SILVER COINAGE.

SPEECH

OF

HON. JOHN H. MITCHELL,

OF OREGON,

IN THE

SENATE OF THE UNITED STATES,

WEDNESDAY, JANUARY 29, 1890.

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SPEECH

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Mr. MITCHELL. I move that the Senate proceed to the consideration of the bill (S. 58) for the free coinage of silver, and other purposes.

The VICE-PRESIDENT. The Chair lays the bill before the Senate, pursuant to the notice heretofore given by the Senator from Oregon.

Mr. MITCHELL. I ask that the bill be read at length. It is very short.

The VICE-PRESIDENT. The bill will be read.

The Chief Clerk read the bill, as follows:

Be it enacted, etc., That from and after the passage of this act all holders of silver bullion of the value of $50 or more, standard fineness, shall be entitled to have the same coined into standard silver dollars of 412½ grains troy of standard silver to the dollar upon like terms and conditions as gold is now coined for private holders; that the standard silver dollar heretofore coined and herein provided for shall be the unit of account and standard of value in like manner as now provided for the gold dollar, and shall be a legal tender for all debts, public and private, except where otherwise stipulated.

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for the purchase of silver bullion to be coined monthly into standard silver dollars, be, and the same is hereby, repealed.

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

Mr. MITCHELL. Mr. President, the pending bill, irrespective of the question as to its merit or lack of merit as a separate and independent proposition, and the consideration of which shall not now specially engage my attention, although I am frank to confess my impression is it is about the thing needed, brings before the Senate and the country one of the most important public questions of the day. It is, moreover, not a party question, but rather one upon which the people and the people's representatives divide, irrespective of party lines, at angles quite as divergent as do the two great political parties of the country on many of the other great questions now before it. It involves a contest not, as is sometimes insisted, between the friends and enemies of honest money; nor is it a question as between wild inflation on the one part and conservative money sense and action on the other; nor is the subject so dwarfed in significance as to be one having relation solely, or even mainly, to the interests of the silver producer.

It is a subject rising in importance to a plane much higher than this and involving in its consideration questions of vital public interest. It is a contention, in the main, between the rich and the poor, the creditor and the debtor classes, embracing material interests of the latter of immense gravity and transcendant importance. It is an issue involving a gigantic effort, or perhaps the term "conspiracy" would not be inappropriate, on the one hand, upon the part of a certain special class and their allies, to depress values in order that the price of the creditor's bond, note, mortgage, and gold coin may be increased in value and their power of absorption augmented.

It is a question as to whether the volume of our circulating medium shall be reduced and contracted in order that the demand for it may be increased, to the end that the profits of the men who have money and who can control money may be swollen. It is not a demand by one class or any class for the issue of an unlimited supply of money, as all agree such a policy would be suicidal. It is an appeal, however, by one class, and that the great producing masses of the country, for a sufficient amount of circulating medium with which to meet the largely increased and still rapidly increasing business of the country, and which will tend to check the alarming decline in the price of farms and farm products and other commodities, which has been going on for years in the United States.

The financial history of every nation on earth since nations were first born, including that of our own, shows, without a solitary exception, that as the volume of money became scarce prices ebbed, values declined, wages became lower, the price of farms and farm products went down, business streams became stagnant, and the hideous specter of hard times, and the gaunt, starving wolf of want stood grimly grinning and madly snarling in the pathway of the laborer, the merchant, the artisan, the farmer.

The great question involved in the discussion of the silver problem is not perhaps so much what precise form legislation on the subject shall take to accomplish the purpose, but rather whether silver as legal-tender money, and as one of the standards of value, shall be recrowned and restored to the position assigned it by the fathers, the builders, and the preservers of the Republic. Shall this be done or shall it be continued in its present state of subjection to legislative, executive, and financial ostracism?

Shall silver in the future be regarded as money or merely as merchandise? Shall the ban of repudiation of this precious metal, placed unrighteously, if not surreptitiously, upon it by Congress in 1873, and which was only partially removed in 1878, be swept away, and the silver dollar of the fathers restored to its former position side by side with gold in its proper ratio as one of the measures of a dual standard? Shall, in other words, the double standard be restored and maintained in this country as it existed for over eighty years, or shall the claim of the monometallist be made good and gold alone be made permanently our monetary standard? Shall we abandon the American idea upon this subject and adopt that of Great Britain?

Shall we relinquish our right and duty, as the greatest Republic on earth, to march proudly, majestically, independently, and triumphantly in the front ranks in the grand march of nations, in respect of our systems of coinage and finance generally, as well as in respect of every other great governmental function, and say to monarchy, and especially to that particular one whose interests in most respects are different from our own and in conflict with ours, we will fall to the rear; our financiers shall follow where the gold-bugs of England lead; our financial ship shall sail only in the wake of the golden craft of Great Britain?

Shall we turn our producers of wheat, cotton, corn, butter, and cheese, our farmers, miners, and laborers over to the tender mercies of our purchasers in England and elsewhere, virtually saying to them, "You may establish the price of our products and we will utter no word of complaint?" Or shall we not rather, in the majesty of our republican and democratic imperialism as a nation, assert, not only our *right* in the premises, but our unquestioned *power* to determine for ourselves a financial system suited to our own country and its wants and those of the great masses of our people? What a commentary on the moral and political cowardice of our Government, producing as we do in this country over 45 per cent. of the annual silver-bullion product of the world, as we have for years past, that we should permit England, producing none, or at least a mere fraction of not exceeding 6 per cent. of the whole, or all Europe combined, producing in the aggregate only about one-twelfth of the world's annual crop, to permit either England or all Europe combined to fix the value of our bullion without a protest on our part.

These are the great fundamental questions at issue; and whether the restoration of silver to its proper status as one of the precious metals is brought about by free and unlimited coinage or by some other means or device is not so important, so long as the great fact is accomplished, so long as the metal is restored to its proper and former position, shorn of its character of being mere merchandise, and clothed again with the unquestioned attribute of legal-tender money. There may be, and as a matter of course are, honest differences of opinion as to the best method of accomplishing this. Many theories have been brought forward and pressed, all having ostensibly in view the rehabilitation of the silver dollar as a legal-tender standard of value.

Some, not all, of these plans are founded in honest purpose, prompted by sincere convictions, while many are justly open to the suspicion of having been conceived in the camp of the monometallists and intended to be, as they really are, false lights, to deceive the real defenders and advocates of silver as money and of the double standard, and to decoy them by circuitous routes into that same golden camp. For one, after giving the subject such consideration as I have been able to, I find myself in no sense whatever embarrassed in coming to the conclusion that there is one way, *and but one way*, to fully and completely accomplish this great purpose, and that is by providing by law for the free and unlimited coinage of silver bullion into standard silver dollars of the present weight and fineness, giving to the coinage the debt-paying function of legal tender, with proper restrictions of course to protect our mints from imposition. Then based on these standard silver dollars I would have the Government issue its legal-tender coin certificates.

For such legislation I should most cheerfully give my vote if opportunity presents, believing that in so doing I should best serve the interests of the great masses of the people, not only of the State I have the honor in part to represent, but also of the whole country. And in the event I should find myself in the minority on that question after a full, fair, and energetic trial and test vote, then I am ready to consider any and every other proposition submitted in good faith looking toward the same end.

My attention has recently been attracted to a leading and ably written editorial entitled "Free coinage and repudiation," which appeared in The Oregonian, a leading newspaper of the Pacific Northwest, published at my home, in Portland, Oregon, in its issue of December 20 last.

Its statements, reasons, and deductions, although ably stated from the stand-point of the editor, are in such direct conflict, as I believe, with the prevailing opinion of the great mass of the people of the Pacific Northwest on this important subject, including very many, if not the great majority, of the leading business men and financiers of that section, and are so at variance withal with my individual convictions, that I take the liberty of inserting it *in extenso* in my speech, with a view of combating, so far as I may and in a spirit of entire fairness, what seem to me to be its fallacies. The article is as follows; I send it to the desk and ask that it be read.

The Chief Clerk read as follows:

FREE COINAGE AND REPUDIATION.

The people of the United States are clearly prepared to concede a good many things to the extreme silver men. The silver-mining interest is recognized as entitled to consideration, and the public sentiment of the country is prepared to tolerate a degree of conservative and carefully guarded financial legislation having for its sole or most important object the furnishing of a market for its product. But there are two things the common sense and honest instincts of the country will never tolerate. One is the free coinage of silver on the basis of 412¼ grains to the dollar. It may be well to state, at the expense of seeming a little superfluous and elementary, just what free coinage means. We have had free coinage of gold ever since our existence as a nation. It is the basis of our monetary system. Under this system any owner of gold bullion may take it to any United States mint and have it coined into dollars, half-eagles, eagles, and double-eagles, at the rate of 25⅘ grains to the dollar, by paying a trifling mint charge. Or, what amounts to the same thing, he may exchange his bullion for coin at the rate of a dollar for 25⅘ grains, less the charge for mintage.

See what the establishment of the same rule for silver would mean. The owner of silver bullion, to any amount, might take it to any mint in the United States and have it coined or exchange it for standard dollars at the rate of a dollar for every 412½ grains, less the mint charge. But 412½ grains of silver is worth, in the markets of the world, only about 72 cents. That is to say, it is worth less than three-fourths as much as the 25⅘ grains of gold bullion which must be taken to the mint for every dollar in coined gold taken out. The silver dollars paid out for bullion under free coinage would be worth intrinsically no more than the bullion taken in; but by making them legal tender the Government compels its citizens to receive them at their face, which is one-third more than their real value.

This makes the dollars received by the bullion owner worth to him for purchasing purposes one-third more than he could have obtained for the bullion in any commercial market. That is to say, free coinage of silver would offer to the owner of silver bullion a premium of nearly 40 per cent. over the market price of every pound of silver he would take the trouble to cart to a United States mint. This premium would be paid, not by the Government, which would pay for the bullion in standard dollars worth intrinsically no more than itself, but by the public, which the Government compels, by making these dollars legal tender, to accept them at 40 per cent. more than their real value. The Government would give the bullion owner just the value it received from him, but it would force the citizen to whom he took this value to buy flour, wool, or iron, to accept it at 40 per cent. advance. This is like the act of a mediæval monarch who should recompense a baron for some service by giving him license to rob on the highway.

There is no sort of doubt that the establishment of free coinage for silver would be eminently successful in creating a market for that metal. The Government can create a market for any commodity by opening depots at which it will buy unlimited quantities of it for 40 per cent. more than is paid anywhere else. Free coinage would make a market, not only for the product of the Colorado and Nevada silver mines, but for those of Mexico and South America, and not only for the new annual product of the mines of the world, but for the mass of silver, coined and uncoined, which encumbers the exchanges and embarrasses the financiers of Europe and civilized Asia. It would make the United States the dumping-ground for the cheap silver of the world, the refuse heap of the discarded and rejected coinage of three continents. This would all be paid for by the people of the United States, who were forced to take and use the new coinage at its false value.

