THE SILVER SWINDLE.

THE BLAND BILL vs. THE WHOLE PEOPLE.

A Republican, not a Democratic, Measure.

SPEECH

OF

MR. MICHAEL D. HARTER

(FIFTEENTH OHIO DISTRICT),

IN THE

HOUSE OF REPRESENTATIVES,

TUESDAY, MARCH 22, 1892.

WASHINGTON.
1892.

SPEECH

OF

MR. MICHAEL D. HARTER.

The House having under consideration the bill (H. R. 4426) for the free coinage of gold and silver, for the issue of coin notes, and for other purposes—

Mr. HARTER said:

Mr. SPEAKER: I call the House to witness that in the interest of party harmony, I have, so far as personal effort is concerned, done all I could to postpone the consideration of this silver bill, believing that by another session public opinion and common sense would prevail to such an extent as to render its passage impossible and its prompt defeat inevitable. These efforts have been unavailing, and the responsibility for its present untimely discussion rests upon other shoulders. For one, I am glad to meet the issue, now that it is before us, happy to confront a superstition with experience, and a fallacy with the everlasting truth.

To do no injustice to the author of the present bill (known, as it now is, as the Bland bill), I took occasion last Thursday to present to him what it seems to me are the claims he makes for his measure.

These are, as he then agreed—

First. That it would greatly increase the circulating money of the country.

Second. That its becoming a law would not disturb the present circulation of gold, silver, and paper, side by side.

Third. That the measure when put into active operation would not draw from all parts of the world, including the United States, a larger sum in silver per annum to our mints, or into our Treasury, than seventy-five millions.

Fourth. That it would correct a great crime, namely, the demonetization of silver.

In what I have to say on the question, I shall at convenient points endeavor to dissect and answer the claims made by the author of the bill, and if possible, prove beyond question that its passage would result in great disappointment to its friends, bring untold injury to the whole people, and work irrevocable harm to all the great business, financial, and industrial interests of the country.

QUALITY, NOT QUANTITY OF MONEY.

Money is to the commerce and the internal trade of a nation precisely what scales are to the grocer and the yardstick is to the merchant. When used as money it is not wealth, but rather a sum drawn from the wealth of the country and rendered for the time being nonproductive. You do not measure the wealth of the merchant by the number of yardsticks he owns, but by the goods upon his counters and shelves, and the accounts and quick assets under his control. It is, however, important that the yardstick he uses should have 36 inches in it, and be the same length all the year around, so that it may measure accurately when he buys and when he sells.

This is equally true of money. A nation which has too much actual money uses it at a loss to itself, and it is a mark of limited commercial instinct and moderate business capacity. The having in the Treasury at Washington and in the mints at Philadelphia, New Orleans, and San Francisco, $382,000,000, in the shape of silver, which is of no use to anybody, and the value of which is steadily falling is little short of a crime when we reflect that but for its compulsory purchase by the Government, it would have been sold or exchanged for productive property, and employed in creating wealth. The periods of greatest prosperity in the history of any nation were not those when the volume of money was greatest, but when its value was steadiest. In fact, like the yardstick, the measuring quality of money is its greatest function everywhere and at all times.

In highly enlightened nations in which the commercial sense has been greatly developed, actual money, gold and silver, are but little used. In Great Britain, not over 2 per cent of the business is done with money, and in New York City, not over 1 per cent, and in the country at large not over 8 per cent. While, therefore, money as an agent of exchange is used in only, let us say, eight transactions out of every one hundred, yet as a measure of value it is used in all of them. It follows then that steadiness of value in money is to our people over eleven times as important as that its volume should be great. Stability in value, fixity in its measuring qualities, are the all-important things to us, and it is just these which this proposed Bland legislation will destroy.

Money represents value, and becomes the essence of all instant, concurrent, present, business transactions, but its great importance as a measure is seen most in deferred contracts, that is, business agreements, which are to be fulfilled in the future. The actual value of money is much less important in a cash transaction, than when the parties to it agree that its consummation shall not take place for years. In a case, for instance, where A lends B $1,000, payable in ten years. You see at once it becomes a vital matter to A to know that the $1,000 loaned to-day shall come back to him in bills or coin, worth $1,000 and not $700.

On the other hand, it is equally important to B that when the time comes for payment he will not be compelled to pay to A a sum equivalent to $1,300 instead of the $1,000 he borrowed. The necessity, then, for a fixed standard of value is very apparent, as the only basis for successful and large commercial activity is the safety upon which future contracts can be made. These future contracts are called credits, and they are by far the most important element in modern business. We all know that the Argentine Republic, with its possible $100 per capita of circulation, is not a successful, prosperous nation.

