

Discrimination against Silver.

REPLY TO HON. JOHN SHERMAN'S SPEECH IN THE SENATE,
JUNE 5, 1890.

SPEECH

OF

HON. H. M. TELLER,

OF COLORADO,

IN THE SENATE OF THE UNITED STATES,

Tuesday, June 10, 1890.

The Senate, as in Committee of the Whole, having under consideration the bill (S. 2350) authorizing the issue of Treasury notes on deposits of silver bullion—

The PRESIDENT *pro tempore*. It has not yet been offered.

Mr. REAGAN. I will ask, Mr. President, that it be printed, and I give notice that I shall offer it at the proper time.

The PRESIDENT *pro tempore*. The Senator from Texas gives notice of an amendment intended to be proposed by him. It will be read and printed, if there be no objection.

The Chief Clerk read as follows:

That hereafter no funds available for the payment of the public debt, including such as are kept for the redemption of United States notes and excluding such as are held for the redemption of gold certificates and silver certificates, shall be retained as a reserve in the Treasury exceeding \$50,000,000; and the \$100,000,000 in gold now held in the Treasury for the redemption of United States notes shall be available for the payment of any demands on the Treasury.

Mr. TELLER. Mr. President, I hope the Senator from Ohio will withdraw his amendment and that we may not have this bill complicated and embarrassed with so many questions which are not exactly pertinent and proper to the bill. The Senator from Texas says we have lost \$40,000,000 in interest. I should like to suggest to the Senator that he has not put the figure high enough. It practically, at the present time, is \$46,000,000 that we have lost in the way of interest.

Mr. REAGAN. I simply quoted from the estimate of the Secretary of the Treasury.

Mr. TELLER. It is eleven years and six months practically, and we have lost, as I stated, about \$46,000,000 by keeping this large amount of money in the Treasury. We have lost a great deal more than that. That is what we have lost on the \$100,000,000, and we have kept an average of at least \$40,000,000 more regularly, I think, since 1879.

I am not disposed to join in any legislation that will embarrass the Treasury Department. I am as anxious about the credit of this Government as the Senator from Ohio or anybody else, and I repel the suggestion which has been made here repeatedly by those who do not believe, as I do, in the full and free use of silver, that it is the desire on the part of the silver men to get cheap money in order to repudiate any indebtedness or that they are careless and indifferent to the honor and credit of the Government of the United States. I can point individually to all my votes in this body and to my public utterances on the stump, both since I have been a member of this body and years before, to show that I have never been tinctured with the fiat-money idea myself, and I do not believe in it now. I believe that gold and silver were made, as the Senator from Ohio once said, by the Almighty for money; that they are twin metals, and I do not believe that we can afford to discard either one or the other or both.

Every Senator who has spoken against free coinage during this debate has assumed that all advocates of free coinage are expansionists to begin with; that they are in favor of an undue expansion of the circulating medium of this country. It has been assumed, in the second place, that we were for the repudiation of the public debt and that we were for putting private debtors in a condition to scale down their debts. I deny this. I deny that the men who to-day stand in the front rank as defenders of silver as money, not only in this country, but all over the world, are tainted in that way. And here I may say that in every country, among civilized men, some of the brightest and ablest men of to-day in public and private life are the advocates of the unlimited use of silver on equal terms with gold.

Great Britain has a hundred members of Parliament, and she has a number of directors of her great banks, and a number of the very highest in learning and in ability of her public teachers who are in favor of the use of the double standard. If you go to the continent of Europe you will find the great banks of different continental countries contain more or less of people who insist that the free use of silver is indispensable to commercial prosperity, to commercial success, and to human progress and human happiness. No more illustrious examples can be found anywhere than can be found on the Continent: men like Professor Laveleye, of the Liege University, who has a world-wide reputation as a political economist; Mr. Pearson, who presides over the Bank of The Netherlands, and the countless number of men in public positions and in private places who have given their best thoughts and attention to this subject and are neither repudiationists nor inflationists.

The Senator from Vermont [Mr. MORRILL] assumed—and I venture to refer to it because he assumed it in relation to myself—that I was anxious to get on a silver basis. I have denied that I was in favor of a silver basis from my seat in the Senate; I have denied it on the public rostrum and through the press, and there is no excuse for the Senator from Vermont or anybody else charging that either I or very many others who associate with me in their views on this subject are in favor of a silver basis. I have said, and I repeat, that if we can have but one money metal the interest of this country and the interest of the world demand that it shall be silver. On that question I am borne out, as I say, by very many men in this country and abroad.

It has been demonstrated beyond the possibility of a doubt that there is not gold enough in the world and there is not being produced enough to carry on the business of the world upon gold alone. It has been demonstrated, I think, by the very best minds of the age, who have examined this question, that there is not to exceed \$30,000,000

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or \$40,000,000, at most, of gold that can enter into consumption for money.

Mr. EDMUNDS. Thirty or forty millions?

Mr. TELLER. "Thirty or forty millions?" the Senator from Vermont asks, with apparent surprise. I speak advisedly when I say that the best judges on this subject have put it at \$30,000,000 a year.

Mr. EDMUNDS. You mean a year.

Mr. TELLER. A year, of course. I am speaking of annual production.

Mr. EDMUNDS. Of gold bullion?

Mr. TELLER. Gold bullion.

Mr. EDMUNDS. What were the statistics of the gold production last year?

Mr. TELLER. The statistics of the last year show a little over \$100,000,000. I have not the last mint statement before me, but it shows from \$100,000,000 to \$110,000,000. I do not remember exactly.

Mr. EDMUNDS. Of all countries?

Mr. TELLER. Of all countries, and Mr. Soetbeer and various other gentlemen who have examined this subject, and some of them gold monometallists, have persisted in the statement that the entire product went into the arts and sciences save and except about \$30,000,000. Put it at \$40,000,000, and that is an insignificant sum when divided amongst all the nations of the earth. If divided amongst all the civilized peoples of Europe and the United States, practically it would be about 6 cents per capita in this country and the same for people in other countries.

Mr. President, everybody knows that the waste alone, the clipping of the gold here and the gold there, the accidents to which it is subjected, are equal to that, and the \$30,000,000 will not more than keep the stock of gold up and will not do that.

