

FREE COINAGE OF SILVER.

SPEECH

OF

HON. JO ABBOTT,
OF TEXAS,

IN THE

HOUSE OF REPRESENTATIVES,

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Wednesday, March 23, 1892.

The House having under consideration the bill (H. R. 426) for the free coinage of gold and silver, for the issue of coin notes, and for other purposes—

Mr. ABBOTT said:

Mr. SPEAKER: I feel somewhat embarrassed in approaching the discussion of this question after listening to the eloquent gentleman from Pennsylvania [Mr. BROSIUS] and the venerable statesman from Massachusetts [Mr. WALKER]; but I will endeavor to clear away some of the rubbish which they have thrown in the way of the passage of the silver bill.

There are no questions which so directly affect the welfare and prosperity of a people of any country as those which relate to the subject of finance. This subject in its comprehensive sense embraces not only the problems involved in raising and disbursing the revenues, but includes the kind and volume of the currencies which are by law recognized as money. The intimate relation which one bears to the other is so close as to be almost inseparable. When a tax is levied it must be collected in one or more of the kinds of currency recognized by law, and when so collected it must be disbursed in pursuance of law. To preserve a just equilibrium the volume of currency should be in a fair and proper proportion to the revenues collected in order to prevent ruinous and disastrous consequences to the taxpayers.

To illustrate, if the whole amount of circulation in the hands of the people did not exceed \$500,000,000, and the Government should levy and collect from the people \$500,000,000, as it will probably do during the present fiscal year, the people would be left in a deplorable condition. But for the disbursements of the Government in paying pensions, wages, salaries, etc., the people would be without a dollar. But to state the facts as they really exist: The Secretary of the Treasury, in his last annual report, places the amount in actual circulation at \$1,500,000,000, round numbers, and the amount actually collected from all sources at \$460,000,000, round numbers.

It will be seen from this report that as a matter of fact the Government is annually collecting from the people nearly one-

third of the entire circulation of the country, admitting that the whole amount of the \$1,500,000,000 is in circulation, which is not the case, as bank reserves and certain deposits held by trust companies and savings banks are not in actual circulation, but not being in the Treasury vaults, are counted by the Treasury Department as being in circulation.

Hence, it may be reasonably inferred that about one-third of all the money in the country, outside of that which is locked up in the Treasury, is yearly gathered from the channels of trade and commerce and dumped into the Treasury vaults to be again redistributed under appropriation bills for pensions, the Army and Navy, rivers and harbors, public buildings, salaries, etc. This condition of things inevitably leads to the concentration of all the money in the hands of a few, leaving the masses without a circulating medium. This process of extracting the money from the people and concentrating it in the hands of the few is greatly accelerated by the protective tariff system.

The Government collected from the consumers of foreign goods and merchandise imported into this country during the last fiscal year the enormous sum of \$220,000,000, round numbers. These goods, etc., burdened as they were with this onerous tax (an average of about 60 per cent on their original cost), were sold to our people in competition with domestic manufactures. While the manufactures of our protected industries are five or six times greater in amount than we import, the protective system enables the manufacturers to lay upon the consumers of their goods a tax equal or nearly equal to that which the Government imposes upon importations.

It follows, therefore, that, as the consumers of foreign goods are forced to pay the Government \$220,000,000 as duty, the consumers of domestic goods are forced to pay to Eastern manufacturers four or five times \$220,000,000 for their protection! It is not surprising, then, to see mammoth fortunes springing up as if by magic in all the manufacturing sections of the country, while the great mass of producers and laborers are year by year growing poorer and poorer.

Nor is it surprising that we hear the cries of the people coming up from every part of the country demanding relief and a change in the financial policies of the Government.

The people are beginning to open their eyes to the fact that the protective-tariff system and the protected-money system, if I may use such an expression, have practically placed the Government in copartnership with the manufacturing classes, among whom sprang up the modern system of trusts and combines, whereby the latter are enabled to rob the producing classes of nearly every dollar they can earn by their labor. They toil from the beginning to the end of the year; they produce more than ever before; and yet the proceeds of their labor fall short of their actual and necessary needs.