Our own country at the close of the Revolution had any quantity of Continental money, for it took a basketfull of it to buy a bushel of corn. History does not speak of that period as one of prosperity. France, along toward the end of the eighteenth century, with such a supply of Assignats, that it took $1,500 to buy a pair of boots and $300 to purchase a pound of butter, was at the portals of the poorhouse, not at the gate of the palace. Our panics of 1837, 1857, and 1873, and the great flurry of 1890, did not come at times when money was scarce, but when it was redundant.

THE PER CAPITA THEORY.

The fact of the matter is, that what is called the per capita theory of money is extinct, and credit has so usurped the place of money among the advanced nations that the aim and purpose of intelligent government now is to maintain the most important credit, and let the least important, the volume of money, in a measure take care of itself.

England, with an internal and foreign commerce per capita greater than any nation in the world, does the most profitable and successful business known, with a per capita of about $18, while France uses $44 per capita to do less than one-half the per capita business of England. We, although our business is not anything like so large per capita as that of Great Britain, have 33⅓ per cent more money for each inhabitant, and when our domestic and foreign trade is compared, we really have more than twice her relative per capita circulation. Think for a moment of foreign commerce.

Money is hardly a factor in it. Tens, hundreds, and even thousands of millions of trade is done between the nations of the earth, and the clearings for it all are made not with cash, but in drafts, which are finally adjusted and the balances paid in pounds sterling, and often they so nearly equalize themselves in the world's trade that no money whatever passes. Remember, too, the money of the world's commerce is the English pound sterling, which is not a legal tender in but two or three nations outside of Great Britain.

Credit makes currency much more rapidly than the mints, and without waste. When the standard of value is kept steady and unchangeable as a measure, confidence expands, and credit enlarges. A great banking-house can, by acceptances, create the blood which nourishes trade in great sums, in millions, faster than the mints can coin. It does not draw gold or silver, nor confine it, and therefore supplies the sinews of trade in the cheapest possible way. When the transaction is closed, drafts or acceptances are retired, and there is no waste. Again, the nation which keeps her money on a parity with the best in the world never has too little. She can in her need draw, and does command for her use, all she needs from the store of the world. She is like a solvent merchant who can go to bank and get what money he needs, because the banker knows he will be repaid in full.

England, in 1819, established her money upon a firm basis (gold) and has never departed from it, altered her standard, or tampered with it, and as a result, the world does its business with the pound sterling as its universal measure, its unit of value, and London has become the capital of the commercial world. And yet to-day, when we need foreign markets, when we must expand our commerce there are those who would, by the passage of such a measure as the Bland bill cause distrust of American money and of our commercial stability in every part of the world. We never needed a policy of stability more than now.

Keep the standard of our money the gold dollar, and we shall draw the commerce of the hemispheres to our shores, and after while the trade of the world will be measured and all commercial transactions be based upon our dollar, which because of its decimal character is more convenient than the English pound. If we maintain our standard we can never have too much or too little money. The ebb and flow of the world's commerce will take care of that, and higher interest will attract it here when needed, while low rates will expel it when we need commodities more and money less.

THIS MEASURE WILL CONTRACT AND DEBASE OUR CURRENCY.

The Bland bill will contract and debase our money. Mr. BLAND'S claim that the passage of his bill will make money more plentiful, is misleading and untrue. If all he claims is admitted his error is exposed. At present we do not only turn the silver product of the American mines into currency, but we are a large producer of gold, and we also draw gold from abroad, so that we minted in the year ending June 30, 1891, twenty-four millions of gold, and this, added to the $54,000,000 supplied through the Treasury purchases of silver, gave us an aggregate increase for the year of about $78,000,000.

Since 1873, we have in the eighteen years minted $729,000,000 in gold alone, or an average of over $40,000,000 per year. Now, under the Bland bill, this would cease, and free coinage would drive out our gold and leave what remained merchandise, as wheat, corn, and cotton are. Unlimited coinage of gold and silver on the basis of 16 per cent of silver to 1 of gold, would drive out the gold, because it would undervalue it. Gold sells in all parts of the world for 22.86 times its weight in silver, and if under free coinage we only give it a value of 16, all human experience shows we would have no gold in circulation after the President signed a free and unlimited coinage bill.

