gold, came forth the men of the great Revolutionary days to lead us. Not from the narrow circle of dogmatic scholastics did we learn our creeds of politics; nor were the paid experts of calculating usurers the chosen lights to unravel financial principles.

It was a young aid-de-camp of Washington, an artillery captain fresh from the field, who laid the foundations of our financial system. It was a philosopher of the woods from old Virginia, Thomas Jefferson, who proclaimed your creeds of liberty. It was a printer of Philadelphia who became an ambassador, and bore in his simple dignity the majesty of a king amid the spangles and stars of court. It was a young Indian fighter fresh from the border who overmatched the best generals of Europe. It was the farmer of Mount Vernon who became our first magistrate without a peer.

Mr. President, just as soon as America stands up upon her own feet and lets Great Britain know that she will not bow to her idol of gold, you will see our commercial policy bounding into the ascendant, our prices rise, our poor laboring men and farmers rescue themselves from mortgage and debt, and this nation enter upon the high career of independence which Providence designed in its making. [Applause in the galleries.]

The VICE-PRESIDENT. Order must be preserved in the galleries.

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