

SILVER BULLION CERTIFICATES vs. FREE COINAGE.

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S P E E C H

OF

HON. JOHN T. HEARD,

OF MISSOURI,

IN THE

HOUSE OF REPRESENTATIVES,

JUNE 6, 1890.

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WASHINGTON.

1890.



## Silver-Bullion Certificates vs. Free Coinage.

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H O N . J O H N T . H E A R D ,

*Friday, June 6, 1890.*

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The House having under consideration the bill (H. R. 5391) authorizing the issue of Treasury notes on deposits of silver bullion—

Mr. HEARD said:

Mr. SPEAKER: After listening to the excellent speech of my friend from Ohio [Mr. WICKHAM], who has just addressed the House in support of the pending bill, I would say that I adopt the whole of his clear and forcible reasoning in favor of the remonetization of silver; but I fail to understand how, in view of all the good reasons he has so ably presented why that desirable end should be accomplished, he can logically give his vote for this measure. I am sure that he, as well as many others who will vote with him on this question, earnestly and sincerely desire to see silver re-established in its just and proper power and dignity in the money circulation of our country, and that while they do not fully approve the bill before us they are reconciled to its support by the belief that they will thus contribute to the bringing about of that good end—that they think it is a step in the right direction. I can not hope, Mr. Speaker, to be able to present to this body more cogent reasons than have been offered by these gentlemen why silver should be remonetized; but to such as really desire by their action here to contribute to that result I desire to submit some reasons for my refusal to accept, with their reasoning on the general proposition, their example in this instance as a guide for my vote.

It is to such of the supporters of the bill as I have referred to, and to those only, that I would address anything in the way of argument why they should abandon their present position, because I fully realize that to that other element of its supporters, who approve its provisions because they do not believe that its passage will improve the condition of silver as a money metal of the country, nothing need be said in criticism of the measure from my standpoint, since they embrace it for what I conceive to be its worst vices. I am sure I do not misrepresent the case in this statement. While few, perhaps, of its friends would adopt the frank utterances of the gentleman from Massachusetts [Mr. WALKER], who zealously advocates the passage of the bill while he declares that we do not need any increase in the volume of our money; that there is plenty of money in the country to do the

business thereof; that scarcity of money has nothing to do with the depression of business or the lowering of prices; and, finally, that "more money means more misery," yet, Mr. Speaker, the fact remains that the bill is supported with equal zeal and enthusiasm by those who understand and admit the need for more money and the necessity for the equality of it according to the standard now fixed in our laws, and by those who deny both propositions, and who insist that an increase of lawful silver dollars means a dishonest inflation of our currency.

It has always been contended by our great financiers that an essential quality of a good system of money is "elasticity," and it would seem, Mr. Speaker, that if the money to be issued under authority of this bill, if it becomes a law, should partake in any measure of the character of the act originating it, it ought at least to possess that virtue; for I can conceive of nothing more "elastic" than a bill which at once accommodates itself to the conflicting demands of those who insist upon free coinage of silver at the present standard of value, and to those who bitterly oppose it and insist upon a single standard, and that of gold. While I am confident that some of those who will vote for this bill would not support it did they not hope that its effect would be to increase the volume of our circulating medium and tend also to bring silver and gold nearer together in commercial value, and thus, as they think, help on to the free and unlimited coinage of both, I am also equally certain that a large proportion if not a majority of its supporters would not give it their approval if they did not entertain a very different belief.

Where, then, in this bill lies that peculiar quality which so completely reconciles it to the diametrically opposite views of its different elements of supporters? I think, Mr. Speaker, that it will be found in those provisions which invest the Secretary of the Treasury with discretion to do or not to do certain things relating to its execution, the doing of which will give satisfaction and security to the one element, while in their not being done exists the only basis of hope to the other.

Now let us examine the bill and see whether or not I am justified in opposing its passage upon the ground that the law which we have now upon our statute-book and which this bill proposes to repeal, if fairly enforced, is a better and more liberal law than this will be if enacted. As the law now stands, the Secretary of the Treasury must coin into standard silver dollars \$2,000,000 worth of bullion per month; and he may coin \$1,000,000 worth. Then, sir, if the Secretary of the Treasury (either the present or any future Secretary) is friendly to an increase of the currency of the country such as we desire, why should he not exercise the discretion which the existing law gives him and increase the volume of our currency, not \$4,500,000 per month, but about five and a quarter million dollars per month, as he can do under the existing law? Four million dollars' worth of silver bullion at its present commercial value will, as was stated by my colleague [Mr. BLAND] this morning, make about five and a quarter millions of the standard silver dollars.