As we now have about eighteen hundred millions of money in circulation, of which, say, six hundred millions is gold, we should suddenly find ourselves with but twelve hundred millions, which would enable us to do but two-thirds the business we now do, force out of employment one-third of the people now employed, and deprive them of the means of living. We were never able for any length of time to keep gold and silver in general use under free coinage at our mints. We undervalued gold when we opened the mint in 1792, and we had practiaclly a silver currency until 1834, when we changed our ratio of 15 of silver to 1 of gold, and made 1 of gold worth 16 of silver.

This change undervalued silver and drove it out, and we had an actual gold currency until after the wise and fortunate act of demonetization, in February, 1873, which alone saved us from dropping again to a silver standard in 1876, after silver became so plentiful and so cheap. As Mr. BLAND only claims that the entire volume of silver seeking our Treasury and our mints would reach the annual sum of about $75,000,000, he, upon his own showing, condemns his bill as an inflation measure, and when we consider that it would drive out gold, and thus contract the currency sharply, violently, dangerously, yes, ruinously, it seems as if only a madman could vote in support of it.

THE GRESHAM LAW.

The principle I have spoken of is known as the Gresham law, and is as certain and positive in its action as the law of gravitation, as fixed as the throne of Him who made all natural laws. When I say that two legal-tender moneys of different market but having the same legal-tender value can not circulate *unlimited* in u quantities side by side, and that the cheaper will always drive the dearer out, I simply state a law which has had no exception in human history. You can trace it from the time of Lycurgus down through Roman history, mediæval Europe, through the history of France, England, Scotland, the United States, Mexico, Japan, in fact everywhere and in all ages.

France, in the effort to make two metals circulate at a legal parity side by side, changed her mint ratio *twenty-two* times from 1602 to 1785, and after she fixed her ratio at 15½ of silver for 1 of gold, her history has been one not of bimetallism, but of monometallism, until she finally closed her mints to silver in 1876. From 1785 to 1848 she occasionally had gold, but usually silver, thus alternating from one to the other, sometimes standing on a gold foot, sometimes on a silver, but never on the two, and never having both metals in free and general circulation. From 1848 to September, 1873, when she limited the silver taken at her mints, she had a practically exclusive gold metal currency. Since she limited the coinage of the cheaper, she has seen gold and silver circulate freely together. Mexico, which coins both gold and silver, has an exclusive silver currency, and her leading financial paper, on February 27, 1892, warned us against the Bland bill because it would place the United States in the same unhappy condition.

Every nation has had similar experience, and the rule will not fail to be supreme law until gravitation ceases to be one of the forces of nature, or until water runs up hill, and the sun shines at night, while the moon rules by day.

OUR OWN COINAGE HISTORY.

The fiction that under free coinage gold and silver, the money of the Constitution, as it is so glibly called, circulated side by side from 1792 to 1873 finds many believers, and perhaps it will be well to repeat here what few seem to know, and yet what every child may learn.

Hamilton fixed an almost perfect ratio when he established free coinage in 1792, at the rate of 15 of silver to 1 of gold, which gave silver a value of about 138 cents per ounce, a value which it retained for only a short time, and which it never quite reached again. As an ounce of gold would buy more than 15 ounces of silver elsewhere, it was melted down, went out of the country, and we practically had no gold in circulation until after we changed the ratio again in 1834.

So perfectly did the Gresham law work that our silver dollars, being a little lighter than the Mexican and yet current in Mexico, all went there, displacing the better Mexican dollar, which came to us. Seeing this, Jefferson stopped the coinage of silver dollars in 1806, and it was not resumed until after 1836. The fact of the matter is that only 1,439,457 four hundred and twelve and a-half grain silver dollars were ever minted in the United States for business purposes prior to 1836. The total coinage of silver dollars from 1792 to 1873, a period, say, of eighty years, was but some $8,000,000, *or a little less than we now add to our circulation every two months, under the demonetization and limited coinage of silver.*

In 1834 we changed the ratio to 1 of gold for 16 of silver and silver was driven out and we had an exclusive gold coin currency up to the act of demontization of 1873. In 1854, up to which time we permitted universal coinage for the account of individual owners of bullion, we found that we were using merchant's tokens, omnibus tickets, and postage stamps for change, the small premium on silver, compared with gold, causing all small coins to be melted down and sold. We then debased the subsidiary coinage about 8½ per cent, limited its coinage, and stopped the free coinage of it altogether.