Mr. PLATT. Did we not coin ourselves about \$30,000,000 of gold last year?

Mr. TELLER. We did not, but we coined very near to it. We coined between twenty and twenty-six million dollars of gold last year. We have been appropriating an undue share of the gold of the world for the last five years. We have used up not only our own product in the last ten years, but we have consumed of other people's product a very large amount.

Producing as we do about one-third of the gold of the world, we have not only used our own product, but, as I say, we have called upon other nations and have used more than any other nation unless it be France or Germany.

Mr. President, I repeat that it is the general opinion, I think, of people everywhere that there is not gold enough to do the business with. Great Britain declined to enter into an arrangement with us for the double standard, and yet she insisted with great vigor that the silver standard must not be abandoned. Why? Because she knew that if all the countries now using silver should attempt to use gold, and gold alone, there would be such competition for gold that its appreciation would absolutely destroy the business of the world, and would increase the burdens, public and private, to such an extent that they would become unbearable and the people would be compelled to repudiate. So in every international conference which has been held Great Britain has declined for herself to enter into an arrangement to have the two metals used on equal terms, and yet she has declared for herself the opinion that other countries ought not to depart from the double standard.

Mr. President, the other day when the Senator from Ohio was speaking

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he declared that we were on a gold basis and that we had been on a gold basis for a great many years. I understand what the Senator meant, but the public may not understand it correctly. There are a great many people in this country who will not understand what he meant by a gold basis, and they will understand that he meant to say that we have the same financial system now, and have had for many years, that Great Britain has, and that is, with silver as a subsidiary coin only, and gold as the legal-tender money.

Mr. President, there never has been a time in the history of this country that we have been on a gold basis legally except between 1873 and 1878, a period of about five years.

Mr. EDMUNDS. How were we legally on a gold basis, may I ask, if it will not disturb the Senator?

Mr. TELLER. It is no disturbance. The Senator inquires how were we legally on a gold basis. I answer because we denied to silver access to our mints during that time, and we fixed the legal-tender limit, of all silver subsidiary coin at least, at \$5 from 1873 to 1878. It was not practically exactly a gold standard, but that was the only time that there has been any excuse for saying that we have been on a gold basis, because the old silver dollars that had been coined were still a legal tender, as I understand, though I might say with propriety that there has never been a time that we were legally on a gold basis.

Mr. BLAIR. We were on a paper basis.

Mr. TELLER. No; we were not on a paper basis. We were on a gold and silver basis, on the double-standard basis, during all the rest of our existence. Although gold at one time might have been the principal circulating medium and silver at another time might have been the principal circulating medium, yet at all times the mints were open to these two metals on equal terms or on terms practically equal, so that the two metals would pass into the mints and come out one like unto the other.

The Senator from Ohio went on to show that we had too little in the silver dollar up to 1834 and that after that we had too much, and therefore, he argued we were on a silver basis at one time and a gold basis at another, and that practically we have been on the gold basis since 1853. The Senator said:

The gold standard has been the recognized policy of all the great political parties that have longest controlled the Government of the United States. The Federal party in the beginning sought to secure it by ascertaining the precise relative market value of the two metals and coining both as money, but erroneously fixed the ratio at 15 to 1.

Mr. President, I deny that, and I assert here that that is not supported by the slightest scrap of history in this country. There never was a desire in the Federal party or any other party in those days to go to a gold basis, and the history of this country is full proof to the contrary, that they did not intend to go to a gold basis; but on the other hand they intended to maintain the two standards, silver and gold, at a parity, and for that purpose they fixed the ratio at 15 to 1, which turned out to be an erroneous ratio and did not succeed in doing what they expected, for the gold went away and the silver remained. Subsequently they attempted to fix it again, and then they made the mistake the other way and the silver went away and the gold remained.

During all that time we were operating with the cheapest money metal, as we shall operate with the cheapest money metal when there is a difference between the mint ratio and the market ratio when we get a certain amount of money. I have no doubt that free coinage might under some circumstances bring us to a silver basis. I have not denied it. What I said was that there is no probability of its bringing us there until there is a superabundance of money in this country;

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and that, by the way, is the Gresham law, about which we have heard so much. It never operates until there is a superabundance of money; then the Gresham law takes effect, and not until then. The Senator from Ohio proceeded:

When the Democratic party came into power, Mr. Jefferson, to secure the circulation of gold, suspended the coinage of the silver dollar, but a faulty ratio stood in his way.

The Senator did not tell us, what he ought to have known and what was essential to a fair consideration of this question from that standpoint, that the subsidiary coins then in the country were a legal tender for all that the dollar was. They were not strictly subsidiary, and I ought to speak of them as the smaller coins. It is not proper, perhaps, to speak of them as subsidiary if they have full legal-tender qualities.

But the minor coins, the half-dollars and quarter-dollars were legal tender for all purposes at that time and of full weight; and not only were they legal tenders, but the Spanish milled dollar, the Mexican dollar, and the Mexican quarter-dollars were also legal tender; and there are plenty of Senators here who remember that in their youth the Spanish milled dollar and the Spanish quarter and the Mexican dollar and the Mexican quarter were the common currency of our country. I have not any doubt that two-thirds of the lands in the State of Illinois were entered with foreign silver money at the Government offices, where it was taken by law just as they would have taken a quarter silver dollar of our own coinage if it had been presented.

General Jackson and Benton and their associates—

Says the Senator—

in 1834, with the avowed purpose to restore gold, or "Benton mint drops," as they were called, to circulation, changed the ratio to 16 to 1, but this banished all silver coin. In the Administration of President Pierce in 1853 the present system was adopted, by which gold became the unit of value and the coinage of silver was made subsidiary, but was always maintained in purchasing power the equal of gold, dollar for dollar.

Mr. President, I challenge that statement. I assert that it is untrue, whether it comes from an ex-Secretary of the Treasury or whether it comes from anybody else. There never was an hour previous to 1873 when the gold dollar was the unit of value in this country. The silver dollar was the unit of value clear up to the passage of the act of 1873. The Senator himself introduced in 1868 in this body a bill for the purpose of making the gold dollar the unit of value, which he did not succeed in doing; and yet the people of this country are told that the gold dollar had been the unit of value and that the old Democratic party had made it the unit of value. It is not true.