The 40 per cent. premium paid the bullion owners by the Government would come out of every citizen who used a silver dollar to purchase goods; not at once, perhaps, but as soon as the general scale of values had time to adjust itself to the new false standard. This would come surely and swiftly, so soon as the new policy were positively and permanently adopted. With it, as a certain corollary, would come the disappearance of gold from the country and the permanent degradation of our currency to a silver standard. Let us be explicit as to what this degradation means. It is not that a silver dollar will be less a dollar than now, but that a gold dollar will be more, measured in silver, and a silver dollar will buy less. That is to say, it will take one and a third dollars, when the standard shall have been revolutionized, to buy anything, including a gold dollar, which can be bought for a dollar now. The premium will be paid by the people of the country and will have gone in advance into the pocket of the bullion owner. This is why the idea of free coinage is intolerable.

Scarcely less intolerable is the idea which is the vital principle of the bill prepared under the auspices of the Denver Chamber of Commerce as an alternative to the free-coinage scheme of the late silver convention at St. Louis. The president of this body is now in Washington urging his measure upon the attention of members of Congress. It provides for the purchase of four millions of dollars' worth of bullion per month and its coinage into standard dollars. This would yield from five to six millions of such dollars at present prices. One-half of this amount is to be set aside monthly as a fund for the redemption and cancellation and destruction of United States legal-tender notes, as rapidly as such notes shall be received in the Treasury or any subtreasury of the United States. Another portion is to be devoted to the replacement of retired national bank notes, and the remainder is to partly replace the gold now held in the Treasury as security for the redemption of outstanding legal-tenders. The redemption fund is always to be 30 per cent. of the amount of notes out, but it is not specified how much of it is to be gold and how much silver. Sooner or later, of course, it would be all silver. The bill also makes both gold and silver certificates full legal tender.

This is flat repudiation of one-fourth of the most sacred part of the public debt of the United States. It sweeps away the entire basis of our Government currency by decreeing the progressive redemption of legal-tenders and the displacement of national-bank notes with silver dollars. It places legal-tenders, national-bank notes, and silver certificates upon precisely the same basis, by giving them the same security and the same debt-paying power, that of silver, valued at the rate of $1 for 72 cents. It would replace gold with silver and expel the former from the country as surely, though more gradually than free coinage. It would degrade our monetary standard just as certainly as that in the long run. It would just as insidiously rob the users of our national currency of one-fourth of its value by the readjustment of prices to the diminished value of the circulating medium. Its only merit—and this is a doubtful one—is that it would commit this robbery, not for the entire benefit of the mine-owners, though they would probably manage to bull the price somewhat at first, but for the benefit of the Government, which would continue on a larger scale the picayunish business of buying 72 cents' worth of silver and paying a dollar's worth of debt with it. This Denver bill will not meet the approval of the American people. They are willing to concede a good deal to the silver men, but not free coinage or repudiation.

Mr. MITCHELL. In the first place, Mr. President, the statement of fact in the beginning of this editorial, and made the basis for several important deductions, to the effect that "we have had free coinage of *gold* ever since our existence as a nation," while entirely true in the abstract, is not altogether free from disingenousness. There is in the statement an unpardonable *suppressio veri*. A complete and perfect statement of fact in this connection, to the end that the argument should be entirely free from the slightest suspicion of unfairness, required the further statement in the same connection, being used for the purpose it was, to the effect that for nearly eighty-one years, and up until March 3, 1873, when silver was demonetized, we had free coinage of silver in this country as well as of gold. The statement, to have been entirely free from unfairness and at the same time accurate and historically correct, should have read: "We have had free coinage of gold and silver ever since our existence as a nation, until 1873, when Congress demonetized *silver*." Let us see how this is.

The act of April 2, 1792, entitled "An act establishing a mint and regulating the coins of the United States," provided, among other things, for the establishment of a Mint at the seat of Government of the United States for the purpose of a national coinage, and that there should be from time to time struck and coined at the said Mint coins of gold, silver, and copper of certain specified denominations. And section 14 provides as follows:

That it shall be lawful for any person or persons to bring to the said mint gold and silver bullion in order to their being coined; and that the bullion so brought shall be there assayed and coined as speedily as may be after the receipt thereof, and that free of expense to the person or persons by whom the same shall have been brought. And as soon as the said bullion shall have been coined, the person or persons by whom the same shall have been delivered shall upon demand receive in lieu thereof coins of the same species of bullion which shall have been so delivered, weight for weight, of the pure gold or pure silver therein contained: *Provided, nevertheless*, That it shall be at the mutual option of the party or parties bringing said bullion, or the Director of the said Mint, to make an immediate exchange of coins for standard bullion, with a deduction of one-half per cent. from the weight of the pure gold or pure silver contained in the said bullion, as an indemnification to the mint for the time which will necessarily be required for coining the said bullion and for the advance which shall have been so made in coins.

This act also provided that all the gold and silver coins issued at such mint should be "lawful tender in all payments whatsoever." By this act it was provided that the ratio of value of gold to silver in all coins issued should be as 1 to 15, according to the quantity and weight of pure gold and pure silver; that is to say, every 15 pounds weight of pure silver should be of equal value in all payments with one pound weight of pure gold, and so in proportion as to any greater or less quantities of the respective metals. The standard of the two coins was also established by this act: That all gold coins of the United States should be 11 parts fine to 1 part alloyed; so that 11 parts in 12 of the entire weight of each of the said coins should consist of pure gold and the remaining one-twelfth part of alloy, and that the alloy should be composed of silver and copper in such proportions, not exceeding one-half silver, as should be found convenient.

A standard for all silver coins of the United States was by this act fixed at 1,485 parts fine to 179 parts alloy; so that 1,485 parts in 1,664 parts of the entire weight of each of the said coins should consist of pure silver and the remaining 179 parts of alloy, which alloy should be wholly of copper.

While by the act of January 18, 1837, entitled "An act supplementary to the act entitled 'An act establishing a mint and regulating the coins of the United States,'" free coinage of gold and silver was continued and the legal-tender function also continued as to both coins.

The standard, however, was changed by increasing the alloy. This act provided that the standard for both gold and silver coins of the United States should thereafter be such that of each one thousand parts of weight nine hundred should be of pure metal and one hundred of alloy; that the alloy of the silver coin should be of copper and the alloy of the gold coins of copper and silver, provided that the silver did not exceed one-half of the whole alloy. The weight of the coins respectively was also changed by this act. That of the silver dollar was fixed at 412½ grains, the half-dollar at 206¼ grains, and so on, and that of the gold eagle at 258 grains, or 25.8 grains to the dollar. The only restrictions on the receipt and coinage of bullion at the mints, both gold and silver, were those contained in section 14 of the act, which reads as follows:

That gold and silver bullion brought to the mint for coinage shall be received and coined by the proper officers, and for the benefit of the depositor: *Provided*, That it shall be lawful to refuse at the mint any deposit of less value than $100, and any bullion so base as to be unsuitable for the operations of the mint: *And provided also*, That when gold and silver are combined, if either of these metals be in such small proportions that it can not be separated advantageously, no allowance shall be made to the depositor for the value of such metal.

And the only subjects of charge by the mint to the depositor under this act were, first, for refining, when the bullion was below standard; second, for toughening, when metals were contained in it which rendered it unfit for coinage; third, for copper used for alloy, when the bullion was above standard; fourth, for the silver introduced into the alloy of gold; and, fifth, for separating gold and silver when these metals existed together in the bullion—the rates of these charges to be fixed from time to time by the Director of the Mint, with the concurrence of the Secretary of the Treasury, but to be in an amount so as not to exceed the actual expense to the mint of the materials and labor employed in each of the cases mentioned, and that the amounts so received from these charges should be accounted for and appropriated for defraying the contingent expenses of the mint.

This act, in the eleventh section, also provided that the silver coins before that time issued at the mint of the United States and the gold coins issued since the 31st day of July, 1834, should continue to be legal tenders of payment for their nominal values of the same terms as if they were of the coinage provided by that act.

In the second section of the act of February 9, 1793, it was provided that, at the expiration of three years next ensuing the time when the coinage of gold and silver under the act establishing the mint should commence at the mint of the United States, all foreign gold coins and foreign silver coins, except Spanish milled dollars and parts of such dollars, should cease to be a legal tender.

In other words, at this early period in the history of our Government we find it asserting its own independence as against foreign governments in the matter of finances and financial legislation as well as in other respects. It is true this limitation, or demonetization rather, of foreign gold coins as legal tender was suspended by the act of February 1, 1798, for and during the space of three years from and after the 1st day of January, 1798, and by the act of April 10, 1806, the operation of this restriction upon foreign coins—that is to say, by the second section of the act of February 9, 1793—was again suspended for and during a space of three years from April 10, 1806.

By the act of March 3, 1819, the gold coins of Great Britain and Portugal, of their then standard, were declared to be legal tender in the payment of all debts, at the rate of 100 cents for 27 grains, or $88\frac{8}{9}$ cents per pennyweight; the gold coins of France, of their then standard, at the rate of 100 cents for every $27\frac{1}{2}$ grains, or $84\frac{1}{1}$ cents per pennyweight; the gold coins of Spain at the rate of 100 cents for every $28\frac{1}{2}$ grains, or 84 cents per pennyweight, all until the 1st day *only* of the next November (1819). And this act then further provided as follows:

And that from and after that date (November 1, 1819) foreign gold coins shall cease to be a tender within the United States for the payments of debts or demands.

This, therefore, was the state of the case substantially in reference to our coinage legislation until the year 1873, when, in an act the title of which contained no intimation of any such purpose, the standard silver dollar was boycotted by being omitted in our system of coinage, although from the year 1792 until that date $371\frac{1}{4}$ grains of pure silver, or the silver dollar of $412\frac{1}{2}$ grains of standard silver, had been the standard of value—the unit of account—and the gold dollar was made the sole standard.

Having, therefore, with some degree of care attracted attention to the main features of our coinage legislation during the first eighty years of the existence of our Government, and to the fact that both gold and silver were in all legislation prior to the year 1873 admitted to free and unlimited coinage and treated as equal as legal-tender money in a certain fixed ratio, the one to the other, further attention will be given to the arguments of the editorial quoted. The editorial proceeds, after entirely ignoring the important fact that silver stood side by side with gold, each entitled under the law to free coinage, for a period of over eighty years of our country's history, with the statement that "it" (gold) "is the basis of our monetary system."

The editor then proceeds to draw arguments hostile to the free coinage of silver by *assuming* that the *commercial value* or intrinsic worth of silver bullion, if that metal were remonetized, restored to its former position as the standard of values equal with gold, would remain the same as now with the heels of the Government placed on the white metal, with hostile legislation discrediting it, with the doors of the mints flung in its face, and a combined and persistent effort all the while being exerted on the part of the executive officers, Treasury officials, banks, boards of trade, chambers of commerce, and clearing-houses to dishonor it. Granting this assumption of the able editor, doubtless *some* of the evil effects predicted from the free and unlimited coinage of silver might follow. But no one in his right mind supposes for a moment that such would be the case any more than that the reverse would follow, that the appreciation of silver would become so great and abnormal as to drive the gold dollar out of existence as money, reduce it to mere *merchandise*, and invite financial disaster. The argument, it is submitted, is a rather transparent begging of the whole question.