I do not propose at this time to discuss the tariff; but this question is so intimately associated with the currency question that one can not be intelligently discussed without touching on the other. I have already shown that the Government yearly collects from the people about one-third of all the money in circulation; that under existing laws the manufacturers are per-

mitted under the guise of protection to collect from the people many millions of dollars more than the Government, which they could not do if the restrictions on trade and commerce with other nations were removed; but as it is evident that these restrictions can not be removed as long as the Republican party controls the Senate and Presidency, we must resort to some method of giving relief to the people, at least until such time as the Democratic party shall have succeeded in breaking down the wall of protection that surrounds the northern and eastern manufacturer.

Under the circumstances of the case, in my judgment, this can be done only by increasing the volume of currency. I do not want to be understood as meaning that the increasing of the amount of currency will countervail the evils of protection, for such is not the case. I would favor such increase, even were it in my power to strike down protection. To secure a proper amount of increase of safe currency I know of no plan equal to that of returning to the free and unlimited coinage of silver.

The importance of this subject and its practicability can be better understood by reference to the relative production of these metals. The Director of the Mint, upon the production of the precious metals in the United States for the calendar year 1890, reports that the product of gold was 1,588,880 fine ounces, of the coining value of \$32,845,000, and of silver 54,500,000 fine ounces, of the coining value of \$70,464,645. To the silver production of the United States should be added 13,000,000 fine ounces from foreign ores refined at the reduction works of the United States, of the coining value of about \$16,771,000, making a total coining value of \$87,235,000 silver. In the same report the Director shows that of these productions there were used in the industrial arts \$10,700,000 gold and \$7,140,000 silver; which, deducted from the year's product, would leave to be used for coining about \$22,100,000 gold and less than \$80,100,000 silver.

It should be noted that the amounts deducted, as above given, were of new bullion mined during the year 1890, and do not embrace bars and coins of former years. One important fact that should not escape attention is that during the calendar year 1890 there were used in the arts of the United States alone \$18,105,000 gold and \$9,231,000 silver; the amount of gold thus used in 1890 being nearly \$1,000,000 more than in 1889. Such enormous consumption of gold in the arts conclusively demonstrates that the supply is inadequate to form the basis of a sound currency for this great people. The Director further shows that the production of gold in the world for the calendar year 1890 was \$118,234,000, and the coining value of silver \$171,546,000.

It will be seen from the foregoing figures that ours is the greatest silver-producing country in the world; that while the production of silver in the United States, supplemented by the product from foreign ores refined in the United States, is two and a third times greater in coining value than the production of gold, the coining value of the world's production is only about one and a half times greater. Shall we by unfriendly legislation ignore this metal, which the Constitution recognizes as a money metal, and thereby destroy or cripple the mining industry, one of the greatest sources of wealth known to our people? Our people not only want the money quality of this metal restored for use as

money, but they want its former value restored, which can be done by simply recognizing it as a money metal.

We are told by gold advocates that if we remonetize silver all Europe will dump her silver upon us; that our gold will take wings and fly to all quarters of the earth, and we will be left with a single silver standard. Gentlemen who talk this way are either ignorant of the past history of the two metals or are actuated by interested motives. It is hardly necessary to state that gold and silver were the recognized money metals from the first coinage act of 1792 down to the act of demonetization in 1873, during which time the ratio of the two metals remained substantially the same.

The Chief of the Bureau of Statistics on foreign commerce for the year ending June 30, 1891, shows that from June 30, 1850, to June 30, 1873, a period of twenty-three years, when silver was admitted to free coinage, we exported to foreign countries the enormous sum of \$766,437,244, or an average yearly exportation of over \$33,327,000; that from the 30th of June, 1873, to the 30th of June, 1891, a period of eighteen years, we exported \$462,785,312, or a yearly average of only \$25,710,000.

The falling off of the yearly export during the latter period was due no doubt in part to the unfriendly legislation of Germany, but its depreciation in value as compared with gold resulted more directly from the unfriendly legislation of our own country than from any other cause. We produce and refine more than one-half the silver of the world, and we can not, therefore, indeed it would be unreasonable for us to expect that foreign governments would uphold our silver when we debase it by unfriendly legislation.