This was the first instance of demonetization and coinage limitation in our history, *and at that time it was distinctly acknowledged that we were on a gold basis*, and so it continued down to 1873, when the act of February 12 demonetized the standard dollar. No complaint was made or objection was then raised, for the owners of silver bullion being able to sell it at about 132 to 133 per ounce, or about 3 per cent above its mint value, did not care for or want free coinage.

I have been so careful to quote history, first, to show that the popular idea that gold and silver circulated freely, side by side, as they now do under the limited coinage of the cheaper, when we had free coinage, is a myth, a mere fiction of the imagination, and also to show beyond doubt and to prove beyond cavil that unlimited coinage of silver to-day at a 16 to 1 ratio, when it is worth not 1, 2, or 3 per cent less than gold, but 30 per cent less, would drive out of circulation every dollar in gold and thus contract the currency, produce bankruptcy, and bring such suffering and distress upon us as my lips can not describe. Never, then, have we had free and unlimited bimetallism, never has any land and never can any nation enjoy bimetallism, as we do now, until the cheaper metal is deprived of its legal-tender quality or its coinage is limited.

It will be interesting to those who have not studied the question to recall another application of this same Gresham law, by showing how any legal tender, if cheaper than the other, even if made of paper, will drive the dearer out. When, in February, 1862, we issued the first $150,000,000 of legal-tender paper money and followed it by another $150,000,000, authorized by act of July 11, 1862, a premium on gold followed, which before the end of July had driven gold entirely out of circulation; in fact, early in July it had reached small silver coins, which were worth less than gold, and crowded them out of general use. This produced the shinplasters of the war period.

During the great civil war the Confederates had plenty of legal-tender paper, so plenty that a peck of it would, along towards the end of the great struggle, scarcely buy a sweet potato, but they had neither gold nor silver, so completely had the Gresham law prevailed. It is passing strange that the gray-headed, grizzled veterans on either side of the great war of 1861 to 1865, who sit about me here to-day, brothers now, thank God, should not recall these facts, and repudiate such dangerous doctrine as is here placed before them in theBland bill. But besides reducing the quantity of money in circulation, and thus distressing the nation, free and unlimited coinage would, I have said, also debase our money.

I understand several gentlemen on this floor have intended to point out the blunder I commit when I say that the supply of money will not only be reduced, but its quality and value will be debased. Their effort to do this and pour their carefully written-out ridicule upon me, would of course give me opportunity to expose their childlike ideas upon this question, but I forego this rich reward by saying that the seeming paradox is explained when I state the fact that our money would have two different values, a legal tender and a market value, as soon as we reached an exclusive silver basis and the exchange of gold for silver by the Government ceased. All the laws we could pass here from January to December, from now until eternity, would not materially alter its market (world) value, so that not only would we reduce the currency suddenly by one-third, depriving one-third of our people of employment, clothing, food, and comfort, but we would at the same time degrade our dollar to 70 cents and repudiate at one blow 30 per cent of the existing contracts between man and man, in all parts of the land, thereby, stripping our nation and degrading and disgracing her before the face of all civilized people.

THE DECEIVED PLANTER OF THE SOUTH AND CHEATED FARMER OF THE WEST.

The effect upon a farmer in the South or West whom Mr. BLAND has promised to relieve by his bill is easily described, but its agony to him must be felt to be understood. His creditor, pushed himself by the reduction in the volume of the money caused by the Bland bill becoming a law, would be obliged to force his property to sale. If worth and easily salable at $12,000 now, owing to the forced contraction caused by the Bland bill, he would realize from it about $8,000, and if his debt happened to be payable in gold, this $8,000 would secure for him $5,600 in gold, or, in other words, the trusting farmer, who to-day is standing by with bated breath waiting for the salvation which the Bland bill is to bring him, would find its becoming a law would sweep away one-half of the savings of his lifetime. Truly, Mr. BLAND would prove a worse curse to the farmer than all the dry seasons, wet seasons, frosts, cyclones, locusts, chinch bugs, and protective tariffs he has suffered from during the past decade.

THE CREDITOR CLASS.

Whenever a man tries to induce a voter to support the kind of legislation Mr. BLAND proposes, he tells him he is a debtor and cheaper money will cheat his creditor. You have just seen how it ruins the debtor. That it will deeply wrong the creditor is beyond a doubt true, for it is one of the results of this kind of crime that it hurts practically everybody. The creditor class, properly speaking, makes up 90 per cent of our population, for every man who is solvent belongs to the creditor class. He may owe debts, but he has credits and other property in excess, and, broadly speaking, therefore, all but the actually insolvent are creditors.