But not only so. This assumption is in direct conflict and wholly inconsistent and irreconcilable with the other argument continually insisted upon by the monometallists, to the effect that the only object in view on behalf of the friends of silver legislation is to increase the value of silver as a product of this country; and in that connection it is admitted that the effect of the free coinage of silver bullion in this country would be to increase the commercial value of silver to such an extent as to restore the present legal ratio of 16 to 1, as fixed by law as between the two metals. In fact, the learned editor, it will be seen, later on in his editorial confirms the view suggested. He says:

> There is no sort of doubt that the establishment of free coinage for silver would be eminently successful in creating a market for that metal.

Most assuredly; and in creating a market, the price of silver bullion would necessarily be enhanced, or, to be more accurate, the value of silver would be enhanced and that of gold lessened. "The creation of the market" would, as a matter of course, restore it to its par value with gold in the legal relation of 16 to 1; and is not this desirable? This being so, what becomes of the argument? The premises being swept away, the deductions are all valueless for the purposes intended. The argument is the old, threadbare one of the monomentallists. It is the argument of the creditor against the debtor, of the banker against the farmer, of the rich against the poor, of the bondholder against the interest-paying masses, of the holder of the bond for the pound of flesh against the helpless sufferer, bleeding at every pore as Shylock's pound is exacted; it is the argument of the capitalist against the honest toil of the daily laborer, the farmer, the mechanic, the artisan. It is the argument of Wall street against the suffering, toiling millions—the builders and producers of the country—whose bone and muscle, whose sweat and blood, whose indomitable energy, fearless enterprise, integrity and push, have laid the foundations and erected the grand structure of empire in the vast fields of the mighty West. In a controversy like this I prefer to be classed with the latter.

But we must not, in discussing this important subject, deal in generalities. Stubborn historical *facts* and *figures* which can not be made to falsify, misrepresent, or exaggerate must be invoked. And in this connection it may be well to ascertain as nearly as possible the extent of the decline in the price of commodities, which all concede has been going on in this country for the past fifteen or sixteen years, and determine as nearly as we may its real cause.

DEPRESSION IN VALUES.

And in this connection I must be permitted to say that that man's mind must be obtuse, indeed, who, viewing the history of the decline of prices in this country within the past few years, fails to realize that the great central, controlling cause for all this is to be found in the contraction of the volume of our circulating medium, in the lack of a sufficient amount of money to meet the wants of all the people, of a volume of money that will meet the wants of the farmer as well as the banker, of the great tired masses in their varied fields of industries, as well as the wants of the special few whose interests are best subserved by a contraction of the currency, in order that the value of money may be appreciated and prices of commodities generally depressed.

The financial statistics upon this subject tell a tale which ought to, and which will when properly understood, startle the producers of wheat, oats, corn, cotton, butter, and cheese, and many other products in this country, to say nothing of those engaged in raising cattle, sheep, and hogs. Take any of the five or six years between 1858 and 1873, even the half-decade immediately preceding the year 1873, and compare the average price per year for any such period of wheat, oats, corn, cotton, and dairy products with the prices of the same productions in this country for each of the years 1885, 1886, 1887, 1888, and 1889, and it will be seen there has been a loss to the producer on the articles named of not less than $450,000,000 for each of the years last named, while the loss has been *four times that amount*, or nearly $2,000,000,000, when compared with the average prices during the years of the war, when our volume of money was at high tide.

In 1881 the corn product in the United States was 1,194,916,000 bushels, and the home value was $759,482,170, while in 1888 the crop was 1,987,790,000 bushels, or 792,874,000 bushels more than were raised in 1881, and yet the home value of the crop in 1888 was but $677,561,580, or $81,920,590 less than that of the crop of 1881. But not only so. We take the average annual crop of corn in the United States for the six years immediately prior to the demonetization of silver in this country in 1873, and we find it amounted to 954,706,500 bushels, and that the average home value of this annual average crop for these six years was $559,042,956, while taking the average crop for the six years immediately following the demonetization of silver in 1873, that is, the years 1874 to 1879, both inclusive, we find the average yield per annum of these six years was 1,288,953,923 bushels, or an average of 334,247,423 bushels more than the six years preceding 1873; and yet we find the average home value to the producers of corn for these six years was but $513,877,207, or $45,165,749 less than the average value for six years prior to 1873, the whole product of corn for the first series of six years being but 5,728,239,000 bushels, and of the total home value of

$3,354,257,740; while the total production of the last series of six years was 7,733,723,540 bushels, while the total value to the producers of this crop was but $3,083,263,242. And yet the increase in production of corn did not reach a greater ratio or annual percentage than did the increase of population, business, and consumption, both at home and abroad.

In other words, the average price of corn in the United States, home value, for the six years preceding the demonetization of silver was 60.1 cents per bushel, while the average price for the six years subsequent to 1873 was but 40.4 cents per bushel, or a decline of about 34 per cent.

Putting it in still another form, the statistics show that the average yield of corn in dollars per acre in the United States in the six years preceding 1873 was $15.80, whereas for the six years subsequent it was but $9.91 per acre. And still the price of corn recedes until in many sections it has, in the past year, been cheaper than cord-wood, less valuable than coal, and is now being used for fuel, selling, so it has been recently stated, in some of the Western States as low as 12½ and 13 cents a bushel.

THE DECLINE IN THE PRICE OF WHEAT SINCE 1873—THE CAUSE THE DEMONETIZATION OF SILVER.

But the same is also true of the wheat crop. The same fearful decline of price in general averages running through a series of years is here illustrated. For instance, the total wheat crop of this country in 1872, the year prior to the demonetization of silver in this country, was 249,997,100 bushels and the home value to the producer of this crop was $310,180,375; while the total product of wheat in the United States in 1887 was 456,329,000 bushels, or 206,331,900 bushels more than the crop of 1872, or only 21,832,600 bushels less than double the crop of 1872; and yet the home value to the wheat-grower of the crop of 1887 was only $310,612,960, or only the mere bagatelle of $432,585 more than was the value of the crop of 1872. But not only so.

The total crop of wheat in this country for the six years immediately prior to 1873 was 1,413,229,100 bushels, the total home value of all which was $1,832,373,110, while the total crop for the six years subsequent to 1873, including the years 1874, 1875, 1876, 1877, 1878, and 1879, was 2,123,268,370 bushels, or 710,039,270 bushels more than was raised the six years immediately preceding the demonetization of silver in the United States, and yet the total home value of the crop for the last series of six years was only $2,104,020,530, or only $271,647,420 more than was received for the crops the aggregate of which was 710,039,270 bushels more than the six years preceding 1873.

In other words, the average annual crop of wheat for the six years immediately preceding 1873 was 235,538,183 bushels, of the average annual value of $305,395,518, while the average annual crop for the six years immediately subsequent to 1873 was 353,878,061 bushels, or an annual average excess over the first series of six years of 118,339,878 bushels, and yet the average home value of this crop for the last series of six years stated was but $350,670,088, or only $45,274,570 in excess of that received for a crop of 118,339,878 bushels less; or, to state the case in a still different form, the statistics show the average annual home price of wheat in the United States for the six years immediately preceding the demonetization of silver in 1873 was 1.31\frac{5}{10}$ per bushel, while the average annual home price for the six years immediately following the demonetization of silver was but 99$\frac{1}{10}$ cents per bushel, or a decline of nearly 24 per cent., and the decline since then has been much greater.

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Putting it in still another form, we find the statistics show that the average yield of wheat in dollars per acre in the United States for the six years preceding the demonetization of silver in 1873 was $15.91, whereas for the six years subsequent to that event it was but $12.35; but further, for the ten years following, that is, commencing with the year 1880 and ending with the year 1889, the yield per acre in dollars was less than $10, and yet in all these cases the average yield in bushels per acre was about the same, or perhaps slightly on the increase.

THE OREGON FARMER.

Take the State of Oregon, for instance. The number of acres in wheat in that State in 1881 was, in round numbers, 738,600; the yield in bushels was 12,673,000, and the *home value* of the crop was $11,-152,240, or about 88 cents per bushel, whereas the acreage in 1888 was 892,425, or 153,825 acres more than in 1881; the yield in bushels was 14,548,000, or 1,875,000 bushels more than in 1881, seven years before, and yet the *home value* of this largely increased crop, both in acreage and bushels, was to the Oregon farmers but $11,347,440, or a sum total of only $195,200 more than they realized on a crop of 1,875,000 bushels *less* of seven years before, the home value per bushel in 1888 being, according to the statistics of the Agricultural Department, 78 cents per bushel, or 10 cents per bushel less than in 1881.

But not only so. Take the ten years from 1879 to 1888, both inclusive, and divide them into two periods of five years each, and we find for the first period, 1879–1883, both inclusive, the total yield of wheat in Oregon was 57,757,920 bushels, or an average annual crop for these five years of 11,551,584 bushels; that the total home value of these five crops was $50,373,673, or an average for each year for this period of $10,-074,734, being an average of 87.4 cents per bushel for the five years 1879–1883, both inclusive; whereas the total yield of wheat in that State for the five subsequent years, 1884–1888, both inclusive, was 71,159,000 bushels, or an average per annum of 14,231,800 bushels, being an increase in the aggregate for the latter period of five years over that of the period of five years ending with 1883 of 13,401,080 bushels, and an increase in bushels in the average of the five years ending with the year 1888 over the period of five years ending with 1883 of 2,680,216 bushels; and yet the total home value of this vastly increased crop aggregated to the farmer only $46,889,680, or a sum of $3,483,993 less than that received for the five years' crop from 1879–1883, inclusive, the average per annum for the latter period being only $9,377,936, as against an average for the former period of five years of $10,074,834, and an average of 21.6 cents per bushel less for the latter period of five years, the average per bushel for the former period being 87.4 and for the latter period 65.8 cents, or a decline of 25 per cent.

OATS.

The average value of oats per bushel in the United States for the years 1867–1872, both inclusive, was 47⅗ cents, while for fifteen years immediately subsequent to 1875 it was about 34½ cents, or an average decline of about 13 cents per bushel, or about 30 per cent., and while the average value in dollars per acre for the six years prior to 1873 was $13.31 the average yield per acre in dollars for the six years subsequent to 1873 was but $9.54 per acre. Again, for the ten years next succeeding, from 1880 to 1889, inclusive, the average yield of oats in dollars per acre in the United States was but $8.55, while the annual average value of oats per acre for the ten years ending with year 1879 was $10.22

per acre, and yet the annual increase in yield per acre in bushels was considerable.

BARLEY, BUCKWHEAT, AND OTHER CEREALS, ALSO THE TOTAL CROPS OF ALL CEREALS.

Similar illustrations in reference to the crops of barley, rye, buckwheat, and other cereals will show substantially similar results, all showing an immense decline in prices subsequent to the demonetization of silver in this country, a decline that would undoubtedly have been still more rapid and destructive to the interests of the producer had it not been partially checked by the partial remonetization of silver in 1878. Take, for instance, as another illustration, the whole cereal crops of the United States from 1867 to 1888. The whole number of bushels of cereal crops of all kinds produced in the United States from 1867 to 1872, both years inclusive, was 9,094,265,800 bushels, the total value of all which was $6,280,284,989; whereas for the six years subsequent to 1873, that is, from 1874 to 1879, both inclusive, the total crop of all cereals produced in the United States was 12,368,509,496 bushels, or 3,274,243,696 bushels more than for the first series of six years just stated, and of the home value of but $6,175,491,230, or a sum *less* by $104,793,759 than the amount received for the smaller crop of the six years preceding the demonetization of silver.