The absurdity of the position assumed by antisilver gentlemen, that the remonetization of silver will drive gold from the country and leave us with a silver standard, is made manifest when we consider that for the period before named, from 1850 to 1891, forty-one years, embracing the periods of free coinage and demonetization, we exported an average of over \$21,000,000 of silver more than we imported. That is to say, Europe and other Eastern countries have drafted on the silver production of the United States for \$21,000,000 per annum more than has been returned to this country. The absurdity of the position of these gentlemen is further shown by reference to the facts connected with the passage of the act of July, 1890.

Many public speakers in the country, as well as the press, made the impression on the people that said act practically provided for the free coinage of all the silver produced in this country. The result was that silver in August following ran up from \$1.08 to \$1.21 per fine ounce in New York and London. But when the real purpose and intent of said act was discovered and understood in the commercial world silver dropped down in November to 96 cents per ounce. These facts are shown by the Secretary of the Treasury in his last annual report, on page 15. I call attention to these facts especially to show that the legislation of the United States practically controls the price of silver. The logic of the antisilver men is that free coinage enhances the price of silver and depresses gold, which is true. Hence their opposition.

Now, Mr. Speaker, I want to call attention to the inaccurate, and I might say the reckless, statement of prominent Democrats who either openly oppose free coinage of silver or who think this question should be relegated for the present, because they say that the act of July, 1890, practically provides for the free coinage of all the American product, and that the free coinage of silver would not add anything to the circulation. To every one who has investigated this subject the statement of such gentlemen appears ridiculous and absurd, as I will now show.

Under the act of July, 1890, the Secretary is required to purchase every month 4,500,000 fine ounces of silver for which he is required to issue Treasury coin notes. The amount thus to be yearly purchased is 54,000,000 ounces. The product of the American mines, not including the silver from foreign ores refined in this country, is as before shown 54,500,000 fine ounces. Now, they say the only advantage to be gained by free coinage would be the coinage of 500,000 fine ounces which is the difference between the production of our mines and the amount the Treasury is obliged to buy.

In this lies the falsity of their position: The Treasury buys silver at what is termed its commercial value, which was a few days ago only 90 cents per fine ounce. At this rate the amount of Treasury notes that would be issued per annum for the 54,000,000 fine ounces of silver would be only \$48,600,000; whereas if this silver was coined at its present ratio it would make over \$70,460,000, a difference in favor of free coinage over the present law of \$21,864,000; and if we add the pure silver from foreign ores refined in this country, less what is used in the arts, we have a difference of \$31,500,000 in favor of free coinage, to say nothing about what may be imported from abroad, which, in my judgment, would not amount to much, as I will endeavor to show further on. But if I knew it would bring \$50,000,000 more from Europe I would favor the measure, as this sum added to our own production would add only \$2 per capita annually to our circulation. Such an increase would scarcely meet the demands of the times.

The minority of the committee repeats the often-refuted argument that the unrestricted coinage of silver would banish gold from our country and flood it with European silver. According to the Director of the Mint, the silver coin in the world outside of the United States is about \$3,340,000,000, nearly \$2,000,000,000 of which is in India, China, Japan, and the Straits, while the balance, a little more than \$1,340,000,000, is in Europe. One-half of this latter sum is held in France, where the ratio of silver to gold is 15½ to 1.

At this ratio coined silver is at parity with gold. Our ratio is 16 to 1—that is, there are 3 cents more silver in our silver coin, as compared to a gold dollar, than there is in the French silver; or, to state it in another form, if one of our silver dollars were coined into French money it would buy in France \$1.03 in gold. According to the coinage laws of this country, 371.25 grains of fine silver is equal to one gold dollar, whereas in France 359.91 grains equals \$1 in gold, and in India, Japan, etc., 348.3 grains equals a gold dollar. Thus it will be seen that it takes more sil-

ver in the United States to make a dollar, as compared with gold, than in any other country in the world.

These facts are known to every one who has investigated the subject, and it therefore seems strange that gentlemen will insist that the French are silly enough to ship to this country their \$700,000,000 of coined silver, which is on a parity with gold at the above-named ratio, to be recoined at our ratio, whereby they would lose at least \$30,000,000; and were China and other Eastern countries to do this, their loss would exceed \$60,000,000. Gentlemen ought not to presume on the ignorance of the people of other nations so far as to assert that they will do such a foolish thing.