These things can not be questions of opinion; they are matters of history; they are recorded in the statute-books, and nobody ought to make any mistake about them. I assert that neither the Senator from Ohio nor any other Senator can show in the statute-books a statute that made the gold dollar the unit of value. It was not the unit of value, but the silver dollar was the unit of value.

And so, having slandered the old Democratic party, having charged them with what they were not guilty of, he turns around to defend the act of 1873 and charges upon the Republican party that they followed in the same steps:

And so when the Republican party came into power, though driven by the stress of war to the almost exclusive use of credit money, yet, as soon as possible, it resorted to the policy of 1853, of gold as the unit and silver as subsidiary, and coined both metals in greater sums than ever before, and maintained their party by a limitation of the coinage of the cheaper metal and its prompt redemption by being received at its legal ratio into the Treasury as the equivalent of gold.

An absolute misstatement from the first line to the last! There never

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was a time before 1873 when we limited the coinage of what the Senator calls the cheaper metal. Up to 1873 silver was not the cheaper metal. If we used gold from 1853 to 1873 we used it because it was the cheaper metal; and when we stipulated that we would pay the interest on the bonds of the United States in gold we stipulated what the Government has the right always to do where it has the right to make a choice, and that is to pay in the cheaper metal of the two, because if we had paid in silver dollars we should have had to pay 3 per cent. more on the interest than we were then paying. And yet an ex-Secretary of the Treasury and a Senator on this floor, with his great position as a financier, puts out this statement which I repeat—not meaning to be offensive, but I think my duty to the public requires me to say it—a statement contradicted by the historical facts of this country, that silver was the cheaper metal. Silver was not the cheaper metal, nor was it limited in its use up to 1873, except because of the fact that it was too valuable to be coined in this country on account of an imperfect and improper ratio.

The statement of the Senator from Ohio is in perfect keeping with the statements on this subject made from day to day and year to year on this floor and in the public press. I repeat, there never was a gold party in the United States who insisted upon the use of gold alone until 1873 and subsequent thereto. There was nobody in this country demanding the gold standard when the act was passed which the Senator from Kansas [Mr. PLUMB] calls, rightly and justly, "the great economic crime of the age;" and when it was discovered by the men who hold the credits, not the men who hold the money, as the Senator from Ohio wants to make it appear that we charge, but the men who hold the credits of the world, when they discovered that this demonetization had added from 25 to 30 per cent. to their holdings and to their income, then came the contest to maintain the status as it had been established by the act of 1873.

I do not mean to say that the men who hold the money of the world are not in accord with them, but for every actual dollar of money that is held there are hundreds of dollars of credits that are affected in the same way; and so it is that the appreciation, not simply of the money that is in the banks or in the pockets of the fortunate holders, but the appreciation of the purchasing power of the dollar that is received in payment of the interest or the principal of their securities is what has made this the most gigantic contest that has ever been waged by our people in their efforts to get back to where they were in 1873. There has been arrayed against them the entire moneyed power of the world, not the moneyed power of the banks alone, but of the men who hold the \$30,000,000,000 of public debts and twice as many billions of private debts, municipal debts, and railroad debts. That has been the power; they have been the parties that have been interested in it.

The Senator from Ohio further said:

Surely this is no time for a radical change of public policy which seems to have no motive except to reduce the burden of obligations freely taken, a change likely to impair our public credit and produce disorder and confusion in all monetary transactions. Others may see reasons for this change, but I prefer to stand by the standards of value that come to us with the approval and sanction of every party that has administered the Government since its beginning.

Mr. President, if the Senator from Ohio will stand by the standard of the fathers, if he will stand by the standard which was in use up to 1873, we shall ask no more of him or of his. That is what we are trying to do. It is no radical movement on our part; it is a movement on our part to get back to the original condition of things under which the Government proceeded with prosperity and with a reasonable de-

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gree of happiness up to 1873, while we have been attempting by a limping, illogical system to proceed since 1878. What we ask for is the double standard.

I stated the other day, in a few remarks which I made, that the Senator's logic was as faulty as his facts. I find all through the Senator's remarks the same disregard of facts, the same general statements which, if he understands them, the public will not. For instance, the Senator made this statement:

During all this period the volume of money in actual circulation was increasing. I here present a table showing that each and every year from 1873 to this year the currency of the country in actual circulation has been increasing year by year more than the population has increased.

The Senator then stated that the increase last year was \$22,000,000. If we have \$22 per capita and we keep pace with the population, we have got to have every year practically \$40,000,000 to keep pace with the increase of population. That presents a simple question of arithmetic. If we continue to increase as we increased during the past fifteen years—if we are not mistaken as to the amount of population in this country, estimating it at 65,000,000 or an increase of 15,000,000 in ten years—if we continue to increase in the same proportion, we shall practically increase 2,000,000 a year for the next ten years; and if we keep the same per capita that we have had, we must have \$40,000,000 of new coinage, or new money of some kind, every year. The Senator from Ohio, who has presided over the Committee on Finance for years, who has presided over the Treasury Department, could hardly have overlooked that fact; and yet he states to us that the circulation has kept pace with the population.

When I called his attention to the fact that the Treasurer of the United States had reported that last year the increase had only been \$8,000,000, or really less than \$8,000,000, as shown by the official report, he says, "Well, I have taken it from the Secretary's report, and, if we can not depend upon that, what can we?" I do not know whether we can depend upon the Secretary's report or not. I know there is some difficulty in understanding it, but I know that there is the distinct and positive statement made by the Treasurer, who is the particular officer who has charge of that branch of the financial department of the Government, that the increase last year, considering the destruction of national-bank notes and other things, left us only with an addition of \$8,000,000, which is only about 12 cents per capita—certainly much less than we ought to have had.

I take my figures in this report from a statement furnished to the Senator from Rhode Island [Mr. ALDRICH] by the Treasury Department, in which they furnish him a statement of all the gold and silver in circulation each year, and the paper money of every kind that was in circulation. According to that statement there was in circulation in 1879 \$832,355,060. In 1880 there was \$978,770,337, or an increase from one year to another of \$146,415,277. The next year the total was \$1,119,813,843, or an increase of \$141,043,506. Thus within two years we had increased our circulating medium over \$287,000,000, and yet the Senator from Ohio tells us that he regards putting in circulation \$4,500,000 of silver per month as inflation, and as calculated to destroy the credit of the country and to bring disaster upon all our interests. The next year the increase was \$59,000,000 in round numbers. The next year the increase was \$57,000,000 in round numbers, and the next year the increase was \$7,814,563. The next year the increase was \$47,-729,136. That brings to the end of 1885.