The small class, say 10 per cent of our people, are debtors, and in the end it would be cheaper to forgive all they owe than to make the Bland bill law. But it may be well to see what classes besides the farmer would suffer. The rich, like the Vanderbilts, the Goulds, and the Rockefellers, would be likely to escape, for they would, from the nature of things, turn up both large debtors and great creditors. What was due them would be found payable in gold when the shock came, while they in turn would collectively owe hundreds of millions, contracted to enlarge their gold holdings and investments, all of which they would be enabled to pay off with 70-cent dollars; for the moment the Government was compelled to stop exchanging silver dollars for gold, after the President had signed the bill, our money would drop to its world bullion value, and they, exchanging their gold securities and investments in the world's market, would buy silver at 70 cents or less and pay off their poor creditors.

It has been charged against me here on this floor, as if it were an element in the discussion of the coinage question, that I am a millionaire and distinctly opposed to a cheap dollar on this account. I am not a millionaire and am not trying to be, having found other things which fill up my life more agreeably and usefully than the pursuit of wealth; but if the Bland bill becomes a law, I shall without effort on my part, certainly without much trouble to myself, easily become the very rich man Mr. Bland chooses to call me; but the one hundred and sixty thousand people in the Fifteenth Ohio district, whose Representative I am, would, many of them, be stripped of all they have, and all would be wronged by the devastating measure he is urging and which I am opposing.

But who are the real creditors?

First. The 4,258,893 who own the $1,524,844,506 of deposits in savings banks. Free coinage would cost them $457,453,351.

Second. The principal creditors next, and of the Government too, are the 800,000 pensioners, whose $157,000,000 of pensions would be cut down $47,000,000 in one year, or $470,000,000 in ten years. Then come the great army of 5,000,000 policy holders in life-insurance companies, whose $7,500,000,000 in policies would be cut down $2,250,000,000. After these, take the 500,000 men and women who have invested in building and loan associations.

Then come the millions of clergymen, clerks, men in the Army and Navy and Civil Service, and others who work for salaries or fixed incomes, all of whom, while nominally getting one hundred cents would actually get but seventy cents. The Bland bill would cost these classes $175,000,000 a year. Last, but certainly not least, take the vast army of 10,085,956 workingmen, women and children (in 1880), all of whom would to start with, suffer a large reduction in wages, due to the increased competition for the reduced amount of employment to be had, and then after getting lower nominal wages would find their dollar purchase but seventy cents' worth of goods, causing them a loss amounting to the stupendous annual sum of $1,210,614,720. Every time the money of a country is debased, these are the classes which suffer most.

The debasing of the currency of England by Henry VIII and under the boy Edward VI, resulted in the practical enslavement of the poorer people, their final emancipation beginning not much before 1819, and they were only fully restored by the beneficent results of the tariff system, adopted under Sir Robert Peel, Richard Cobden, and John Bright, which they copied from our Democratic tariff of 1846, but improved and extended since by our English rivals. It is incredible that this Democratic House will by its vote at the close of this debate pass this Bland bill and turn against the poor, the helpless, and the most deserving in the land, two-thirds of whom are its own voters, and who look to it, next to God, as their friend and protector.

I have heard it charged from the Republican side of this House that we were going to so vote in order that we may be returned to this House. I want to come back here as badly as any of you, but I will permit my tongue to be torn out before it gives its assent to a measure so infamous.

THEIR SOLE OBJECT PUBLIC PLUNDER.

But when we turn our eyes to see the moving spirit back of this bill, we discover it to be public plunder, pure and simple. The silver ring and the lobby see that the United States is buying for 90 cents what it turns out in coin at 129 cents, and they covet the apparent profit of about $20,000,000 per year resulting.

They know as well as Mr. BLAND ought to know (I credit him with gross ignorance as the only excuse for his attitude) as well as you know and as well as I know that practically all of the American silver product goes into the money stock or supply of the nation, and at the best the Bland bill would only take from the public Treasury this enormous annual sum which, with interest, would swell in ten years to probably $320,000,000 and possibly to $450,000,000 and pour it into their pockets. They would not let this Government have their silver when it could be sold for a trifle more than the mint rate, and now raise the howl that demonetization in 1873 did them injustice. Let us see.