Mr. Speaker, the Director of the Mint in his report of the production of gold and silver for the year 1890, on page 234, furnishes a table which gives the relative values of gold and silver from 1687 to 1873, a period of one hundred and eighty-six years. This table shows that with the exception of three years during this long period silver was, at the ratio of 16 to 1, at a premium of 1 to 10 over gold, and that it was at a premium of 3 per cent in 1873 when it was demonetized. These facts show that the depreciation of silver resulted alone from unfriendly legislation in this country and Germany.

England, which was always a creditor nation, practically demonetized silver as early as 1818; but this in no wise affected its value in the commercial world until the United States demonetized it. It is true that Germany stopped the coinage of large silver coins in 1871, but did not pass the act of demonetization until July, 1873, four months after it had been stricken down in this country.

It is unnecessary to refer specially to the circumstances under which silver was debased in February, 1873, as the history of this great fraud on the people is known to everyone. But it is important to note the consequences of this fraudulent legislation. The interest-bearing debt in February, 1873, was considerably over \$2,000,000,000. The bonds which were the evidences of this great debt had been bought at from 45 to 65 on the dollar and were originally payable in lawful money, but the interest accruing thereon was payable in coin. These bonds were refunded in 1870; and the principal as well as interest of these new bonds was made payable in coin.

At this date, and up to February, 1873, these refunded bonds were payable either in gold or silver. The bondholders, to enhance the value of these bonds, fraudulently procured the passage of a measure whereby more than one-half of the coin money, silver, was demonetized; thus leaving this enormous debt to be paid in gold. At the silver convention of St. Louis in 1889 the Hon. Edward Pierrepont of New York, who was Attorney-General of the United States in 1875, and minister to England in 1876, said:

No greater wrong was ever attempted upon a generous people than the bill of February 12, 1873. It was a crime. Gold and silver ought to be treated alike. It is amusing to see how English financiers rule us.

The history of the legislation of the world furnishes no parallel to this diabolical scheme whereby the people were robbed of one-half of their coin money, and, in fact, their national debt doubled.

Both the President of the United States and the Speaker of the House afterwards declared that they did not know of the provisions of the bill demonetizing silver when they signed it. From the time this great wrong was discovered to this day, the people have been clamoring for the restoration of silver to its former status as money; but their voices have been unheeded and attempted to be hushed by those who have shared in the millions that have been made by this unholy act.

Mr. Speaker, it has been conceded by the greatest writers on political economy that there can be no reliable measure of value or stable currency that is not based on these two metals. It seems to have been one of the provisions of a wise Providence that gold and silver should be recognized mediums of exchange among the peoples of the earth. In every period of the world's history, whether in civilized or savage lands, these metals have been regarded and treated as money metals, until the demonetization act of a few years ago; and, indeed, to a limited extent, silver is so treated in every country on the globe at this date.

As far back as the events recorded in Genesis we find that Abraham paid Ephron 400 shekels of silver for the field and cave of Machpelah, in which to bury his dead. From that day to this silver has served as a medium of exchange and would to-day be at par or above gold at the fixed-ratio if the restrictions on its coinage were removed.

I do not hesitate to assert, for I am borne out by the facts, that the present difference in the value of the two metals results from the greed and avarice of the bond and gold holders, who fraudulently procured the demonetization of silver for the purpose of enhancing the value of their bonds and gold, and not from any real difference in their intrinsic values at the ratio established in this country or in France. From the nature of things there can not be fixed a permanent and inflexible value to any one thing.

All values are and must be determined by comparison. When the supply of cotton is short its value is increased, as shown at the close of the late war between the States. When the supply of wheat is short, as is the case to-day in Europe and Asia, there is less to supply the demand, and hence wheat commands a better price. When money, whether gold or silver, is scarce, its purchasing power is increased; that is, its comparative value to other things is increased.

Now, it is a known fact the world over, and any one who would deny the truth of the proposition would declare his stupidity and ignorance, that no two things or no two products of the earth have borne in all ages and countries and among all peoples such uniform comparative values as gold and silver. The ratio of these two metals from the earliest times known to history to this date has ranged from 1 to 14 to 1 to 16; while fluctuations in values of all other known articles when compared to each other have been very great.