We have increased from 1885 from \$1,300,000,000 in round numbers to \$1,380,405,561, or in four years there has been an increase of \$87,-

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000,000, less than \$22,000,000 per annum, and yet from 1880 to 1882, a period of two years, we increased \$280,000,000 and more.

The period in which we increased so rapidly the circulating medium was a better period for business than the later periods have been, and if we needed \$287,000,000 then in two years, we certainly have needed more than \$87,000,000 in four years. So the Senator can not say that the increase of circulating medium has been in proportion either to the population or to the business of the country.

The Senator dwelt with great force upon the fact that our people use checks and drafts. We have a great number of banks, I admit, more banks in proportion to our population than almost any other country; and yet every man knows that this country is not, in the language of bankers, as well banked as many other countries.

Another thing the Senator seems to have lost sight of, and it seems to have been lost sight of by others in this debate, is that Great Britain has one money center, London; France has one money center; Germany has one money center practically. They are countries of limited area and they have but one money center apiece. We have a dozen money centers in this country, and in each one of them we must have kept a surplus, and the greater the number of money centers the greater the amount of money that must be had for the business.

The Senator also loses sight of the fact that we have opened an empire in ten years larger than all the civilized countries of Europe, if you take out Russia and the wild regions of the North. Do we not need more money with the great expanse of our country? If you want to do business with St. Paul from New York, you need more money than you would need to do it with Hoboken or Jersey City.

But, Mr. President, back of all that there must be a certain amount of money. As I have stated before, there must be a certain relation between the amount of money and the checks. I can not pay my debts with my checks unless I have the money to my credit in the bank on which the checks are drawn. I may get that there by borrowing it of the bank or by depositing the money in the bank, but I have got to have somewhere something on which I can check. If the Senator will show me how I can do business simply with a book of checks, I will give him a very large reward.

I have heard in the Western country gentlemen talk about opening their accounts in a bank with a check. They may do that, but they get the bank to put to their credit a certain amount of money upon which they pay interest, and the bank must either have the money or must have something whereby it can get the money to respond to his checks when a man draws them.

Then the Senator from Ohio said:

If we want a cheaper dollar we have the clear constitutional right to put in it 15 grains of gold instead of 23, or 300 grains of silver instead of 412½, but you have no power to say how many bushels of wheat the new dollar shall buy.

That is a mistake. The Senator did say to the country by his legislation how many bushels of wheat his dollar would buy. He said to the country, "Where it buys one bushel now it shall buy two;" and that is what we complain of. He appreciated the dollar when throwing upon gold the burden of doing all the work that had been done by silver, and it is no answer to that statement when he says that no silver was here. Silver was doing duty, every ounce of it that we coined, somewhere else, giving an opportunity for the gold to escape from that country and to come to us. It is a question of prices. It is a question as wide as the world. If wheat is cheap in Great Britain it will be cheap here; if it is cheap all over Europe it will be cheap here.

The prices of products assimilate and are nearly alike everywhere,

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and when there is plenty of money in Europe and, the price is raised in Europe the price is raised here. If silver had been allowed to continue to do money duty, it did not make any difference whether it did it upon American soil or European soil or Asiatic soil. If it was doing money duty, then it went to relieve gold of the work put upon it, and thus sustained and kept up prices, or, in other words, prevented the appreciation of gold.

Mr. President, we do not want any cheap dollar. We have not asked for any cheap dollar. The people of the great Northwest are as honest and as upright and as proud of the national honor and the national credit as the people of Ohio or as the people of New England, and in every place upon which they have been called to act they have acted with that high purpose that they never have been ashamed to look in the face of New England men or New York men or any other class of men. They have been for the highest position of this country financially and morally and intellectually, and nobody is asking for a cheap dollar.

I repeat what was said of those who complained of hard times, and I declare that the repeated declaration here that we want a cheap dollar is a species of demagogism that is a disgrace to the American Senate. There has been no talk of a cheap dollar anywhere. We want the honest dollar of the country, which was broken down without the will of the people and without their knowledge. Whether it was done secretly and corruptly or whether it was done openly, it was done without a demand from the public, and when the public were heard from they declared through the legislative department of this Government by more than a two-thirds vote that they were in favor of the double standard and that they were in favor of returning to the dollar of the fathers of 412½ grains of pure silver, and there has never been a demand that reached this Chamber or anywhere else from the public in this country for a cheap dollar, and it is demagoguery for any man to stand here and say that the friends of silver want a cheap dollar. It is done to frighten the capitalists and the uninformed, to make them think we want to repudiate the public debt or to repudiate private debts. There is nothing of the kind. We are for the debt as it was made to be paid, as we contracted it should be paid, and that is all that anybody can ask.

The Senator from Ohio continued:

You can, if you choose, cheapen the dollar under your power to coin money and thus enable a debtor to pay his debts with fewer grains of silver or gold, under the pretext that gold or silver has risen in value, but in this way you would destroy all forms of credit and make it impossible for nations or individuals to borrow money for a period of time. It is a species of repudiation.

Mr. President, I am as adverse to repudiation as any man living. I believe myself in the payment of debts, public and private. I have never believed that there was any power to release a debtor—I mean any moral power—save that of the creditor himself. I have been always for the maintenance of the highest integrity in this respect, and I still so stand. But what I complained of was that when the people did not know it the Senator and his associates, who, whether they knew it or not, did do the thing of which I complain, increased the purchasing power of the dollar to such an extent that it now requires two bushels of wheat, two bushels of corn, two pounds of cotton to pay the debt of very many citizens where it required only one when the debt was contracted.

The Senator may call a determination on the part of Senators in this body to return to that condition by which every man shall be required only to pay the dollar that existed at the time of his contract, repudiation. I do not think so. I call the other thing robbery of the debtor.

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I would as soon be guilty of repudiation, which is but robbery of the creditor, as I would be guilty of robbery of the debtor by increasing the burdens upon him by the appreciation of the dollar; and it does not make any difference whether you do it by appreciating the purchasing power of the dollar or whether you do it by putting more gold in the dollar, not a particle. It is just the same to the unfortunate debtor.