But not only so. The statistics show further that for the next eight years, that is to say, from 1880 to 1887, both inclusive, the total crop of cereals produced in the United States amounted to 21,624,291,655 bushels, or an annual average for these eight years of 2,703,036,456 bushels, while the total home value of the whole crop of cereals for the eight years referred to was $10,276,823,793, or an average total home value of the whole crop of cereals for these eight years of but $1,284,602,974. This, it will be observed, was the annual home value for these eight years on a crop, the average annual number of bushels of which for these eight years was 2,703,036,456 bushels, as against an average for each of said six years preceding the demonetization of silver of only 1,515,554,466 bushels, and which was of the home value of $6,280,284,-989, or an average annual value for each of these six years of $1,046,-714,166, or but a fraction less than the average annual home value for the eight years ending with 1877 on an average crop of nearly double that of the average annual crop of the six years preceding the demonetization of silver, the annual average crop of these six years being but 1,515,710,966 bushels, as against an annual average crop of 2,703,036,456 bushels for the eight years ending with the year 1887, or a difference between the two of 1,187,325,490 bushels annually.

HOW ENGLAND PROFITS AT OUR EXPENSE.

Who can fail to realize the profits falling to English coffers when England can purchase our silver bullion by reason of its demonetization at a rate of from 90 to 94 cents per ounce, and realize on the same in the shape of wheat and cotton from their Hindoo subjects $1.29 per ounce, and what farmer having wheat to sell in a foreign market is so obtuse as to not comprehend that, if the purchasing power of the silver rupee in India is no less now than before silver was demonetized in this country, and it is not, as all agree, then the remote, if not the direct, effect of silver demonetization in this country is to foster, build up, maintain a great wheat-producing field in India from which pours annually into the world's wheat market, notably that of Liverpool, millions of bushels of exported wheat from the valleys between the Bay of Bengal and the

Arabian Sea, and which are brought in direct competition with American wheat, the result being a reduction in price of about 30 per cent. on the latter?

And what. Mr. President, does that mean to the wheat producers of this country? Our crop the past year, 1889, was in round numbers 490,500,000 bushels. Thirty per cent. reduction, if we count it in bushels, would be 137,000,000 bushels. Wheat, shortly prior to the demonetization of silver, was worth $1.31 per bushel. At that rate now our crop of 1889 would be of the value of $642,555,000, while at a decline of 30 per cent. the value would be only $449,788,500, or a loss to the farmers on the one year's crop of $192,766,500.

These statistics therefore—and they are those of the Agricultural Department—show conclusively the steady and almost uninterrupted decline in the price of cereal products since 1873, when silver was demonetized in this country.

FARM ANIMALS.

How is it as to farm animals? In 1871, two years prior to the demonetization of silver in this country, the number of milch cows in the United States was 10,023,000 head and their then estimated value was $374,179,093, while in 1889 the number is placed at 15,298,625 head, at the estimated value of but $366,226,376. In other words, the milch cows of this country eighteen years ago numbered 5,275,625 head less than the number we owned in 1889 and were of greater value by $7,952,717 than was this largely increased number in 1889.

To state the case in another form: The value of milch cows in this country at the date of the demonetization of silver, and for many years previous, averaged about $37.33⅓ per head. They now, or did last year, average about $23.93 per head, or a decline of over 35 per cent. In 1873, and for several years prior thereto, the sheep of this country were worth, on an average all through, $2.96½ per head, the number then being 33,002,400 and the estimated aggregate value $97,922,350, while in 1889 the number is placed by the Agricultural Department at 42,599,079 head, and the estimated value at $90,640,369, or an average of $2.12½ per head being a difference of 84 cents per head, or a decline in price of 28½ per cent. on the price of sixteen years ago

THE PROTECTIVE TARIFF NOT THE CAUSE OF THE DECLINE IN PRICES.

As in the admirable and unanswerable response of the present Secretary of State to Mr. Gladstone, it was said in substance that the needs and interests of nations are so diverse that no one system is adequate to meet the wants of all, and that therefore, while the system of free trade may best suit Great Britain, the system of protection is, in view of the fact that we are a comparatively new and undeveloped nation, the best possible system for the United States, so also it may with like force and equal truth and emphasis be said that, while monometallism, and that standard gold, may suit England, the conditions in our country are such as to imperatively require the double standard—such as to imperatively demand, in the interests of our people, that both of the precious metals, gold *and* silver, be recognized and treated as money, and that neither should be treated as mere merchandise.

Why does Mr. Gladstone; why does the Cobden Club, composed of the great leaders in the English Parliament and in the English fiscal world; why does England as a nation, desire to see the single gold standard maintained in the United States and silver shorn of its attribute as money? Is it for and in the interests of the people of this country? Is that the motive prompting such a policy? Not by any means. On the contrary, it is in the interest of Great Britain, in the interest of men of fixed incomes and ample fortunes, and of the money power generally of Great Britain. This desire upon the part of Great Britain is prompted by the same motive, fed by the same nutriment, nourished by the same aliment, and its possessor is impelled onward to deliberate, earnest, aggressive action by the same motive power as is that other desire upon their part to see the system of protection in this country broken down and displaced by the fatal fallacy and destructive policy of free trade.

The desire and the intention in each case are to advance the interests of their own country and to cast obstructions in the pathway of the advancement and prosperity of ours. But, it will be said by some, we admit your facts; we concede the rapid decline in prices of all cereals and other farm products. We agree the producers of this country and especially the farmers have not for the past fifteen or sixteen years been sharing in their just and proper proportion of the nation's increased and increasing wealth, but we deny that the cause of all this is the one you suggest. And then the objectors, having united in uplifted voice and emphatic gesture in uttering this protest, fly suddenly apart like two repellant bodies into two pretty equally divided sections, each surcharged with the principle of repulsion as to the other, and one of them declares, with an air of apparent sincerity and confidence, it is the protective tariff; while the other section in equally emphatic terms informs us it is overproduction. It is respectfully submitted, Mr. President, that neither is right.

The people of this country never have believed, do not now believe, and never will believe, in my judgment, not at least in the next three generations to come, if ever, that a properly devised system of protection to home industries, by which encouragement is given to home labor and home capital, and whereby the labor and products of this country are shielded from the ruinous effects of competition with the cheap labor and the products of the cheap and in many instances absolutely servile labor of European and Asiatic countries, is one that will tend to reduce the price of either American labor or of American products of either farm or shop or mine. The undeniable facts of history show conclusively that there is no warrant for any such belief.

THE DECLINE IN PRICE OF FOOD PRODUCTS CAN NOT BE ATTRIBUTED TO OVERPRODUCTION.

But how is it as to overproduction? Careful comparison of the actual annual increase in acreage as well as in bushels of cereals produced in the United States with the actual increase in population and the increase in home demand for actual consumption, seed, etc., will show that the ratio of increase of the former has not nearly equaled that of the latter; besides, the former, that is the annual increase in production, is not certain each year. It can not be safely estimated or with any degree of accuracy by any rule of percentage. It is fickle, irregular, and varying, although, on the whole, through a series of years there may be an increase, although, in so far as the production of wheat is concerned, as we shall see later on, there has been *no* increase, but, on the contrary, a decline in the amount of production in the United States, while, with population and the demand for cereals and the manufactures from cereals for home consumption as well as foreign consumption, the ratio of increase is, comparatively speaking, fixed, well defined, ascertainable to a degree of certainty, and marked by a comparative regularity each year.

For instance, the acreage in wheat in the United States in each of the years 1880 and 1881 was much larger than in the two years 1887 and 1888, seven years, in each case, later. The acreage of wheat in 1880 was 37,986,717, while in 1887 it was but 37,641,783, or 344,934 acres less than seven years before; while in 1888 it was but 37,336,138, or 650,579 acres less than in 1880, and 305,645 acres less than in 1887, the preceding year. Again, the acreage of wheat in this country in 1881 was 37,709,020, or 67,237 acres more than six years later, in 1887, and 627,-118 acres more than seven years later, in 1888. But not only so. The acreage of wheat in 1884 was 39,475,885, or 1,834,102 acres *more* than any year since, being 5,286,639 acres more than in the following year, 1885, the acreage that year being but 34,182,246; 2,669,701 acres more than in 1886, when the acreage was 36,806,184; 1,834,102 acres more than in 1887, when, as we have seen, the acreage was 37,641,783, and 2,139,747 acres more than in 1888, four years later, when the acreage was 37,336,138.

But further investigation will show clearly that in so far as this country is concerned at least there has been no increase in the production of wheat, but instead a most perceptible falling off, in acreage as well as actual annual yield in bushels. Take the last ten years, for instance, commencing with the year 1880 and ending with the year 1889, and divide this period into two sections of five years each, and we find the average annual acreage of wheat for the first period of five years, that is, 1880–1884, inclusive, was 37,738,882 acres, the total acreage for these five years being 188,649,406, or an annual average of 37,729,881 acres; whereas the total acreage for the five years subsequent, that is, 1885–1889, both inclusive, was but 184,097,210, or 4.552,196 acres less in the aggregate than for the five preceding years, and an annual average for this last period ending with 1889 of but 36,819,442 acres, or 910,439 acres less than the annual average for the five years 1880–1884, inclusive.

But how is it as to the yield in bushels? Never but twice since the year 1880, and these two exceptions were the years 1882 and 1884, were there as many bushels of wheat produced in this county as in that year (1880), now ten years ago. The yield that year was 498,549,868 bushels, being 41,331,868 bushels more than has been produced in any one year in this country since 1884, except last year (1889) when the yield was, I believe, about 490,000,000 bushels in round numbers (to be entirely accurate, 490,560,000 bushels, according to the figures of the Agricultural Department), and 77,463,708 bushels more than were produced in 1883, 41,437,868 bushels more than produced in 1885, 41,331,868 bushels more than in 1886, 42,220,868 bushels more than in 1887, 82,681,868 bushels more than in 1888, and 8,549,000 bushels more than in 1889.

There were produced in the United States in the four years 1881–1884, inclusive, 134,789,660 bushels of wheat more than was the aggregate number of bushels produced in the four immediately subsequent years of 1885–1888. The whole number of bushels produced in the four years ending with the year 1884 was 1,821,316,660, whereas the aggregate number of bushels produced in the four years ending with the year 1888 was but 1,686,527,000.

There has been an increase in the corn product, but not so large when the statistics are critically examined as is generally supposed and often asserted. While it is true that the average annual yield of corn is considerably greater for the past decade than it was for the preceding one, yet it is also a fact that there were produced in this country in the three years 1883, 1884, and 1885 173,378,895 bushels of corn more than were produced in the three subsequent years of 1886, 1887, and 1888.