In 1834 the people, by their Government, said to the silver owners and producers "We will buy all the silver you bring us at 129.29 per ounce;" but because they could get sometimes 130, sometimes perhaps 133 for it, they, never in the thirty-nine years from 1834 to 1873, brought in practically any to the Government, and finally the Government decided to withdraw its offer and close its mint to them. Now, when their other customers declined to buy and their silver is worth but 90 cents, they demand that the Government shall again step in and practically buy their unlimited supply of silver (worth really much less than 90 cents per ounce) at 129 cents, and in doing so wreck the business of the country and destroy the comfort and happiness of its people.

To describe this as hoggishness is to slander that useful animal; it resembles the greed of Satan rather than the instinct of any dumb animal we know of. They are demanding for what actually costs them less than 41 cents, and which sells nowhere in the world for more than 71 cents, a full 100 cents' worth of the property, earnings, or savings of their fellow-citizens, and the Democratic party is asked to help them catch, bind, and plunder the people. If it does, and Heaven blasts it with its thunderbolts, or

God withers it with his curse, the penalty will scarcely equal the crime.

But see what we have already done for these people since 1878. We have bought from them, made a market for and established a constant, fictitious, and unnaturally high price for 382,435,896 ounces of fine silver at a cost of 105.14 per ounce, so that the loss of the Treasury on this, even at the present inflated market price, is now over $57,000,000, and if the Treasury statements were to show this silver bullion as an asset, at the market instead of its cost value, our Treasury would appear, as it actually is to-day bankrupt.

Worse than all this, if we were to attempt to sell this silver bullion, stuff which even Austria, Roumania, and India do not any longer wish to have, as the basis of their monetary systems, the $57,000,000 loss would be increased to about $133,000,000, for in what part of the world can 382,435,896 ounces of silver, or any considerable part of it, be sold for 70 cents an ounce, or indeed for any price within reason?

The Bland bill, while called a free-coinage bill, is really a bill compelling the nation to buy all the silver this ring can get together, no matter how much it may prove to be, at 129.29 per ounce. It is easy to see this would utterly and hopelessly bankrupt the country, and might in the end create revolution and ultimately change the form of our Government.

THE DEMONETIZATION ACT OF 1873.

As an excuse for this they claim the act of February 12, 1873, demonetizing silver, was secretly passed and was an act of injustice to them. As to its secrecy. It was referred to in the reports of the Secretary of the Treasury for 1870, 1871, and 1872.

The chairman of the Finance Committee of the Senate had it from Secretary Boutwell (the late John Jay Knox being the author) on April 25, 1870. It was sent out for criticism to at least thirty experts in financial and coinage matters. It was printed thirteen times by order of Congress, considered at five sessions of the House and Senate, and the debate upon it occupies sixty-six columns in the Congressional Globe for the Senate, and seventy-eight for the House. If anything could be made more public, I do not know how it could be done. This cry is scandalous, and if it excites anything less than contempt among either the intelligent or the honest, I shall be surprised and lose faith in the common sense of men and in their power to control their own affairs.

It is as if I having said in 1834 to a farmer, "I will take your wheat at $1.29 cents per bushel," and finding he never sold me a bushel, or at least very few, during the next thirty-nine years, (because he could sell it in the next town for a trifle more), I should at the end of the nearly two score years decide, after advertising my possible intention to withdraw from the market, in from ten to thirty papers, and by handbills, finally cease to buy.

Suppose, then, that some years after, when wheat fell to 90 cents, he should catch me by the throat and attempt to force me to take all he could haul to me, would not my neighbors join together and string him up to a tree?

THE CROWNING IMPUDENCE OF THE SILVER RING.

But the most singular thing about it all is the brazen impudence with which these bonanza Senators and mine owners and the great silver ring of the far West advertise the fact that they do not want any silver dollars themselves, and will not take any, or put themselves where they may be forced to do so. In California they have made the taxes payable in gold.

In a number of far West States they will not let an Eastern insurance company do business in them unless it has a paid up capital in gold. They have also arranged their commercial business and forms of contracts so that gold alone is a good payment. Loans of money, made by the chiefs of the silver ring are repayable in gold. At their banks you will find yourself unable to bor row a dollar unless you make your note payable in gold. Only last Wednesday, in the House, a Delegate, from one of these silver regions, stated publicly that his Territorial government could save $75,000 per year on interest alone by making its bonds payable in gold, and I hold in my hand here a lot of notes representing the current business of six different States and Territories, all of which call not for dollars, but for United States gold coin dollars.