Under the provisions of this bill, should it become a law, the maximum increase in the volume of circulation which the Secretary of the Treasury could make by issuing Treasury notes in exchange for bullion would be \$4,500,000 per month, or \$54,000,000 annually, while under existing law he could, if he would, increase it to the amount of \$5,200,000 per month, or over \$62,000,000 per year. If the Secretary

HEARD

of the Treasury had been friendly to the increase of silver money in the country, would he not have exceeded the minimum limit, of his power in that direction, even if he did not reach the maximum limit? Is he more friendly to such increase now than in the past? Judging by his official expressions and actions we are forced to conclude that he is not. From the late report of that official I quote the following:

The continued coinage of silver dollars at a constantly increasing monthly quota is a disturbing element in the otherwise excellent financial condition of the country, and a positive hinderance to any international agreement looking to the free coinage of both metals.

It is a peculiarity of view always entertained by the enemies of silver that we can do nothing to exalt its present condition without an international agreement, which they know we never can get.

For the last year the increase in the amount of silver coinage of the country is stated by the Treasury officials to have been \$35,496,683, when the law authorized about double that amount, notwithstanding the fact that by reason of the shrinkage of the total volume of our circulation from various causes the above-named new coinage only increased the total stock of our money \$8,000,000. Why was not the shrinkage here referred to at least provided for by increased coinage of silver above the minimum limit of the law, so that the intent of the law of 1878, which was to add at least \$2,000,000 per month to our circulation, would have been carried out?

Now, my friend from Iowa [Mr. CONGER], chairman of the committee reporting this bill, says that the people of this country do not take kindly to the silver dollar. On this point I beg to differ from the gentleman. The fact is that the people of this country are friendly to the silver dollar, and have always been so, but unfortunately for them it is the Secretary of the Treasury who is unfriendly to the circulation of the silver dollar, as have been all his predecessors since 1873. For proof of the correctness of his statement, that the people are not friendly to silver money, my friend says that there are only 60,000,000 standard silver dollars in circulation, while there are 290,000,000 in the Treasury. The gentleman admits, however, that for all said latter sum silver certificates are in circulation to-day. Then, I submit, Mr. Speaker, that by his own showing the whole amount mentioned is in circulation. The fact is, sir, that out of a total coinage of over 350,000,000, standard silver dollars, there were in the Treasury on the 1st day of March last less than three and one-half millions for which certificates were not outstanding. Less than 1 per cent., then, of all this coinage was idle. Can the gentleman make as good a showing for gold, when tried by the same test? How much more friendly do the facts prove the people to feel towards gold? In this country, as in every other, gold is more hoarded than silver, and the conduct of the fiscal affairs of this nation by Treasury officials, who in every possible way discriminate against silver, so as to make gold coin the dearer money, will continue it so.

Mr. CONGER. Will the gentleman permit a question?

Mr. HEARD. Certainly.

Mr. CONGER. Is it not true that the Treasury Department will pay the express charges upon the silver dollars to any part of the United States where they are wanted or demanded?

Mr. HEARD. Such I understand to be the case.

Mr. CONGER. Then, if out of 350,000,000 silver dollars there has been a demand for only 57,000,000, does that not prove that the people do not want the silver dollars, but prefer the certificates?

HEARD

Mr. HEARD. It does not prove that they do not want silver coined. They want it coined in order that it may furnish a predicate for the certificates, and in as great a volume as possible. Let me ask my friend this question: How much of the six hundred-odd millions of gold coin alleged by the Treasury officials to be in circulation in this country is in the pockets of the people?

Mr. CONGER. We can not get into the pockets of the people to obtain that information.

Mr. HEARD. How much of it is actually in circulation, making the money exchanges of the people?

Mr. CONGER. About six hundred and eighteen millions.

Mr. HEARD. Oh, Mr. Speaker—

Mr. CONGER. The statements and books of the Treasury Department show it.

Mr. HEARD. Well, Mr. Speaker, those books show, among other things, that there is in the Treasury about one hundred and thirty-five millions of gold coin for which certificates are in circulation, and in my humble opinion that is about all the gold coin in the country that is of any great value to the people as money.

It is true that said books show that there are two hundred and forty-six millions in coin tied up there in various redemption funds (besides sixty-seven millions in gold bullion), one hundred millions of which coin is held for the redemption of greenbacks, when not one dollar of it is needed. Since that fund was established it is stated that only about fifteen or twenty millions have ever been used for such redemption, while the interest on the bonds sold to raise the fund amounts to more than \$16,000,000. The books also show that the amount of gold coin held in the national banks is forty-nine millions; that there are thirty-one millions held in banks other than national banks reporting, and three hundred and eighteen millions in banks not reporting, and in private hands.