The total production for the first series of three years named was 5,282,770,895 bushels, while the aggregate product for the second series of three years ending with the year 1888 was but 5,109,392,000 bushels. So it is also with the production of rye. Take the ten years 1878 to 1887, both inclusive, and the statistics show that for the first half of this decade, ending with the year 1882, the aggregate number of bushels of rye produced in this country exceeded by 1,051,514 bushels the number of bushels raised in the five years ending in 1887. The aggregate of the rye crops in this country for the first series of five years ending with the year 1882 was 124,688,066 bushels, while the aggregate in the five years ending with the year 1887 was but 123,636,552 bushels. And so with barley. There were more bushels of barley produced in this country in each of the years 1884, 1885, and 1886 than in any year since. In 1884 the barley crop of this country was 61,203,000 bushels, being 2,843,000 bushels more than that produced in 1885, 1,775,000 bushels more than in 1886, and 4,391,000 bushels more than the crop of 1887, the product in this latter year being but 56,812,000 bushels.

Neither is there any increase, nor has there been for many years, but on the contrary a decline in the buckwheat crop of this country. Take the aggregate yield of buckwheat in the seven years ending with the year 1880, and it was more by 3,319,371 bushels than was the total yield for the ensuing seven years ending with the year 1887. The aggregate number of bushels for the first series of seven years was 77,948,885 while that for the last series of seven years was but 74,629,487. In potatoes there has been a gradual falling off in yield. In the three years ending with the year 1884, the aggregate yield in this country was 92,595,933 bushels less than was the aggregate of the total crops for the three years ending with the year 1887.

The total yield for the first series of three years was 569,778,933 bushels, and for the last series of three years but 447,183,000 bushels. Oats seems to be the only exception in cereals. There has been a gradual and considerable increase in the oat crop in this country each year in the last decade, the product in 1888 being nearly double in bushels that of the lowest yield in the ten preceding years, which was in 1879, when the crop was 363,761,320 bushels, the yield in 1888 being 701,735,000 bushels.

Taking the cereal crops, however, of this country as a whole, on the average, it is plain that the production has not only *not* increased at all, but has actually fallen off on an average during the past ten years, and, when considered in connection with the increase of population, the falling off in the supply has been immense. Notably is this the case with the cereals upon which the human race feed. The statistics show that the average annual cereal crop of the United States for the past nine years, commencing with the year 1881 and ending with the year 1889, is 17,322,336 bushels *less* than was the total crop of all cereals produced in this country in the year 1880, the production in that year being 2,718,193,501 bushels, while the average crop each year since that date has been 2,700,871,165 bushels. And so far as the great staple, wheat, is concerned, there has been no increase, when considered in connection with the increase of population, but really a very large falling off in the product of the world, take it one year with another, for more than two decades past, as was clearly shown the other day by my friend on the right, Senator TELLER. While there has been a great increase in some sections, India and Russia for instance, there has been a great falling off in other countries.

The Australian colonies, for instance, as stated by the Senator from Nevada [Mr. STEWART] in the debate last week, brought to the European wheat market of last year only a fraction over one-third of the number of bushels they did eight years ago. Then they contributed to that market over 13,000,000 bushels, while in 1889 the amount was about 4,500,000 bushels. The statistics produced by Senator TELLER will bear repeating, and they show that the world's product of wheat in 1888 was 2,055,361,692 bushels, or only 71,710,086 bushels more than the world's product of wheat in 1880, eight years before, when the world's population was 65,000,000 less than in 1888. The statistics further show that the world's product of wheat in 1888 was less, with a single exception, that being the year 1886, than it had been in any year since prior to the year 1885. In that year the crop was 2,099,000,000 bushels, in round numbers, while in 1888 it was 2,055,361,692, or 43,638,308 bushels less than in 1885.

I take the liberty of inserting in my speech that portion of the remarks of Senator TELLER embodying these statistics, as they are both valuable—that is, the statistics and remarks:

The Senator from Vermont [Mr. MORRILL], whom I do not now see in his seat, is very confident that I am wrong when I say that there has been no increase in the wheat crop. I did not specifically state that. I meant that there had been no increase beyond the increase of population, but I supposed that everybody would take that into view. The statement that I made is specifically correct, that the wheat crop has only kept pace with the increased population, and in this country it has not kept pace with it. We have not got as much wheat this year as we had when we had 15,000,000 fewer people.

Since I made my remarks Mr. Ivan C. Michels, a gentleman who has given much attention to this wheat question, has handed me a statement which I shall quote. While I can not verify it exactly, it is practically what my own researches have brought out, so that I should venture to say that it was correct, even if I had not verified it, upon the reputation of this gentleman, who is a careful man. He gives me the following as the world's production of wheat and population: In 1870, 1,587,717,577 bushels and 570,601,777 souls. I need not say that of course this does not include the great part of the world that does not have any opportunity of determining what is raised. China, of course, is not included, and many other countries are not considered; but we deal in this question with those countries which have statistics, which do export articles and keep track of their exports.

In 1880 he gives me the figures of the world's production of wheat and population as 1,983,651,606 bushels and 657,769,935 souls. It is very nearly the same production of wheat as in 1885, 1886, 1887, and 1888, as I could show in a moment if I had the time to turn to my own figures. In 1888, eight years later, it was 2,055,361,692 bushels and 722,808,018 souls. That is an increase in eight years of 71,000,000 bushels of wheat. Such an increase would have no more appreciable effect upon that great quantity of wheat than the pouring of a barrel of water would have upon the surface of Lake Erie. The increase of wheat that he gives me is 28.9 per cent. and the increase of population 26.67. The yearly average of wheat from 1880 to 1888, inclusive, was 2,034,787,392 bushels. Mr. Michels has also handed me the following statement, which I propose to put in the RECORD:

"In 1872, prior to the demonetization of silver, we had under cultivation 20,858,359 acres, producing 249,997,100 bushels, valued at $310,180,375, giving a farm value of $1.24 per bushel, and the average value per acre to the farmer $14.87.

"In 1888 we had under cultivation 37,336,138 acres, producing 415,868,000 bushels of wheat; farm value of $385,248,030, equal to 87¼ cents per bushel and the farm value of $10.30 per acre.

"From 1873 to 1888, inclusive, we had under cultivation 526,747,054 acres. Of course that is the aggregate. Average value for sixteen years per acre equal to $11.21, with a loss of $3.66 per acre, showing a loss of $1,927,894,217."

Mr. MITCHELL. I should like to state right in this connection, if the Senator will allow me, that if he will turn to the statistics he will find that the average price of wheat in the home market, in this country, for the six years immediately preceding the year 1878 was one dollar and thirty-one cents and a fraction per bushel, while the average price of wheat for the six years immediately following the year 1873 was ninety-nine cents and a fraction per bushel.

Mr. TELLER. I desire now to call the attention of the Senate to a statement from the Treasury Department as to the wheat crop of 1885. It is shown to be two thousand and ninety-nine million bushels in round numbers. The next year it was two thousand and thirty-one million bushels in round numbers. The wheat of that year all over the world was lower than it had been the previous year. In 1887 it was two thousand one hundred and eighty-eight million bushels in round numbers.

That there is, however, danger to be apprehended from the stimulus given to the wheat industry in India by England in spending millions in improving transportation facilities in that country, and in other respects, and in bearing the price of wheat in that country through a play on silver—purchasing silver bullion at a large discount and turning it in at par in the purchase of wheat in India, and thus depressing the price of wheat in the Liverpool market to the great detriment of the wheat producers of this country—is beyond question; but that the decline of prices in farms and farm products in this country for the past sixteen years, commencing with the demonetization of silver in 1873, when we had no competition in the wheat market whatever from India, is due to overproduction, can not, in view of these stubborn statistical facts, be maintained for one moment.

Never, Mr. President, was a more deadly blow leveled at the interests of the agriculturists and laborers of this, and in fact of all other countries, and never was any blow so prolific of disastrous results to both these classes, as demonstrated by the rapid and alarming decline of prices in all commodities and in the appreciation of the value of gold, than the one evolved by the following combined and concurring causes: First, the demonetization of silver by Germany in 1871; second, its demonetization by the United States in 1873; and third, the placing of the limit on silver coinage, and finally absolutely suspending it by other European nations about the same time, including France, Italy, Belgium, Holland, and Spain. The effect of this combined action of the leading nations of the earth was virtually to strike down and rule out and render practically useless for the purposes of money one-half of the world's then annual product of the precious metals. It meant contraction to an alarming degree and a decline in prices of over 30 per cent. on all commodities.

For twenty-five years immediately prior to 1873 the average annual product of the precious metals, gold and silver, had been increased over 400 per cent. over the average annual product for the forty years preceding, the difference between the average annual production of silver of these two cycles of time, that is to say, for the period of forty years prior to 1850 and for the period of twenty-five years subsequent to 1850, being about $160,000,000. During the former period the average annual production was only about $40,000,000, while during the latter about $200,000,000. And with this marvelous increase of the precious metals, although there may have been some minor procuring causes, the average prices of farm products had increased more than 30 per cent. over those of a quarter of a century preceding.

But this scheme for the demonetization of silver, which proved so eminently successful, the great promoters and engineering minds of which were the monometallists of Great Britain, aided and seconded by the monometallist interest throughout the world, enabled that country and its bond-holding classes to virtually swindle its own dependencies and surrounding nations out of hundreds of millions of dollars. Egypt was their debtor to the enormous amount of over $500,000,000, con-

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tracted on a basis of either gold or silver payment, but when silver was demonetized its payment was exacted, of course, in gold alone. So with its creditors in India, in China, in the Argentine Republic, whose securities they also held to an enormous amount, and so with those of the United States.

The effect, as all must admit, of the demonetization of silver was to so change the existing gold standard, lengthen the yardstick, so to speak, which as a unit of value had entered into all previous and then existing contracts and obligations, and by which they were measured, to enlarge the bushel measure by which England measures our wheat in the Liverpool market, thus adding from 25 to 33⅓ per cent. to the value of all bonds and other securities of the creditor class, and requiring from 25 to 33⅓ per cent. more of the productions of Egypt, China, India, South America, Mexico, and the United States as well to cancel their balances and liquidate their outstanding obligations, than it otherwise would have done. In other words, the demonetization of silver was a prodigious fraud, a stupendous crime against labor and the producing classes. It was the organization of the monumental trust of the age and of the world, upon the part of the world's capital, conceived, promoted, engineered, and finally consummated by the creditor class to depress the prices of the world's products and increase the value of their own holdings.

The English historian Hume tells us the first two Norman kings levied a shilling on each English hearth, called "moneyage," as an equivalent for the king's refraining to exercise his prerogative of debasing the coin of the realm. This, although occurring centuries ago, when the light of modern civilization had not yet dawned upon the world, was much more considerate upon the part of the Norman kings, whose action was tempered with more of justice and reason than is the action of the financial kings of England and of this country of the present day, who not only impose a more destructive levy on the hearth of a great majority of the producers in this country in the shape of mortgages on their farms at ruinous rates of interest, but who, nevertheless, persist in debasing our coin, and thus withdrawing from the producer from one-third to one-half of his resources wherewith to discharge the indebtedness when due.