The Senator from Ohio continued:

The best standard of value is one that measures for the longest period its equivalent in other products.

On that I assert here that silver has been the most stable of the money metals. In 1845, in Europe, before the discovery of the gold of California and Australia, it was declared in financial circles that gold was too unsteady and uncertain; that silver was then the steady money of the age. The Senator proceeded to say:

Its relative value may vary from time to time. If it falls, the creditor loses; if it increases, the debtor loses; and these changes are the chances of all trade and commerce and all loaning and borrowing. The duty of the Government is performed when it coins money and provides convenient credit representatives of coin. The purchasing power of money for other commodities depends upon changing conditions over which the Government has no control.

Mr. President, what we complain of is that the Government did attempt to control it, that the Government did destroy one-half of the money, and the Government destroyed it at a time when it was exceedingly critical and dangerous to do so. If it had destroyed that money twenty years before Germany attempted to demonetize it no great harm would have been done, but it did it at a most critical period, when Germany was putting on the market its silver or was about to put on the market its silver, and so the fright came first from Germany and then from the United States, producing at that time the largest amount of silver of any nation in the world and producing now nearly one-half of the world's product. That is what we complain of. We say it was a crime, and I repeat, if it was a crime to demonetize silver its is a crime to withhold from the people the redress which they have a right to demand, that they be put back where they were when this economic crime was committed.

The Senator from Ohio proceeded to say:

The silver dollar though a full legal tender, with every effort made by successive Secretaries of the Treasury, could not be kept in circulation to an amount exceeding \$60,000,000. When pressed into circulation it steadily returned to the Treasury, and on June 1 the amount in circulation was \$56,348,174 and the amount in the Treasury was \$309,988,092. But the certificates based upon the dollars were issued and readily circulated as money, and now form nearly one-third of all the paper circulation in the country, and are received and paid out on a parity with United States notes and gold coin. This experiment clearly establishes two things. One is that silver dollars can not be made to circulate as money in excess of a very moderate amount for change or in small transactions. The other is that the coinage of silver dollars does not tend to advance the price of silver in the markets of the world.

Mr. President, it does not show any such thing, in my judgment. If there had been no silver certificates, how can the Senator from Ohio say that the demand for money would not have taken up the entire silver output? But when a man has a choice between a paper representative of the dollar and the dollar itself, whether it be gold or whether it be silver, he always takes the paper representative. He will do that every time, and it has nothing to do with the question of which metal it is. A greenback to-day is more valuable everywhere amongst the people than gold of the same amount; that is, a \$10 greenback will circulate more readily than a \$10 gold piece, and a silver certificate will circulate more freely than a silver dollar; yet it does not follow that the people do not want to use silver as money; it simply

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follows that they want these two methods of using the money and to use that which is the most convenient to them, the paper. So, the conclusion which the Senator draws is a false conclusion.

The other statement which the Senator says is established is that—

The coinage of silver dollars does not tend to advance the price of silver in the markets of the world.

Why, Mr. President, before the British commission it was testified over and over again that the Bland act had maintained and kept up the price of silver; that but for the Bland act silver would have depreciated much more than it did. Suppose you bought \$100 worth of silver, does anybody say that that would maintain the price of silver? As is suggested to me, gold was rising anyhow by the great demand made upon gold and the great demand for gold. In twelve years there have been new fields opened for gold to the extent of one-third of the gold supply of the world.

Just about one-third of all the gold in circulation has been demanded by Germany, by the United States, by Italy, and by the Scandinavian countries, who had either discarded silver or had discarded their paper. So one-third of the gold that was in circulation has been forced into another channel and of course it appreciated, and of course silver diverged from it.

The Senator from Ohio continues:

But it is said that the reason of this failure is that executive officers neglected or refused to exercise the discretionary powers given them to buy coin bullion to the extent of \$4,000,000 per month. There is no ground for this contention.

If there is anything that the Senator is distinguished for, it is the *ex cathedra* way in which he announces his conclusions. There is no question about a thing when he says it; it must go. There is no question about this:

There is no ground for this contention. If the coinage of \$2,000,000 worth of silver did not check the fall of silver, but steadily accelerated its fall, what would have been the natural effect of the coinage of \$4,000,000?

Does the Senator from Ohio mean to say that the coinage of \$2,000,000 hastened the fall? That is what he does say; and then he says by inference that the coinage of \$4,000,000 would have hastened it still more. If we had coined \$4,000,000, some years at least not an ounce of American silver would have passed out of our ports, not an ounce of it would have gone abroad to keep up the fiction of which the Senator from Missouri [Mr. COCKRELL] yesterday spoke: the prevalent idea in Europe that we were about to deluge them with a great quantity of silver. When they saw that no silver went out of this country, that we were using it all for our own purposes, then we should have given the lie to that statement which has been so industriously circulated, and which has been aided and abetted from time to time by the officials of this Government, that we were to deluge them with silver. There are a great many men who believe that if the Treasury Department had honestly administered the law of 1878 there would have been a parity between gold and silver all over the world, and I am one who believes it.

Mr. President, there has never been an hour, unless it may have been when there was a temporary occupant of the Treasury Department, when there has not been every energy and every power of this Government brought to bear to break down silver, to discredit it, and to compel the people of the United States to accede to the Wall-street idea that silver should not be used as money.

Again, the Senator from Ohio said:

The very presence of \$200,000,000 of silver coin known to be in our Treasury vaults that can at will be dumped upon the markets of the world is the great

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bearish fact, the menace that tends to depreciate the price of silver. If this great sum had been scattered among the hordes of Asia, where it is largely used as ornaments and where it is the only standard of value, it would be mingled in the vast unknown mass of three thousand millions of silver estimated as existing in the world.

Mr. President, does the Senator from Ohio want to get rid of the \$350,000,000 of silver doing money duty in this country? Does he not know that that would be the destruction of every debtor in this country? Does he not know, then, that there would be an end to prosperity? He dare not, Mr. President, get rid of the \$350,000,000. If we had not coined the \$350,000,000, where would we have got the money to do the business of the country on?