As for the last item, Mr. Speaker, one has only to examine the data furnished by the Director of the Mint to see that the amount stated is only estimated, and that it is but a guess, instead of a computation from reliable data.

It is thus, Mr. Speaker, that the Treasury officials figure to arrive at the conclusion that we have \$618,000,000 of gold coin in "circulation." With the exception of the \$130,000,000 for which certificates have been issued, is it not a perversion of language to say that it is in "circulation?" Outside of the Treasury officials and the bank clerks who ever sees a dollar of it? For the uses of the people as money it might almost as well be in the mines from which it came. Practically, then, Mr. Speaker, the actual money uses of the people are supplied by the greenbacks, the national-bank notes, the subsidiary silver coin (something over seventy-six millions), about sixty-one and a half million standard silver dollars, and that portion of the other silver and gold coin for which certificates are outstanding and which certificates aggregate less than \$125,000,000. It is needless to explain that the silver as well as the gold coin is deposited in exchange for certificates, which circulate instead of the coin itself, because of the greater convenience in handling. But, Mr. Chairman, with what accuracy or fairness can it be said that this coin is not in circulation when its representative, the certificate, is? And since the certificates answer all the uses of coin, is it not as well for the people that the certificates should be in their pockets instead of the coin?

HEARD

Mr. CONGER. Is that not what I said in my report and my speech?

Mr. HEARD. Oh, yes, and that part of your argument is sound; but I want to show you now why your bill would not accomplish what you claim for it and what you say you desire, because it is not calculated to put the certificates in circulation.

Mr. CONGER. You acknowledge the truth of my statement?

Mr. HEARD. Well, wait till I get through with my statement. I anticipated your appropriation of my language to the support of your position, but I insist that you can not make it answer your purpose nor my objection. I agree with you that the certificates, when in circulation, are just as good as the coin and more convenient, otherwise nobody would exchange coin for them; but I wish now in presenting my criticisms on this bill to point out to you as my first but not most serious objection the fact that under the operation of this bill, should it become a law, even with a Secretary of the Treasury friendly to silver coinage, that it will not be practicable to issue as great an amount in certificates as is authorized by existing law. By the present law the Secretary of the Treasury is compelled to buy and coin into standard silver dollars \$2,000,000 worth of silver bullion monthly, and he is authorized to buy and coin \$4,000,000 worth per month. At the present commercial price of bullion (72 cents on the dollar, gold value) \$4,000,000 worth of it will coin over 5,200,000 standard silver dollars, and therefore if that official were to execute the present law in a spirit of friendliness to silver coinage there is nothing to prevent his coining, at the present price of silver bullion, over \$5,200,000 per month. Under this bill he could not issue Treasury notes for over \$4,500,000 monthly. Therefore, if our aim is to get silver certificates issued, to become permanently a part of our circulating medium on a par with the money we now have, it will be seen that the present law, if fully executed, is better for our purposes than the one proposed by about three-quarters of a million dollars monthly, or nine millions annually.

It may be said that we have no reason to believe that the present Secretary of the Treasury will execute the existing law in a way different from that which he and his predecessors have executed it in the past, and I admit it. Unfortunately, at this time there is, I repeat, no hope that he will do so, unless compelled thereto by a change in the law. But how easy it would be to amend the law so as to compel the coinage of the maximum limit instead of the minimum. Again, if the Secretary will only execute the existing law so as to make only the least possible addition to the volume of our money, why is it reasonable to suppose that he would execute the proposed law in a spirit of greater liberality towards silver. Would he not have great latitude for his discretion in the execution of the proposed law? Yes; and in my opinion that furnishes the explanation why he and those who like him oppose the use of silver money desire the substitution of that bill for the existing law, by the terms of which there is compulsory coinage for half the amount possible to be coined under the law.

I desire to emphasize the point that under existing law there is a certainty of our getting about \$35,000,000 increase annually; and this bill proposes to repeal that law, substituting for that compulsory provision one making it the duty of the Secretary of the Treasury to coin so much only of the bullion as will do what? Pay for such bullion? Oh, no, that would make a permanent addition to the volume of silver money in the country; but to coin so much as may be necessary to redeem such of the Treasury notes as may be presented for redemption

HEARD

in coin. Who will ever present one of those notes for redemption in silver coin when the note is clothed with all the money power of gold coin? No, Mr. Speaker, none will be presented for redemption, and therefore, so far as relates to the standard dollar, silver coinage will cease. Under existing law every dollar in the form of silver certificates issued on a deposit of coin makes, in so much, a permanent addition to the volume of circulation in the country; for, once issued, it can only be redeemed in coin of its class, and such exchange is useless save in exceptional cases and for small amounts.