If this country for more than three-quarters of a century grew, expanded, and prospered, not only territorially, but commercially and in every other element which tended to establish its permanency, increase its civilization, and augment its power, physically, socially, intellectually, and morally, under a money system of which the free coinage of both gold and silver, such coins being endowed with a legal-tender function, was the fundamental pivot, then why should the free coinage of silver now be denounced? Why should its advocates be denominated inflationists, repudiators, mere visionaries, monetary cranks, financial mountebanks, and enemies of a safe, conservative monetary system? How is it that, after recognizing and approving for so many decades the wisdom of the fathers on this subject, of Washington and Jefferson, of Hamilton and Adams, of Jackson and Clay, of Webster and Calhoun, we so suddenly make the marvelous discovery that these great men, the light of whose fame has illustrated the pages of our history and whose statesmanship illuminated the records of our Republic, were all wrong; that they were tyros in finance, monetary imbeciles, financial ignoramuses, and that now not only the conservation of the public interests, the promotion of the general welfare, and the advancement of the common good, but the very integrity of our Government and people, all demand that *one* of the precious metals be eliminated from our financial system; that it be demonetized and rejected, repudiated and scorned, and that instead of bimetallism, as represented by gold and silver, used and recognized as money and as the standards of value, and not merely as merchandise, since the earliest dawn of the world's civilization, a single gold standard shall be permanently established; that in lieu of this double standard, representing, as it does, not only all values in a certain fixed ratio, but also the two great clases of men—the gold, the few and the rich; the silver, the many and the poor; the one the creditor, the other the debtor class—a *golden* standard alone be erected as the *sole* measure of all values?

Are the advocates of the free coinage of silver to be frightened by predictions of financial disaster to follow legislation of this character that are being continually indulged in by many bankers and other monometallists? Has there been such a remarkable fulfillment of their prophecies in the past as to justify any reasonable fear of their being verified in the future? On the contrary, is it not a fact that without a single exception every one of the misfortunes which they foreshadowed as certain to come upon the country as a result of the continued coinage of the silver dollar has failed to materialize? As applicable to these prophets the scriptural adage, "A prophet is not without honor save in his own country," should be paraphrased to read: "These prophets are without honor in *all* countries, including their own." We were told in 1878, twelve years ago, that the passage of the Allison-Bland act and operations under it would, among other things, drive gold from the country, reduce our gold coins, and bullion as well, to mere merchandise, and bring on a financial crisis.

But what has been the result since the passage of that bill? We have up to the end of the past year coined 349,802,001 silver dollars. Of this amount 61,266,501 of these standard silver dollars are in actual circulation, while 282,949,073 more are represented by silver certificates in actual circulation, leaving of this vast sum of nearly $350,-000,000, in round numbers, only $5,586,427 in silver in the Treasury that are not represented either by silver dollars or silver certificates in actual circulation. But not only so; over $100,000,000 of these silver dollars have been coined in the past three years. There has been an increase in the circulation of silver dollars since December 31, 1888, of $487,180 and of silver certificates of $46,729,074; and, notwithstanding all this, has any sudden disaster overtaken us? Has financial ruin enveloped the country? Has gold been driven from amongst us? Nothing of the kind. Just the contrary in so far as gold is concerned.

It is true prices have remained depressed, values have continued contracted, but not as a result of the coinage of $2,000,000 worth of silver bullion each month, but rather as a result, it is confidently submitted, of the failure of the Secretary of the Treasury to purchase and coin $4,000,000 worth of such bullion each month, as he by law is authorized to do. On the contrary, since we commenced the coinage monthly of $2,000,000 worth of silver bullion the amount of gold coin in circulation in this country, so far from having been decimated, has been very largely augmented, to the extent, according to the report of the Secretary of the Treasury and the statement of the President in his message, of $293,417,552 in gold coin and in gold certificates $72,311,-249, making a total increase according to this authority in gold coin and gold certificates of $365,728,801.

According, however, to many other reliable and prominent fiscal and statistical authorities, notably the editor of the valuable commercial and financial journal, published in New York City, called Export and Finance, the amount is over $500,000,000, or was one year ago. That paper nearly a year ago made the statement in substance that in the eleven years ending with the year 1888 the volume of gold in this country had increased from $167,500,000, the amount here July 1, 1877, to $711,700,000, the amount alleged to have been here November 1, 1888.

But in view of the facts just stated is it difficult to divine what the result financially in this country would have been had no part of this vast amount of circulating medium of nearly $350,000,000 in silver and its representative in certificates been added to our volume of circulating medium during the past eleven years, with the business of the country increasing annually over $75,000,000, and in the past eleven years to the extent of over $825,000,000 and perhaps $1,000,000,000, and population keeping pace with business in the ratio of 3 to 5, the former being about 3 per cent. and the latter 5, and with the immense retirement of our paper currency? Without this increase in circulation the relation between the volume of circulating medium on the one hand and business and population on the other would have been changed to a degree that could have tended to but one result: universal depression in the price of everything but gold and bonds, stagnation in business, and ultimate financial ruin.

The serious contraction occasioned by the marvelously rapid increasing difference between the volume of business transacted and the number of people doing business on the one hand and the volume of circulating medium on the other could but lead to the bankruptcy of the masses. It is true perhaps, owing to our system of doing business by checks, drafts, and exchanges of different kinds, there is not that imperative demand for increased volume of circulating medium in the shape of gold and silver as required in most countries to transact the same amount of business; but when each decade shows an increase in the domestic business of the country of nearly one thousand millions of dollars and of 30 per cent. or over in our population, then it must be apparent to all the volume of circulating medium can not be permitted to remain at a standstill, much less be curtailed, with safety to the business interests of the country. Nothing short of some extraordinary and unexpected calamity can stay the increase in both volume of business and population in this country at a remarkable ratio. If, then, the volume of our circulating medium is not permitted to grow, the operation of contraction is going on in the inverse order to a degree that must ruinously depress values and bring ruin to the producers and laborers of this country.

The effects of the gold standard on the financially weaker class, on the producers and debtor classes, are well illustrated in the financial history of Great Britian. England has the gold standard; all its monetary transactions are on a gold basis, and being a creditor nation as well as a nation of creditors as against all the world, the system suits her. It makes money dearer. It tends to increase the value of her bonds. It appreciates her securities. It reduces the prices of commodities. It augments the power of absorption. But how is it with her dependencies and her neighboring nations—her debtors? How is it with India and China and Japan? How is it with the republics of South America and the Republic of Mexico, and last, but not least, how is it with the

United States? India alone, it is asserted, pays tribute to monometallism on the single item of exchange of from $15,000,000 to $25,000,000 per annum, and in all respects over $80,000,000 annually.

It suits England and the moneyed men of Great Britain to pay the wheat-producers of India and Russia, and the producers of South America, the United States, and elsewhere in cheap silver, and the more she can depreciate its value in the bullion market for this purpose the better it is for her. Especially is this true in view of the fact that the purchasing power of the silver rupee in India remains undiminished. Their legal-tender silver buys as much wheat now—no less—as it did twenty years ago. If, then, England can depress the price of our silver bullion she can purchase it and send it to India to purchase wheat, thus pocketing the difference, besides bringing forward a dangerous competitor with our farmers in the wheat markets of the world. But when it comes to the other side of the account, every balance due her or her people, every debt, every obligation held by her and her citizens must be met in gold coin or its equivalent in its increased value as a standard and unit of value, and the dearer and the more valuable such coin can be made for such purposes, of course the better it is for the creditor. The larger the world's bushel measure can be made by which our wheat and other cereals are to be measured by our purchasers, the more of our wheat and other cereals it will take to fill it. It is true there is to-day a very large class in England who, had they the power, would strike down the single gold standard and erect the double standard, but it is not the class in the main who control either in the governmental or financial world. It is not the rich and powerful, but rather the weak, the poor, the uninfluential, although largely, perhaps, the majority in point of numbers. It is not the class composed of the money-lender, the bondholder, and the banker, but rather the producing class, which includes the great masses of laboring men, the tillers of the soil, and the workers in the mine.

WILL FREE COINAGE FLOOD OUR COUNTRY WITH EUROPEAN SILVER?

It is insisted that the opening of our mints to free coinage, or even to double the present monthly investments in silver bullion for coinage, would result in attracting to our mints a flood of European silver to an extent that would retire our gold dollar and seriously involve us in financial difficulty. Why any serious apprehension of such a calamity? The facts in reference to the annual production of silver in the United States, as compared with the production of this precious metal in Mexico, South America, and European countries, when considered in connection with the demand for silver in China and India and for use in the arts, do not justify any such fear, but rather tend to a directly contrary conclusion.

The statistics show that over 72 per cent. of the world's annual production of silver is absorbed annually by India and China and by use in the industrial arts, to say nothing of the current loss by abrasion, fire, and flood and other causes. The United States produces about 45 per cent. of the world's annual silver crop, Mexico about 25 per cent.; the two together perhaps about 70 per cent. Assuming, therefore, that the product of these two countries should seek coinage at our mints, there would remain in all other nations combined only about 30 per cent. of the world's annual product to meet the demand in all civilized countries for use in the industrial arts and the further demand of the two countries alone—India and China—provided always that such demand continue equal to that of the last few years. And is there any good reason to be assigned why it should not? In that event there would be a deficit of over 40 per cent., or in the neighborhood of over $80,000,000 annually short of the demand for these three purposes.

There is not, therefore, the slightest probability, were free coinage established in this country, with no exclusion even as to foreign silver bullion, that any European bullion would be shipped here, and for the two very good reasons which would always operate to prevent it: One is the cost of transportation, the other the demand for it at home. Another disadvantage the European owner of silver bullion would labor under, should he contemplate shipments to our mints for coinage here, would be one resulting from the difference in the ratios of the two metals—silver and gold in this country and in the double-standard European countries—ours being 16 to 1, theirs being 15½ to 1, while in India the ratio is 15 to 1.

So that for every outlay of an ounce of gold in the purchase of silver the owner of European bullion would be compelled to furnish an additional half-ounce of silver; that is to say, the difference between 15½ and 16. Nor is there the slightest fear of France or Germany or any other European countries shipping their millions of silver coins here as bullion for coinage in our mints. The reasons just suggested apply equally to any suggestion of that character. All the silver in Europe, including the annual crop of all the European countries combined, and much more besides, is needed in those countries, and will never leave them, not, at least, to come here; and our gold dollar in this country has nothing whatever to fear from a flood of European silver, even though, as I have stated, the mints of this country were open to free and unlimited coinage, and no exception made as to foreign bullion.

If it be true that the silver-producing States are interested in the remonetization of silver, then may it be said with equal truth that the agricultural States, those engaged in the production of wheat, and oats, and cotton, and corn, and butter, and cheese, and hogs, and cattle, and sheep, are *tenfold* more interested. If the interest of the owner of silver bullion lies in the direction of the maintenance of the dual standard and the restoration of silver as a legal-tender money, then the interests of the farmer, the producer of the products of the farm, lie in the same direction.

If it is the interest of the creditor world to maintain the single standard and to appreciate the value of gold as the sole unit of value, then the interest of the debtor class lies in the directly opposite direction. If it is the interest of Great Britain to maintain monometallism and repudiate silver as money, and thus virtually demand an increase in the length of the tape-measure by which the products of the farms of this country are to be measured, then, Mr. President, it is respectfully, but earnestly, submitted it is not only the interest of the farmers and producers of this country, but their bounden duty as well, through their Representatives in Congress and in every proper way, to denounce and resist to the utmost limit of constitutional and legislative power the iniquitous demand.