It seems to be a fact in the economy of nature that Mother Earth shall yield these metals only in about the proportions which have so long been recognized by all nations of the earth. It is recorded that Solomon exceeded all the kings of the earth for wisdom and for riches; that he made silver to be in Jerusa-

lem as stones; and yet it was money, for he gave for a chariot that came up from Egypt 600, and for a horse 150 shekels of silver.

Mr. Speaker, I recognize the truth of the proposition that no law can be enacted which can maintain an equal distribution of wealth among the people. Some are wise, prudent, industrious, and economical, while others are weak, reckless, indolent, or extravagant; but while this is so, I am impressed by the further fact that the great masses of the people can never be prosperous where the Government establishes a single money standard.

A single standard puts it in the power of the shrewd money dealer and speculator to manipulate the business of the country more easily than could be done under a double standard: First, because to add silver to the gold standard more than doubles the volume of metallic money, and a large volume is less easily manipulated than a small one; second, to establish either metal as a single standard, there is nothing by which its comparative value can be determined, as it does not in these days of great fortunes, combines, and trusts necessarily depend on the supply, but it may be fixed by the arbitrary methods of its holders; third, because there is not enough of either metal taken alone to form the basis of a safe and stable currency, upon which the prosperity of every country largely depends.

Should the mines fail for a few years to yield their accustomed supply of the standard metal, ruin and disaster and untold misery would inevitably be brought upon the people. On the other hand, if the double standard be recognized, the failure of the supply of one does not so perceptibly affect the business of the country, as a failure in the supplies of both is not likely to occur at the same time. The failure of one would only lessen the supply and to this extent increase the purchasing power of the other; whereas if there should be what some may call an overproduction of one of the metals for a few years, which event none but the gold-holders would regret, it would only cheapen money as compared to farm products.

Now, Mr. Speaker, it seems to me to be in bad taste for gentlemen coming from the great manufacturing districts and money centers of the country to cry out against the restoration of silver to free coinage on the ground that silver is a base metal; that a silver dollar is only worth 70 cents in gold, and that the proposed silver legislation is solely in the interest of silver holders.

Why, Mr. Speaker, is it not true that they struck down silver when it was 3 per cent above gold? Did they stop to ask how much the silver holders would lose by destroying it as a money metal? Did they have any motive in procuring its demonetization? Did it not increase the value of their gold from 30 to 50 per cent? As long as they can rob the silver holders and the great mass of laborers and producers by maintaining a gold standard and a scarcity of money all is well; but when an effort is made to cheapen money and furnish a sufficient supply to meet the wants of the people they cry out, "You destroy our fortunes; you want to debase our gold; you want to destroy the party and bring on yourselves a force bill," etc.

To all such I would reply: "Your fortunes have been gained

by robbing the people through your infamous tariff measures; your gold has been enhanced and its purchasing power increased by fraudulently demonetizing silver and making money scarce; and if you are sincere in the declaration that it will destroy the Democratic party, you are Democrats in name from selfish and not from patriotic motives. If you think the people of the South and West are to be intimidated by threats of a force bill in the South, and through fear will quietly acquiesce in the iniquitous legislation that has brought them to poverty, you are mistaken."

But, Mr. Speaker, I do not wish to pursue this view of the subject further. Such threats furnish no argument; they are mean and contemptible and do no credit to those who make them. If it is right, if it is just, if it is honest to restore silver to its former position as a money metal and as demanded by the people, let it be done and we will abide the consequences. I know a force bill would greatly retard the progress of the South in her march to prosperity. I know it would tend to revive memories almost forgotten, and I know it would tend to disturb the harmonious relations that now exist between the races; but I doubt if these and all the evils that would follow in its train would be more disastrous to the country than the continuation of existing laws whereby the proceeds of the labor of the people steadily flow into the vaults of the rich.

Now, Mr. Speaker, it has been contended both in and out of Congress that it is not right to attempt by legislation to place silver on a parity with gold for the reason that silver can be mined at 40 to 50 cents in the dollar. While this may be true of some mines, it is also true that many millions of dollars have been lost by mining adventurers, who, after having spent vast sums in opening mines, abandoned them as unprofitable. But if it is true that the labor cost of the production of silver is only 40 or 50 cents in some instances, it furnishes no arguments against its remonetization.