In other words, these people are ready to cheat you out of house and home and give you this kind of notice, yet we are told that a lot of Southern and Western members are too blind to see the handwriting on the wall.

IT IS REPUBLICAN CLASS LEGISLATION NOT A DEMOCRATIC MEASURE.

Again, this entire swindle is a piece of class legislation in character just like the McKinley bill, a measure to tax and burden the millions in order to enrich a handful. It is like the McKinley bill, only far worse, in that its effects will be more damaging to the country. It will do more harm, if it becomes a law, in one month than the McKinley bill, iniquitous as it is, can do in thirty years. I have known its origin for a long time and I am astonished to find that it is not known to all. It is a Republican measure, first presented by Judge Kelley, of Pennsylvania.

It was copied by Mr. BLAND one week after, and will go down in history to plague him, and if it ever becomes a law to gather on his head the curses of millions living and of multitudes yet unborn. It is due to Mr. BLAND to say that he did not create, originate, or invent the bill. Coming from Judge Kelley, or any other honest but mistaken protectionist, it is a perfectly consistent measure. Mr. McKinley, Mr. Harrison, Mr. Blaine, and their followers can be enamored of it, and we can understand and even excuse, for they have always believed in class legislation, have constantly urged taxing the whole people for the benefit of the few manufacturers and trusts. It is a long step, but in the same direction which would lead them to support this Kelley-Bland measure.

But you see it is too rank even for them. When Judge Kelley offered it on July 18, 1876, silver was worth over a dollar an ounce. It is doubtful, if he were alive, whether he would be found supporting it to-day. It is almost beyond belief that Democrats here or anywhere in any considerable numbers favor it. If it becomes a law, or even goes into our platform, or is indorsed in this House, will not 70 per cent of our own voters rise up and curse us at the November elections this fall?

HAR

NOT A FREE-COINAGE BILL AT ALL.

This bill is called a free-coinage bill. It is not such in any proper sense whatever, and it is, pure and simple, a bill to compel the people of the United States to buy the entire product of a most prosperous and flourishing interest, small in the number of its members but very rich in dollars and cents, at a price which gives them on the cost of production (if stated in the language of ordinary protection) a protective tariff or bounty of over 143 per cent. Not content with this enormous burden which the bill places on the over 63,000,000 of our people in no way interested as owners of silver mines, it proposes to make us the virtual purchasers of all the silver produced in the world and at 129 cents per ounce, while much of it costs not over 37 cents per ounce and a great deal of it, after deducting the profits on the lead products, not over 5 to 20 cents an ounce.

I submit that an equally mad proposition never secured the assent of any legislative body in the world, and if it passes this House, now that its provisions are laid bare, it will be a record which will come back to plague and shame its members down to the hour when they drop into their coffins. If we are to have free coinage we must follow law and precedent. We must aim to do as this country has always done before, and as every other nation has done, and that is to make the coinage ratio in close accord with market ratios.

This we did when we opened our mint in 1792 and again in 1834, and this honesty, decency, common sense, justice, equity, law, and precedent demand to-day. Therefore, if we are to have free coinage the ratio should be 23 of silver to 1 of gold; but as silver is likely to fall to at least 80 cents per ounce, and possibly to 70 cents per ounce in the reasonably near future, it would be wise to anticipate part, at least, of this fall, and coin it; or if we must issue notes for it, which ought not to be done, we should do so at the ratio of 26 to 1, instead of, as this bill proposes, at 16 to 1.

I object to the issuing of any notes for bullion for the reason that if the owners will not take coined dollars for their bullion it is the best kind of evidence that the people do not want any more silver dollars, and I openly and boldly charge that this is to-day the fact and that it has actually been true for years and that this entire agitation is a case of fraud and false pretense. In coining silver the true rule should be to simply attest by the stamp of the Government its weight and purity.

If coined into ounces all contracts, notes, and agreements drawn in ounces would be enforced by the courts just as dollar contracts are with the result that no citizen would be wronged, and every particle of silver the business of the country needed would be coined.

WALL STREET.

We hear the foolish cry that it is Wall street which would suffer by the passage of this bill. How silly this when we remember that the profits of Wall street are made by the fluctuations of the market, and that the change from a stable standard of value to a fluctuating and uncertain one, such as the silver ring proposes, would throw the entire business of the country into a kind of gamble out of which Wall street would make its millions, its tens of millions, yes, its hundreds. The farmers, the business men, the working people, the pensioners, the widows, and the orphans in our Congressional districts would simply lose what Wall street would make.