If the great money centers and money power of Wall Street and of New England or any other class or section second the motion of the great central fiscal power of the world across the seas and become co-conspirators with them in their efforts to increase the value of their accumulated millions, of their fixed incomes, of their all-sufficient competencies, by eliminating silver from the world's stock of money, and thus still further reduce the value of the farms, farm labor, and farm products of the South and West and the great Pacific Northwest, then has not the time arrived when the great agricultural and mineral-producing States of those great sections should join in one mighty and emphatic protest, and in the majesty of their power, clothed with the panoply of justice, insist on such legislation as will thwart the nefarious purpose? Let the protest be of such a character that its echoes shall reverberate not alone through the frescoed halls of the nation's Capitol, but throughout the world, spreading dismay in the ranks of financial cabals of this and every other land.

Next to free and unlimited coinage of silver, I believe a monthly Government investment in silver bullion to the extent of the maximum now authorized by law, namely, $4,000,000 per month in value of silver bullion, would come nearer meeting the demands of the hour than any other scheme suggested. The truth is, if the authority now conferred by existing legislation were exercised by the executive officers of the Government, bank officials, and clearing-houses throughout the country, a great stride would be made toward keeping silver and gold at that nearly uniform relation, the one to the other, which was so successfully maintained for many years prior to the demonetization of silver in 1873 by means of the free coinage of gold and silver in the mints of the United States and in those of the Latin Union.

But unfortunately in every case where authority merely has been given by legislation, the same not being mandatory, looking to the establishment and maintenance of the credit of silver coin, such authority is not exercised. For instance, Congress nearly twelve years ago directed the Secretary of the Treasury to purchase and coin not less than $2,000,000 nor more than $4,000,000 worth of silver bullion each month; and what is the result? The mandatory part of the act only has been complied with and the minimum amount only, or but a fraction in excess of it, has been purchased and coined.

Under existing law all balances in clearing-houses may be paid in coin, either gold or silver or the representatives of either, and yet never a dollar of such balances is paid in silver or its representative, but all are invariably paid in gold or its representative in value. Certain Government obligations may under existing law be paid in coin, either gold or silver, and yet no part of them are paid in silver, but always all in gold. And while no one would favor the payment of any obligation of the Government in anything but gold coin, in any case where it could with propriety be maintained that money obtained on such obligations was obtained on either an expressed or implied assurance that payment should be made in gold coin alone, there seems to be no good reason either in law or morals why in the case of an obligation made at a date when both gold and silver were legal-tender money in this country, and which obligations are by their terms made payable in *coin*, not specifically in *gold coin*, but simply in *coin*, and where there is nothing either expressed or implied in or about or connected with the transaction requiring payment in gold alone, there should be any good ground for complaint on the part of the creditor, should the same be paid in either gold *or* silver coin.

I refer to all these practices on the part of executive officers, banks, clearing-houses, etc., for the purpose of showing that it requires something more than mere legislative authority or the right to exercise discretion on the part of executive officers of the Government, national banks, and clearing-houses, if it is expected a cordial or even a perfunctory recognition of silver is to be accorded. These observations as to the failure of executive officers to go further than they are by law compelled to go, refer more particularly to the policies pursued under former administrations, and in a great measure adhered to by the present Secretary of the Treasury during the earlier months of the present Administration. It is, however, a cause for congratulation that both the President and his Secretary of the Treasury, giving ear to the unmistakable sentiment of this country as being emphatically expressed in many ways at the present time, have recently manifested an intention to change the policy of the Government, to some extent at least, upon this all-important subject.

MANDATORY LEGISLATION NECESSARY.

But in my judgment mandatory legislation alone in the right direction and on a proper basis will accomplish the purpose desired. But, further, all attempts at compromise which omits as one of its elements the recognition of silver as a legal-tender money, and which seeks to establish its status as mere merchandise should, in my judgment, fail. The end may *possibly* be reached, although I seriously doubt it, in some other way besides that of free and unlimited coinage with full legal-tender function attached, but *never* if the element of full recognition of silver as a legal-tender money is omitted in the scheme. A few lines of amendment to existing legislation to compel the Secretary of the Treasury to purchase and coin four or five million dollars' worth of silver bullion per month, making it obligatory upon clearing-house officials, in so far as they may be brought within the constitutional scope of national legislation, to pay all balances in coin, one-half in gold, the other half in silver, or their respective certificate representatives, as they are now authorized to do by law, but not required, would, in my judgment, do no injustice to any interest and at the same time go a long way in the direction of the practical remonetization of silver.

And while I regard the proposition of the present Secretary of the Treasury, as expressed in his annual report and as somewhat modified by the bill recently introduced in Congress and understood to have been prepared by him, as in some, indeed many, respects a step in the right direction, yet there are in it restrictions imposed and powers conferred on the Secretary of the Treasury which Congress should never concede and which, unless remedied by amendment, in my judgment render the scheme *fatally defective* as a measure which will tend to restore silver to its proper place as a standard of value. With slight amendments, however, the proposition would in my view stand *third* in point of desirability as a measure in the right direction, among the many that have been proposed, free and unlimited coinage being *first*, the monthly investment and coinage of four or five million dollars' worth of silver bullion under the provisions of existing law being *second*.

Mr. President, I desire to submit as part of my remarks, and ask to have printed in the RECORD in connection with them, a very able argument recently written by my friend, Senator STEWART, of Nevada, and published over his signature in the New York Tribune in its issue of the 22d instant, and also editorial comment on the same in the same paper.

The PRESIDING OFFICER (Mr. COCKRELL in the chair). If there be no objection the request of the Senator will be granted. The Chair hears none.

The argument of Mr. STEWART is as follows:

AN ARGUMENT FOR SILVER—SENATOR STEWART, OF NEVADA, TELLS WHY WE NEED UNLIMITED SILVER COINAGE—PRODUCTIVE INDUSTRIES, HE SAYS, ARE SHRINKING UNDER THE BLIGHTING GRASP OF CONTRACTION AND MORE MONEY IS NEEDED TO SECURE THEIR RELEASE.

Can the theory of the single gold standard be reduced to practice? Nearly 1,200,000,000 of people are accustomed to the use of silver as money; not exceeding 200,000,000 have ever used gold for that purpose. If gold enough could be obtained, how long would it require to introduce it as a medium of exchange among the thousand millions who have never used it? The money of the world consists of gold, silver, and paper in nearly equal proportions. An official of the Treasury Department reports that the aggregate amount of money of the principal nations of the world is $11,488,500,000, consisting of $3,711,000,000 of gold, $3,831,500,000 of silver, and $3,946,000,000 of paper. These amounts would be slightly increased if authentic accounts could be obtained from every part of the world, but they are sufficiently accurate for the purposes of this argument.

Does any one suppose that enough gold could be obtained to supply the place of both silver and paper? If so, where will the enormous sum of nearly $8,000,000,000 be found? If no addition is to be made, can less than $4,000,000,000 of gold furnish a safe basis for $8,000,000,000 of credit money, consisting of silver and paper? If silver were actually demonetized, so that its value would depend upon its redemption in gold, would the financial system of the world be satisfactory? What would be the effect of an effort of any strong nation to redeem its paper and silver in gold? Might not $8,000,000,000 of credit money, based upon less than $4,000,000,000 of standard money, be called inflation? Would not the finances of the world be like the State banking system of this country in 1857, when a demand for $20 in gold in Chicago broke nearly every bank in the United States. If gold is the only basis and it is already insufficient for the redemption of the silver and paper in circulation, how could the increasing demand for money on account of the growth of population and business be supplied? With such a vast amount of credit money on so narrow a basis of standard money how could universal bankruptcy be avoided?

TO CUT OFF SILVER MEANS TO CUT OFF GOLD ALSO.

Has the stock of gold increased in the last fifteen years? According to the best computations the consumption in the arts, wear, and loss have about absorbed the production of the mines. The principal accumulations of gold in ancient times came from placer mines or surface washings in Asia. Africa, and Southern Europe; in modern times, from the placers of California and Australia. During the last forty years diligent search has been made in every accessible part of the world for new placers without success. The supply of gold outside of the great fields is obtained by gleaning in abandoned placers, by working the few gold-vein mines that have been discovered, and from silver mines, in combination with silver. It is estimated that fully one-half of the supply, independent of the great placers which are already exhausted, comes from the silver mines.

The demonetization of silver would cut off that supply by stopping silver mining. A single gold standard for the world would mean the worst gold famine that has ever occurred, and the shrinkage of values would continue without limit.

The suggestion that limited quantities of silver may be used, but not all that is produced, is made in ignorance of the functions of money. If silver is not a money metal and silver coin is only credit money, why use silver at all? Why not use copper or nickel, or paper, if neither is standard money, and each is simply credit money, depending for its value upon the promise to pay in gold? Unless silver bullion can be exchanged for coin at the mints at a fixed ratio between the two metals equally with gold, silver is not a money metal. If the standard money of the world is to be increased at all by silver, silver must be treated as a money metal equally with gold. If the quantity of either gold or silver, which may be used as money, is limited by legislation, the metal so limited is demonetized and reduced to a commodity.

WHY IS EITHER TO BE CALLED THE "BETTER METAL?"

The unlimited use of silver would not inflate the world's money, because all the silver now produced is either coined or absorbed in the arts. The amount of gold and silver coin in the world is less than $8,000,000,000 and is an insufficient supply of money. This is shown by the fact that $4,000,000,000 of paper is in actual circulation in addition to the coin of both metals. No nation of modern times has been able to obtain enough of either metal or of the two combined to supply the demand for money. Every civilized country supplements its gold and silver with paper money. There is no reasonable prospect that any country ever will in the future reach a metallic basis, dollar for dollar, even by the use of both gold and silver. So long as the world is compelled to resort to paper money to make up the deficient supply of metallic money there is no danger of the acquisition of too much silver.

Why is silver not as good as gold? The majority of mankind seem to prefer it. Four times as many people use it as use gold. When California and Australia were furnishing large supplies of gold, the prominent financiers of Europe, under the lead of Chevalier, of France, argued that silver was the better metal, and advocated the demonetization of gold on the ground that its continued use would drive silver, the better money, out of the country. The argument is now reversed. It is now said that gold is the better metal, and if silver in unlimited quantities is used gold will be withdrawn. Both the philosophers of thirty years ago and the gold standard contractionists of the present day assume that the substitution of the cheaper money for the dearer would be disastrous. Neither set of philosophers has condescended to give a reason for this assumption. No reason was given by Chevalier and his followers why silver was the better money. None has been given by the modern contractionists why gold has now become the better money.

THE "WITHDRAWAL ARGUMENT" CUTS BOTH WAYS.

It is curious to trace the same style of reasoning now used against silver that was adopted more than thirty years ago against gold. At that time the arguments of Chevalier and De Parieu were so ably refuted by Mr. Charles Moran in his remarkable book on money that I am constrained to quote a few passages from his unanswerable argument. He writes:

"Mr. Chevalier says that the exchange of silver at a premium for gold at par is a disastrous exchange for France. How so? Does a country ever export what is needful to the well-being of its own inhabitants? The fact that a product or a precious metal is exported in exchange for something else is proof positive that both parties to the exchange are benefited thereby, for otherwise the exchange would not be made. Every commercial operation is made because it is supposed to be advantageous to both seller and buyer. All commercial transactions, freely repeated, must be advantageous to the individuals making them, and consequently to the nations of which they are citizens; for the prosperity of a nation depends entirely on the prosperity of the individuals composing the nation. The idea that there can be a national interest distinct from individual interest is a legacy of the olden times, which political economy is slowly destroying; but unfortunately the error exists in the minds of many considered intelligent and enlightened."