But, Mr. President, as usual, the Senator from Ohio appears in the rôle of a prophet. I remember, in 1878, when before a committee of Congress he asserted that \$50,000,000 of silver coinage would drive all the gold out of the country. He made that statement with the high authority of the financial officer of the Government. Fifty million dollars! Mr. President, we have coined seven times fifty million silver dollars, and yet the gold is here in four times the quantity that it was when the Senator was speaking before the committee. And yet he drops naturally into the rôle of a prophet! He has been so long in that line that he goes on and says that now it is certain to do this and it is certain to do that. Free coinage, he says, would bring us immediately to a silver basis; it is as sure as fate; there is no question about it; other people may doubt. He never made a prophecy on a financial question that came true, and because he did not he assumes that some time he is to be right and probably this is the time for him to hit it. He further says:

What will be the effect of the free coinage of silver? It is said that it will at once advance silver to par with gold at the ratio of 16 to 1. I deny it. The attempt will bring us to the single standard of the cheaper metal. When we advertise that we will buy all the silver of the world at that ratio and pay in Treasury notes, our notes will have the precise value of 371½ grains of pure silver, but the silver will have no higher value in the markets of the world. If, now, that amount of silver can be purchased at 80 cents, then gold will be worth \$1.25 in the new standard. Free coinage means the substitution of a cheaper standard. All labor, property, and commodities will advance in nominal value, but their purchasing power in other commodities will not increase. If you make the yard 30 inches long instead of 36 you must purchase more yards for a coat or a dress, but do not lessen the cost of the coat or the dress. You may by free coinage, by a species of confiscation, reduce the burden of a debt, but you can not change the relative value of gold or silver or any object of human desire. The only result is to demonetize gold and to cause it to be hoarded or exported. The cheaper metal fills the channels of circulation and the dearer metal commands a premium.

And that, too, in the face of the unquestioned fact that the orders of 1785 and the orders of the French Government of 1803 linked gold and silver together, not in that country alone, but all over the world, at the ratio of 15½ to 1. We undertook to establish a different ratio, but being a poor people we could not maintain it. France being a rich people was enabled to maintain its ratio, and that was the practical ratio all over the world, amongst civilized people at least. I repeat, what is borne out by the official statement of the French Government and the official statements of other governments, in France silver and gold maintained an absolute parity for seventy years without a change. A change sometimes occurred in London, where the mints were not open, but never in Paris.

And yet the Senator tells you that you can not link silver and gold together by law. The only way, Mr. President, that you can absolutely establish the relation between the two metals is by law, and that is what the Senator is determined shall not be done, because he proposes, as he admitted in his speech, to put us upon a gold basis and

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to keep us there. As I said, that is the issue and that is the question before us. He said further:

You may by free coinage, by a species of confiscation, reduce the burden of a debt, etc.

More, Mr. President, of appeal to the men who hold the wealth of the world to frighten them, more of appeal to the people to make it appear that the men who stand up for right and justice are disregardful of the moral obligations that arise out of contracts. I want to say again I repudiate it and I denounce it.

Mr. President, we propose no confiscation. It was the Senator from Ohio who confiscated. It was the Senator from Ohio who added more than a thousand million dollars to the national debt by the act of 1873. It was the Senator from Ohio who added 33 per cent. to every mortgage in the land by that act. It is the Senator from Ohio and his associates and his colleagues in this enterprise who have brought distress and disaster upon this country, bringing to us to-day a complaint from a class of men who have never complained, complaints that are justly made and that ought to be heeded in this body, and complaints which will be heeded now or later. All the sophistry and inaccuracy of the Senator from Ohio can not always keep the people in ignorance of that economic crime and its legitimate and logical results.

What does the Senator propose now? To continue this outrage, to continue this wrong, and to continue to appreciate the gold dollar. Thirty per cent. and more it has gone up in 15 years, and if he can accomplish the purpose for which he and his associates in this Chamber and abroad are trying, if they can complete the demonetization of silver—which you would effectually and completely do if you pass the House bill that is in our committee to-day—if they can do that they will add 30 per cent. more to every public and private debt, and every man will be compelled to make 60 per cent. more effort, 60 per cent. more sacrifice, to pay his debt than he did in 1873. If there is any moral obliquity in standing here and insisting that the contracts made in 1873 shall be carried out as they were made, what shall be said of a party or a people who will insist upon adding 60 per cent. to the burdens of the people already weighed down with debts?

Mr. President, I am willing to debate this question upon fair statements. I am willing to admit that there are grave problems in the financial question. I am willing to admit that it may be a question whether to-day you can proceed promptly to free coinage. Honest men may differ about that. But, Mr. President, I will not admit and I will not yield the question that the man who stands now for the use of the single standard alone is either dishonest or ignorant, and in either case he has no right to represent the interests of the American people.

The Senator from Ohio proceeded:

Shall we try the experiment alone?

Has the Senator ever attempted to try it with anybody else? When he was Secretary of the Treasury did he give the weight of the Government of the United States to an effort to try it with anybody else? I deny it. The entire influence of the Government was given against an international arrangement. It has been given against it at all times since. It is against it to-day, either ignorantly or viciously; and I do not care which. There will be no international arrangement until the Government of the United States shall plant itself squarely upon the bimetallic standard and say to the world, "We propose, whatever you may do, to try to do what France did; we will try with 60,000,000 people and \$60,000,000,000 of money—with more money than any other

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country in the world—to do what France did with 25,000,000 people and a tithe of our money.” When the Government says that, the mints of Europe will open, and they will not open until they know that we mean that; and that is not meant under this Administration! They did not mean it under the last; they will not mean it under the next unless the people of the United States shall at the polls be found as they ought to be, voting for their interest and their interest alone.

I will try it alone, Mr. President. The people of the United States are brave enough to try it alone. They have met and conquered every difficulty that was presented. They can conquer this financial difficulty. If you can put in the White House and if you can put in the Treasury a man who wants to do that thing, it will be done, and it never will be accomplished until that is done.