The history of mining for gold in California furnishes numerous instances where the labor cost of mining the precious metal was not a dollar in the thousand. So it must appear to every reasonable man that the value of silver and gold can not be determined by the labor cost of removing them from their hiding places, and I am astonished that gentlemen will resort to such sophistry. Their value is determined in a great measure by the aggregate quantity that may be taken from the earth in a year or in a series of years—their value being determined by comparison with other products; so at last we are led back to that familiar aphorism that "the value of a thing is determined by the law of supply and demand."

Mr. Speaker, I have with care prepared from official sources a table showing the comparative value of cotton, wheat, corn, and silver as measured by the gold dollar from 1872, the year before silver was demonetized, to the present date. This very interesting table reveals the important fact that when silver is depreciated or falls below its standard coining value, in almost the exact proportion the farm products named are correspondingly depreciated; and this is the case with every other farm product. Anyone doubting the correctness of the table can find its verification by referring to page 8, Bureau Statistics, Foreign Com-

merce, for the year 1891, and Director of Mint Report on Production of Metals for 1890, page 233.

Fiscal year ending June 30--	In the home markets.			Silver per fine ounce (calendar year).*
	Cotton per pound.	Corn per bushel.	Wheat per bushel.	
	<i>Cents.</i>	<i>Cents.</i>		
1872	19.3	70	\$1.47	\$1.32
1873	18.8	63	1.31	1.29
1874	15.4	72	1.43	1.37
1875	15.0	85	1.12	1.24
1876	12.9	67	1.24	1.15
1877	11.8	54	1.17	1.20
1878	11.1	56	1.34	1.15
1879	9.9	47	1.07	1.12
1880	11.5	54	1.25	1.14
1881	11.4	55	1.11	1.13
1882	11.4	67	1.19	1.13
1883	10.8	68	1.13	1.11
1884	10.5	61	1.07	1.11
1885	10.6	54	.86	1.06
1886	9.9	50	.87	.99
1887	9.5	48	.89	.97
1888	9.8	55	.85	.93
1889	9.9	47	.90	.93
1890	10.2	49	.83	1.04
1891 (at close of)	8.0	41	.85	.90

* The coining value of an ounce of pure silver is \$1.29.

As before stated, it will be seen from the foregoing table that when silver falls below the standard the products of the farm also go down. This, of course, may not be in exact proportion each year, as the crops some years are more abundant than in others; but it does show that silver is a better measure of the value of farm products than gold; and this results from the fact that there is not gold enough to form the basis of a stable currency, and that when gold is scarce its purchasing power is increased and farm products therefore are decreased in value.

The business, trade, and commerce of the country are increasing in a greater ratio, perhaps, than population, and very much faster than the increase of the production of gold, and it is silly to talk about the present supply of gold being able to meet the demands of trade and business. France, occupying a territory less in extent than the great State which I in part represent, has 39,000,000 of people, to whom is furnished a circulation of \$900,000,000 of gold, \$700,000,000 of silver, and \$100,000,000 of paper; and yet no one is heard to say that she has a redundancy of money. The United States have 25,000,000 people more than France, and yet have \$200,000,000 less circulation.

But we are told by the goldites that we do not need more money for the reason we carry on our business through a system of credits, drafts, checks, notes, etc. In reply I may say that one of the principal reasons why so much of our business is transacted by these methods is because there is not money enough in circulation among the people to carry on their business and they are therefore forced to adopt the credit system, which, when carried on to the extent it now is, is a curse to any people. I am free to ad-

mit that in large commercial communities and cities the credit, draft, and check system is not only convenient, but necessary; but my observation leads me to believe that the farming and other laboring classes prefer to handle the money.

Now, Mr. Speaker, I think I have shown the necessity for the restoration of the free coinage of silver, and that we can never have a stable or sufficient volume of currency to meet the demands of trade without the coinage of both metals. One serves as a check on the other, prevents goldholders from making "corners" on money which enable them to control at reduced rates the products of the farms and ranches of the country.

There is nothing which more greatly astonishes me than the opposition of many bankers and money-dealers outside of the great cities, especially in the South and West, to the free coinage of silver. I know it has often been asserted that their opposition has been inspired by Wall street and the bond and gold holders, whose displeasure they fear to encounter and with whom they fear to take issue, as it would tend to affect their financial standing in money circles and probably jeopardize the success of their business, as they are often dependent on these centers for assistance.