Mr. De Parieu also says that the community in France suffers from the exchange of silver at a premium for gold at par, and yet he subsequently acknowledges that the gold received renders the same services as the silver given in exchange.

If any one will read the book published by Chevalier in 1857, and translated by Cobden, and compare it with an elaborate essay by Mr. George A. Butler in the December number of The New England and Yale Review, he will be forcibly struck with the similarity of views entertained by the two distinguished authors. The only substantial difference which he will find in the two productions consists in the fact that Mr. Chevalier argues for the demonetization of gold, while Mr. Butler contends for the demonetization of silver. Neither of these gentlemen appears to have taken into consideration how the world would be affected if his argument were carried to a legitimate conclusion and one-half of the world's money withdrawn or destroyed, but both of them seem to have great contempt for "cheap money." Any money is good in their estimation which is dear; and the dearer the better.

CONTRACTION INCREASES THE PEOPLE'S BURDENS.

Perhaps these philosophers have overlooked the fact that the value of gold is only $330 per avoirdupois pound, while there are twenty-two other metals which possess a greater value than gold, ranging as high as $10,000 per avoirdupois pound, which is the value of the metal known as vanadium. If dear money is the end to be attained in establishing a sound financial system, why not select from among these metals one which is more valuable than gold?

The producing classes of this country, however, are not seeking for dear money. They want more money, and think the legislation to make money dear has gone far enough. They are not satisfied with the demonetization of silver in 1873, whereby an annual product of the precious metals amounting to about $200,000,000 was reduced to less than $100,000,000, since which time prices have declined to keep pace with the shrinkage of standard money more than 30 per cent.

The Tribune, in its issue of November 20, 1889, makes the following significant statement:

"Next must be reckoned the important fact that, with prices, and therefore the cost of living, at least 20 per cent. lower than in 1881 and 1882, the wages of labor are on the whole higher."

The statement that prices have declined 20 per cent. in the last eight years is unfortunately true; but I differ from the Tribune as to the wages of labor, because my information is that thousands of our people are deprived of employment on account of falling prices. Farmers and manufacturers are unable to furnish employment because commodities produced by labor and capital will not sell for the cost of production. Stagnation and despair are superseding activity and hope.

How long can this rapid decline of prices continue without ruin to our productive interests and the absolute destruction of the debtor class? Is not an increase of over 30 per cent. in the obligation of every contract, which has already been secured by the war on silver, sufficient to satisfy the lust of the most greedy bondholder? To what extent must the burdens of the people be increased by contraction? May not the avarice of the bondholder end in the destruction of his security?

SINGLE STANDARD RUINOUS TO FARMERS.

Dear money in the United States, so much prized by those who possess it and the owners of bonds which command it, has already prostrated the farming and producing interests and nearly closed all foreign markets against American farmers. Silver in India has lost none of its purchasing power by reason of its demonetization in the western world. The average price of wheat throughout the world for the last twenty-five years has been about 2 rupees of silver per bushel. Before silver was demonetized in the western world a rupee of silver was worth 48 cents in gold and 2 rupees was about the average price of a bushel of wheat. A rupee of silver is now worth in the European market about 32 cents in gold, and 2 rupees about 64 cents. India still produces a bushel of wheat for 2 rupees of silver. The people of India have experienced no material change in the price of wheat. A person who wishes to obtain wheat in India can procure enough silver in America to make 2 rupees for 64 cents. With it he can obtain a bushel of wheat in India to sell in the European market in competition with the American farmer, who must also sell his wheat for the equivalent of 2 rupees in silver, or, what is the same thing, 64 cents a bushel in gold.

The silver-standard countries have ample resources to supply the European market with all farm products. The producers of those countries with cheap money can undersell the American farmers, who are compelled to use dear money. The result is disastrous to our people.

The European market for foreign wheat is mainly supplied from the United States, Russia, India, the Argentine Republic, and the Australian colonies. In 1880 the United States furnished over 60 per cent. of the amount supplied by the countries named. In 1888-'89 our country furnished less than 23 per cent. of the wheat from the countries above mentioned. The Australian colonies are on the gold basis and suffer equally with the United States. These colonies in 1880 sold in the European market over 13,000,000 bushels of wheat, while in 1888-'89 their contribution was reduced to 4,500,000 bushels. Why is it that all the silver-standard countries continue to increase their exports of farm products, while the gold-standard countries are compelled to surrender the markets of Europe, which they have so long enjoyed?

THE BONDHOLDERS' CONSPIRACY.

If gold is so much better than silver, how does it happen that the countries which have the silver standard prosper, while those which adhere to the gold basis suffer? Free coinage of silver in the United States would raise the price of that metal to par with gold, so that there would be no cheap silver to stimulate production in the silver-standard countries. The standard in those countries would be the same as in the United States. The superior skill and enterprise of our people would soon regain the foreign markets, which we lost by the legislation against silver.

There is quite a numerous class of persons who recognize the necessity for the use of both metals as a full legal tender, in other words, the free coinage of both gold and silver, but express the fear that the United States is unable to open her mints to free coinage unless Europe will do the same. The reason they assign is that the United States would be flooded with cheap silver. How this would injure our country they do not satisfactorily explain. Unless the United States is able to establish an independent financial system of its own there is very little hope of relief. It is quite certain that the bonded interest of Europe, which is the ruling interest, will be very slow in its movements toward the demonetization of silver.

The twelve eminent gentlemen who composed the Royal British Commission which had under consideration the recent changes in the relative value of gold and silver regarded the fact that England is a creditor nation of debts payable in gold as a paramount consideration. They argued that any increase in the standard money of the world would necessarily reduce its purchasing power, and would, therefore, be injurious to the bondholders of England. The United States, being a debtor nation, a wheat and cotton producing nation, can hardly afford to wait until the bondholders of Great Britain are willing to make money cheaper and property dearer by the remonetization of silver.

NO DANGER OF TOO MUCH SILVER.

What real danger is there in the free coinage of silver? Whence is the supposed glut of that metal to come? There is no surplus silver bullion anywhere in the world. There is only $1,000,000,000 of silver money in all Europe of standard fitness which would have any market value in the United States. This money is a full legal tender at the ratio of 15½ of silver to 1 of gold and is circulating among the people at par. Our ratio is 16 to 1. A loss of 3½ per cent. would be incurred in the purchase of legal-tender silver in Europe for sale in the United States, besides exchange. In addition to this, all the silver money in circulation in Europe is required for small change and could not be spared without great inconvenience. There is no disposition on the part of the European governments to dispose of their silver coin. On the contrary, England and perhaps some of the nations of the continent are increasing their coinage of silver. There is no danger of a flood of silver from the coin of Europe.

The product of the mines is the only source of supply that can be relied upon to furnish what is needed in the United States. The United States has $426,000,000 of paper money in excess of metallic reserves, which are commonly called "uncovered notes." In other words, there are $426,000,000 of paper money in circulation in the United States behind which there is no gold or silver coin or bullion. The rapid decline of prices for the last sixteen years demonstrates the necessity for more standard money. An addition of $300,000,000 to the present volume would certainly be required if this decline is to be checked. It would require $426,000,000 to place the finances of the country on a metallic basis, dollar for dollar, without any increase. If declining prices are to be stopped, $300,000,000 more at least must be added. This would require $726,000,000 of either gold or silver or both.

The net exports of silver during the last year amounted to only $12,000,000, commercial value. All the silver produced in the world is either coined into money or consumed in the arts. Where would the United States find $726,000,000 of silver? How long would it take to accumulate that amount and add each year enough to keep pace with the growing population and the demands of business? It is not probable that the United States could ever acquire enough to reach a metallic basis, dollar for dollar, even if it should attempt to do so. It certainly could not be done in the present generation.

CONTRACTION IS A CRUEL TYRANNY.

Where, then, is the danger of a glut? But it is objected that silver is inferior money and that it would drive gold, the better money, out of the country, and substitute silver. How long would silver be the inferior money if the United States would take all that is offered at the ratio of 16 to 1? Would any person in any part of the world sell silver for a less price than the United States would pay? The price of silver in the United States would be an ounce of gold for 16 ounces of silver, and this would be the price throughout the world so long as the mints of the United States remained open to free coinage.

I have already shown that, so far as a glut is concerned, free coinage could always be maintained. The only possible danger would be that there would not be silver enough. A large amount of paper would be required in addition to all the gold and silver that could be obtained to supply the legitimate demand for money.

I repeat that there is no danger of obtaining either too much gold or too much silver. No nation has ever succeeded in securing too large a supply of either. Another objection to free coinage is sometimes made that it would enhance the value of silver mines and benefit the silver miners. Is this a valid objection? Why should they not be benefited? Is not their industry legitimate? Have they not already suffered enough? The silver miners of the United States alone have lost in discounts on the silver produced by them, caused by the legislation of 1873, more than $100,000,000. Why should this interest be destroyed? Why should one of the principal industries of the United States be ruined for the sake of a theory when such ruin also brings disaster to every other industrial pursuit?

Every productive industry is shrinking under the blighting grasp of contraction. Contraction is the worst form of tyranny. It robs the producer and stops production. It makes slaves or revolutionists. The people of the United States will have neither slavery nor revolution. They will stop the contraction of standard money and remove the cause.

WILLIAM M. STEWART.

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[Editorial.]

UNLIMITED SILVER COINAGE.

Senator STEWART contributes a special article to The Weekly Tribune to-day, in which he makes a powerful argument in favor of the unlimited coinage of silver. The Nevada Senator is recognized as the foremost champion of this policy, and he has supplied in the article we print the texts upon which he has preached many a silver sermon. He states his points with great clearness, and while we can not indorse all of them unreservedly, nor even concede that his conclusions are in every case the necessary consequence of his facts, it must be admitted that he presents a strong case, deserving the thoughtful consideration of the public.

The Senator sees in any other policy than unlimited coinage a conspiracy in behalf of all creditors to keep money as dear as possible, so as to make their property—money—scarce and hard to accumulate and every other property—produce—cheap and easy to get. Thus, in his view. monometallism means a contraction of the purchasing material to such an extent as to increase obligations and to decrease prices—both effects being to the advantage of the creditor or wealthy classes and to the injury of the debtor or poorer classes. He advocates unlimited coinage in the belief that an increased supply of money would equalize these conditions.

The contention that it would cause a withdrawal of gold is ridiculed by Senator STEWART as absurd and incapable of proof. He holds that neither metal can possibly be produced in quantities sufficient to supply the demands of commerce. Our present policy is held to be in the interest of Great Britain, enabling her to fix the market price of silver and to buy it cheaply of us and sell it dearly in her Indian market, earning a profit on both transactions. It is evident that no compromise is likely to satisfy the advocates of silver coinage, and that, while they will take what they can get, their resolute intention is to come back and renew their appeals until they get what they want.

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