I said the other day that the people of the United States have been treated with the grossest misrepresentation from public places. It is a serious charge to make, but it nevertheless is, in my judgment, true. We have heard day in and day out that the people of the United States did not want to use and would not use silver money. We have been told by the Senator from New York [Mr. HISCOCK] that he spoke for the people when he said they did not want silver or they did not want free coinage. We were told here, and we have been told elsewhere in the public press, that the reason why the silver dollar to-day has a purchasing power equal in the markets of the country to that of gold is because of the kindness of the Treasury Department, that had redeemed it in gold. I challenged, when on the floor before, the Senator from Ohio or any Senator to show that a silver dollar had ever been taken to the Treasury and exchanged for a gold dollar, while I asserted that under the order made by Mr. SHERMAN in 1880, revoked in 1881, more than \$80,000,000 of gold went into the Treasury and took out of the Treasury either silver dollars or certificates.

Since I made my speech the other day I find that under the order of Mr. SHERMAN of September 18, 1880, gold was paid into the Treasury for silver certificates to the amount of \$81,734,000. Then the order was suspended. Since that time there has been a custom in the Treasury Department to exchange national-bank notes for silver certificates, national-bank notes for standard dollars, national-bank notes for fractional silver coin, United States notes for silver certificates, United States notes for standard dollars, United States notes for fractional silver coin, gold certificates for silver certificates, gold certificates for standard dollars, gold certificates for fractional silver coin, gold coin for silver certificates, gold coin for standard dollars, fractional gold coin for fractional silver coin; and in the years 1887, 1888, and 1889, three years, \$52,265,733 of silver was exchanged by the Treasury Department for the class of money that I have mentioned.

Of this, the national-bank notes for silver certificates in three years took \$540,653; for standard dollars, \$5,818,279; for fractional coin, \$1,685,227. United States notes for silver certificates, \$2,331,617; for standard dollars, \$15,431,187; for fractional silver, \$4,168,740; and gold certificates received for silver certificates, \$6,443,580; gold certificates received for standard dollars, \$9,803,801; fractional silver coin, \$1,977,254. Gold coin received for silver certificates, \$41,645; standard gold coin received for standard dollars, \$3,786,302; fractional silver, \$237,448. Or, leaving out the fractional coin, \$44,000,000 of silver certificates and silver dollars went out of the Treasury for other money. And yet I repeat that at no time has the Government held itself out ready to exchange. If a man went with a silver certificate or a silver dollar to the Treasury to get gold could he do it?

So the pretense which has been frequently made that silver is kept

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at par by the treatment by the Government of it is not true. It has been kept at par in spite of the treatment of the Government, in defiance of its efforts to break it down. It has been the current money of the country, and has kept the country in a state of prosperity comparatively by its circulation. I submit this table as a part of my remarks:

Statement showing the amount of national-bank notes, United States notes, gold certificates, and gold coin received at Treasury offices for silver certificates, standard dollars, and fractional silver coin for the fiscal years 1887, 1888, and 1889.

Description.	Fiscal year ending June 30, 1887.	Fiscal year ending June 30, 1888.	Fiscal year ending June 30, 1889.	Total.
National-bank notes received for—				
Silver certificates.....	\$338, 109	\$178, 694	\$23, 850	\$540, 653
Standard dollars.....	2, 095, 633	2, 084, 020	1, 638, 626	5, 818, 279
Fractional silver coin.....	480, 618	533, 382	671, 227	1, 685, 227
Total.....	2, 914, 360	2, 796, 096	2, 333, 703	8, 044, 159
United States notes received for—				
Silver certificates.....	1, 657, 952	321, 575	352, 090	2, 331, 617
Standard dollars.....	5, 387, 648	5, 220, 798	4, 822, 831	15, 431, 187
Fractional silver coin.....	1, 229, 593	1, 404, 583	1, 534, 564	4, 168, 740
Total.....	8, 275, 193	6, 946, 866	6, 709, 485	21, 931, 544
Gold certificates received for—				
Silver certificates.....	4, 600, 570	1, 223, 420	619, 590	6, 443, 580
Standard dollars.....	3, 095, 190	3, 188, 760	3, 519, 851	9, 803, 801
Fractional silver coin.....	430, 150	660, 110	886, 994	1, 977, 254
Total.....	8, 125, 910	5, 072, 290	5, 026, 435	18, 224, 635
Gold coin received for—				
Silver certificates.....	7, 500	19, 145	15, 000	41, 645
Standard dollars.....	966, 765	2, 039, 365	780, 172	3, 786, 302
Fractional silver coin.....	52, 955	48, 170	136, 323	237, 448
Total.....	1, 027, 220	2, 106, 680	931, 495	4, 065, 395

UNITED STATES TREASURER'S OFFICE, *Division of Accounts, May 20, 1890.*

Mr. President, the Senator from Ohio, who of course is the mouth-piece of the gold people, left no question that he intended the country should be put upon a gold basis. I do not think that anybody who has spoken on the other side of the case can be offended if I say that they all announce themselves as believers in the single standard. What may come I do not know, but so far no one has announced himself except in a general way as in favor of silver and in favor of silver only as a subsidiary coin and subordinate to gold.

Now, are the people of the United States ready and willing to go upon a gold basis? Mr. President, what did we say in our platform? We said that we were for both gold and silver as money. What did the Democratic party say in their previous platform? They had said it in the two preceding platforms. They said in the last platform absolutely nothing on that subject, in deference to their candidate. In deference to the power that stood behind that convention and made that nomination, they said nothing.

Mr. HEARST. And that beat them.

Mr. TELLER. I hear a Senator who votes with that party say "And that beat them." It did, Mr. President. There is no more

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doubt in my mind that that defeated the Democratic party than I have that defeat came to them.

Mr. STEWART. And that defeated the Republican candidate for governor of Oregon last week.

Mr. TELLER. Was he a gold man?

Mr. STEWART. He was a gold man and his opponent was a silver man.

Mr. TELLER. Mr. President, I do not wonder that they beat him. I would not like to say very much what I think about it, but I should not be surprised at any time when the man stands before the public who is in favor of a single standard if the people should say he was not a proper representative of theirs.

At all events the Democratic party had been committed to silver as money. They had been committed to it by their votes in the other House and here. I have spoken of it before in this body. When the President-elect of the United States, before he got into office, unmindful, it seems to me, of the ethics that ought to control and be considered, attempted to say to his political friends what they ought to do, the Democratic House universally declined. I do not mean that every one of them declined, but a Democratic majority said to him, "We do not propose to demonetize silver," and they did not do it. I know that some of the Democrats in public life yielded to the influence and power of the Executive; I know that a great many of them were quite willing that the silver question should be passed by when the Executive was against remonetization. They did not want to brave a veto, and no wonder; nobody wants to put his political party in that attitude before the people, and I do not wonder they did not.