This law resulting in a single standard, and that silver, would cause prices, as in India with her silver rupee circulation, to bob up and down 1 or 2 per cent a day according to the whims and caprices of the speculating fraternity of Wall street and Capel court.

THE REAL INTERESTS OF THE WEST AND SOUTH.

What the West and South both need is the early and thorough development of their resources, which follows the rattle and dust of the railroad train, and yet if we have free and unlimited coinage of silver it will stop railroad building outside of the older States.

Existing companies have too many gold obligations now outstanding to care to incur more; new companies would fear to go in debt upon that basis; and yet capital for such uses could alone be secured upon bonds, the principal and interest of which would be payable expressly in gold, the actual and only standard of value among civilized people. Not only would old roads be unable to extend but many of them would be ruined, all or nearly all of their bonds and other obligations being payable in gold, while their income hereafter would be in silver.

A step toward a silver standard, would be a proclamation to the sections of the country that need them most that no more railroads shall be built among them, and that to enrich a handful of silver producers and schemers the entire South and West is to be set back a generation or two from their natural and certain fortunes.

THE REAL REMEDY AND THE SAFE AND COMMONPLACE CURE FOR PRESENT FINANCIAL ILLS.

Every man knows, too, that free-silver coinage will not produce what the West and South want, that is, money for local uses. They have mints at New Orleans and at San Francisco, but their products take wings and fly to New York and the East, where money is lending at 2 per cent per annum, while scarce and hard to get at high rates in the West and South. If you were to put up another mint at Omaha, another in the middle of Kansas, and another in a swamp in Florida, the result would be the same. Your relief must come from another direction, from some sure, safe, commonplace, but efficient source.

I allude to a sound and safe banking system. A system which will do this without granting special privileges, without cost to the people, but with great profit to the Treasury is now in the hands of the Committee on Banking of this House. It will provide precisely what the West and South and the whole country should have, and the time to make it law is here. The Democratic party should abandon this crazy, well-meant, but dangerous Bland bill.

It is loaded with dynamite for the country and with damnation for the party. Drop it and take up some wholesome, everyday, business-like fiscal legislation like this banking law suggests, pass it, and make the nation your everlasting debtor. But before you do anything, except vote down the Bland bill, pass an act stopping the monthly purchases of silver and instructing the Director of the Mint, under the direction of the Secretary of the Treasury, with the approval of the President, to sell the silver bullion for gold, and place the gold in the Treasury, until the amount of our gold bullion shall be equal to the value of our silver bullion.

Let them choose their time and make the exchange as wisely as they can. This course alone will save the country from ultimate panic, general financial distress, and the single silver standard, for if the monthly purchase of $4,500,000 of silver bullion is not stopped, sooner or later more evil will result than any words of mine can picture.

We are in a peculiar position to-day and a most fortunate one, too. Great crops here and small ones abroad give us Heaven's opportunity to correct our mistakes of the past. Stop silver purchases, restore confidence in us in Europe, and gold will flow back here in a stream.

We would, but for this Bland-bill discussion, be getting in from Europe fifteen or twenty millions of gold a month; instead of this, alarmed and excited, Europe is sending back our stocks, bonds, and securities by the ream. Her purchases of a quarter of a century past are coming back by every steamer, and instead of gold reaching our shores it pours out and away from us through every channel. Continue this wild craze for free silver and fair crops in Europe next year will bankrupt the United States. Neglect our present great opportunity and who can tell when it will come again. Let us counsel and compel wise and prudent action now, to-day, instantly, and those who come after us will praise our wisdom and bless our memories. Neglect this opportunity, and the names of those whose votes fasten ruin on our land will rot. I might say very much more on this question, but I have taken all of your time which I dare ask.

I beg to be forgiven if I have said a word that hurts the feelings of any member of this House. It has not been my intention or wish to utter a syllable which would grate on any ear, but I have been so wholly absorbed in the fearful consequences to my country which must follow this class of legislation, that I have forgotten men while denouncing the measure.

In closing, I make no partisan appeal; I believe this legislation, if it becomes a law, or appears in the platform of our party, will shipwreck it, but I am willing to shut my eyes to all that, for I hold one thing higher than any party tie, and that is the welfare and honor of my country. I simply in the name of the nation and in the interests of all honest men everywhere, and for the sake of the poor and helpless, and for the cause of truth, honesty, and decency, ask the members of this House to crush this monstrous bill.

I have done.

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