While it may be true that the daily and weekly publications that are sent out from these centers may, and doubtless do, influence some, I can not believe that such assertions are generally true. I have a personal acquaintance with many bankers and money-dealers who are men of culture and successful business men; and I can not think that they are controlled by any such sordid fear. But the fact that they are such men is what produces the astonishment I feel on this subject.

Every business man knows that when money is abundant among the people trade in every department of business is greatly increased, bank vaults are filled with deposits, safe loans are easily effected, and general prosperity follows; on the other hand, when money is scarce deposits are light, business stagnant, distrust takes the place of confidence and general depression follows. Why the banks of the South and West prefer the latter condition is the mystery to me.

I can readily understand why, in the great money centers where, during a great part of the year, money is abundant and interest low, the banks would oppose the increase of circulation. They prefer to increase the demand for their idle capital rather than augment the supply. Not so in the South and West, where for more than half the year the banks are closed to all loans, because the scarcity of money among the people makes it impossible for borrowers to promptly meet their obligations, hence loans are declined even at high rates of interest.

The vice of our whole revenue and financial systems, Mr. Speaker, is illustrated by the fact that money in the manufacturing districts of the country is abundant while there is a dearth of it in the great producing sections. This is not due to the indolence, improvidence or extravagance of the producing classes, but is the result of inequitable and unjust taxation, supplemented by the fraudulent legislation which struck down over one-half of the metallic money of the country. While it is true there is a

surplus of money in the money centers at certain periods of the year, there is not enough to subserve the demands of the country even were it fairly distributed.

The vice of our financial system is again evidenced, even demonstrated, by the fact that the Government during the season of moving the great cotton and grain crops to markets is yearly called upon to avert an impending financial crisis by opening its vaults to the banks and speculators by whom it is often brought about. This, perhaps, is one of the most dangerous conditions to which the country can be brought.

When a government resorts to the unauthorized and unconstitutional method of taking money from the people by unjust taxation and handing it out to the favorite banks and speculators under the pretext of averting such a crisis, its safety and perpetuity are much imperiled; and gentlemen who indorse such usurpation and paternalism for self-aggrandizement will find that the pent-up wrath of an indignant people will burst forth upon them unawares, and the terrible consequences that would follow no one can foresee.

Now, Mr. Speaker, it is repeated time and again, both by public speakers and the press, that to restore silver to free coinage we make 70 cents a dollar. Now, this is not true in fact. In almost the exact proportion that silver is appreciated by free coinage gold is depreciated; and herein is found the "milk in the cocoanut" with the gold men. In other words, the purchasing power of a silver dollar is increased to the same extent that the purchasing power of gold is decreased. They are put on a par as they exist in the States of the Latin Union to-day, and as in China, Japan, etc., where less silver in quantity is at par with gold.

It is no more unjust to gold men to restore silver than it was for the gold men to depreciate silver. If the condition of the metals were reversed, that is, if in England, Germany, and the United States silver was made the standard and gold demonetized, the same difference in favor of silver would be found to exist as now exists in favor of gold. This does not prove fiatism to be true; but it simply shows that when either metal is given money qualities the demand for it is increased, while the uses to which the demonetized metal may be applied are diminished; hence it depreciates.

Now, Mr. Speaker, in my judgment the bill which I introduced is a better bill than the one reported by the committee which we are now considering, because it would preserve the parity of the two metals and prevent favoritisms in the Treasury Department more effectually than this bill will do. That bill is substantially the same as the committee bill with two exceptions.

My bill provides for the coinage of all the bullion presented at the mints, whether gold or silver, and stops the practice of casting the same into bars, but like this bill permits the holder of the coin to deposit the same and take in lieu thereof coin legal tender Treasury notes; and it further provides that when such notes shall be presented for redemption the Treasury shall redeem the same out of that coin which may be in excess. This

provision would take away the discretion which may be unjustly exercised under this bill, of paying some note holders in gold and others in silver.

However, I will cheerfully support this bill, believing that it will result in more substantial benefit to the great mass of the people, if it can become a law, than any measure that could be passed, unless it be a general tariff bill reducing taxation, which can not be passed during the present Administration.

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