But they were not more bound to do these things than we. We put in our platform the declaration that we were for the use of silver and gold, and we did not stop at that. We said "We condemn the Democratic party for its efforts at demonetization." Now, what did we mean? Did we mean anything? The Senator from Illinois [Mr. FARWELL] says we meant that we were going to buy silver. Why, Mr. President, we were buying silver then. We did not mean anything of the kind. We meant that on some fair terms, on some system that was safe for us take, we intended to use both silver and gold, and it was a pledge made to the people of the United States that the next Executive and the next Administration should be in harmony with them upon this subject, as they had shown they were for this principle by repeated acts in the other House and in the Senate, for after 1878 there never was an Administration that was strong enough in either of the bodies to get a majority in favor of simply suspending the coinage of silver for an hour. Why? Because the great body of the American people were in favor of its use as money, and we put it in every platform. Did we put it in there to catch votes?

Mr. President, I was at Chicago. I was consulted by the Senator from Nevada; and if I had believed that it was simply clap-trap to catch votes I should have been less enthusiastic in that campaign than I was. The State of Colorado would not have rolled up the great vote for the Republican candidate it did, putting itself in line the third Republican State in proportion to its vote in the Union, if the people of the State had believed that.

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Mr. President, I mean to discuss this question fairly. I do not mean to say that that provision of our platform committed us to free coinage. I would not insist upon that and I would not insist that every man in this body who believes with me in Republican principles and in sustaining the Republican platform is compelled to vote for free

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coinage. I am bound to be fair on that point if I can. But I do say that it did commit us to the bimetallic principle. I say that principle has had its worst enemy, its most effective foe, the man who has done it the most harm, and who has made it the most difficult to legislate upon intelligently, in the Treasury Department—

Mr. MITCHELL. The platform meant that there should be a more liberal policy pursued in regard to silver.

Mr. TELLER. As the Senator from Oregon says, it meant a more liberal policy. At least we thought so. We thought it meant that free coinage was safe, or, if not free coinage, that it meant we should make an international arrangement. Fifteen months have passed and there has been no international arrangement and no effort towards an international arrangement. We are told we need more money and the people are suffering. Even the Senator from Ohio says we want more money. The President and the Secretary of the Treasury say we want more money. They have had it in their power to give us every month \$2,000,000 of good money, \$2,000,000 of money with a purchasing power equal to any other money in this country. Nobody who has regard for his reputation or his character will stand here and say that there was danger in adding \$25,000,000 or \$30,000,000 more to the money in this country, which only increased last year \$8,000,000. Why was it not done?

It is said that we must legislate; that we must not go away from here until we relieve the people. It has been in the power of this Administration every day to relieve the people. If the people suffer, if the people want, if distress pervades the land, if the people complain, and if the Republican party suffers, it is at the door of the Administration, because the power has been in their hands, a conservative power, a power that they dare not say would be detrimental to the public interest, and a power that would have been exerted if there had been in the Treasury Department and in the Executive a friendly feeling toward the bimetallic standard.

If it had not been the purpose, as now proposed by the Senator from Ohio, to put us upon the gold basis—which the Secretary of the Treasury declares we are upon, which he says practically we are forever to continue on—if that had not been the purpose and the will there would have been a coinage of \$4,000,000 of silver per month. It might be that it would not put up silver, it might be that we have been in ignorance on that subject, but we who believed it would, we who enacted the law, we who have in good faith attempted to stand by the Republican party and its principles, were entitled with a Republican Administration to have that question tried. How easy, if it failed, to withdraw and continue the coinage of only \$2,000,000 a month. If disaster appeared to be coming the power was with the Executive to stop the increased coinage.

No, Mr. President, there is no friendly feeling towards bimetallicism in the high places of this Government, and there has not been, and there will not be while Wall street can threaten every political party as it has done for fifteen years. No political party has attempted anything that has not been met by the declaration, "You must legislate so as to get the good will of the business interests of this country." That means Wall street. I remember that a President of the United States within five years, not the present President either, addressing a crowd of people on Wall street, said "When I see you I see the representatives of the great interests of the country."

Why, Mr. President, he saw the bill-holders and the note-shavers and the stock-speculators. In the whole ken of his observation he did not see a single man who had ever done an honest day's work; he did not

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see a single man who had ever produced an article of commerce; he did not see a single man who had ever promoted the industrial pursuits of this country. He was looking upon the men who handled the securities of the country, and, as I said before, those who take toll from its industries. When he wants to see the people he wants to turn his face outward; he wants to look out upon the great country; he wants to look in the mills; he wants to look in the machine shops; he wants to look at the farms and in the mines. There is where he will find the people. There is where he will find the people who have added a million dollars a day to the wealth of the country. There he will find the people who in ever hour of the country's distress have been ready to respond. There he will find the glory and the safety of the American people. He will not find it in Wall street, and until we get an Administration that can turn its eyes outward and look to the great people of the center of the country, the farmers, the miners, the operatives, and the producers, we shall have this kind of legislation.

I for one, Mr. President, regard this question as too big for politics. I regard it as above all political considerations. I regard it as the critical and crucial period in the history of the world when the question is to be settled whether we are to have the two metals as money or one; whether progress and civilization shall go on as they always have when there has been abundant metallic money, or whether they shall shrink and shrivel and be destroyed, as always has been the case when there has been too little. No political connections, no personal considerations, are sufficient to induce me to surrender my judgment upon this question, a judgment that I have formed with great attention, with much anxiety, and with much industry--with much anxiety because it appears to take me away from my party, because it takes me away from an Administration with which I desire to act. But, Mr. President, for myself I propose to stand for what I think to be right, and no matter where it lands the Republican party, nor no matter where it lands me, my vote shall be given for that which I think will unloose the trammels that have been put upon commerce. That vote, I think, will unloose the burden that has been put upon the debtors of this country, and will do it without detriment to the creditors of the country, either.

So believing, Mr. President, I have again trespassed upon the attention of the Senate, and I beg its indulgence, and thank it for its attention.

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