Let those who denounce the demonetizing act of 1873 understand that in voting for this bill they vote to re-establish the condition, as to the coinage of the legal-tender silver dollar, which that act brought about, and that he does more, and, in my judgment, infinitely worse, in this, that he votes to establish, by declaration of law, the destruction of the coinage value of silver, making it a commodity only.

The act of 1873 did not go that far, and until now all efforts of the enemies of silver have been powerless to give silver that fatal blow.

In my opinion, Mr. Speaker, there will be little or no appreciable increase in the volume of our circulating medium under this bill on account of Treasury notes to be issued in payment for silver bullion, for the reason that the Secretary of the Treasury will, by the proviso to the second section of the bill, be authorized "at his discretion" and under such "regulations as he may prescribe" to exchange for such notes silver bullion; and it will not be too much to predict that the bankers and money holders generally, being interested in keeping the supply of money in the country as small as possible, will, in great measure at least, control the output of the notes by selling the bullion to the Secretary, and perhaps in the same month that they are issued present them for redemption in bullion, thus completely nullifying the spirit of the act, if its design be to relieve the people by furnishing more money for circulation.

If the Secretary of the Treasury be so inclined, what is to hinder the four and a half millions of bullion bought and notes issued therefor during the first month from changing places every month, and by such round of manipulation prevent any increase in the volume of circulation beyond the amount involved in that one transaction? The friends of the bill of course argue that no Secretary of the Treasury will dare do that, even if he desire to; but the result of my observations of the acts of the officials who have filled that place since 1873—and the present Secretary is no exception to the rule—inclines me to guard against the necessity for permitting the exercise on the part of anybody who may get into that place of a discretion which (certain to be more or less influenced by the conviction which seems always to be present with them, that any increase of money among the people is an unmixed evil), to do or not to do such things as the law could just as well, and in my judgment should, either explicitly direct or prohibit.

Suppose, for purpose of illustration, the Bland act of 1878 had in express terms commanded the coinage of \$4,000,000 worth of bullion into standard silver dollars monthly instead of leaving half that amount to be coined or not coined at the discretion of the Secretary of the Treasury, we would to-day have the full benefit of that act instead of only half of it. Would that increase in the volume of money in the country have been an injury? Or would it have been a benefit? If we think it would have been an injury then we should now repeal, absolutely, the Bland law; and if a benefit we should not repeat the

HEARD



folly of first deciding what should be done by Congress in the interests of the people and then giving to an executive officer of the Government, whom we know to be opposed to our views, discretion to do or not to do it.

Mr. Speaker, no one who has examined the recent official utterances of President Harrison on this subject will attribute to him any great partiality for silver money; but in the same message in which he, speaking of the free coinage of silver, says, "We should not tread the dangerous edge of such a peril," is compelled by the facts to say with reference to the effect of the coinage of standard silver dollars that—

The evil anticipations which have accompanied the coinage and the use of the silver dollar have not been realized. As a coin it has not had general use, and the public Treasury has been compelled to store it. But this is manifestly owing to the fact that its paper representative is more convenient. The general acceptance and use of the silver certificate shows that silver has not otherwise been discredited.

No, Mr. Speaker, silver has not been discredited; and the only discredit which the result of this increased silver coinage has cast on anything, or anybody, has fallen on those prophets of evil to whom the President alludes as having indulged gloomy anticipations of the wreck and ruin that were to come upon the country as a result of the operations of the Bland act. But however much discredited as prophets, the individuals of that class still continue to prophesy falsely. Let me ask, Mr. Speaker, whence comes the demand for a bill like that before us? The people have not asked it, nor do they want it. They have asked for a bill authorizing free coinage; and in response to that petition you propose to give them one repealing the act which alone gives them any silver coinage. What influence demands the passage of a law striking down silver as a money metal? Certainly not the masses of the people, who demand more money for circulation and the preservation of the present legal ratio between the gold and silver money of the country. Where and when have the people demanded that bullion should be bought by the Government for the purpose of putting into circulation Treasury notes, and yet providing that at the discretion of an official who does not claim friendship for such proposition, such notes may be redeemed or received in exchange for this same bullion? Who is it that demands that our Federal Treasury shall be converted into a pawnbroker's shop, or made the basis of gigantic jobbery in buying and selling the bullion of the country?

Will any intelligent man contend that this bill does not furnish opportunities for speculation should the Secretary be dishonest enough to avail himself of it? Hear what the present Secretary himself says about the character of this feature of the bill. In a letter, the authenticity of which is not denied, and in an authorized interview sent through the Associated Press, referring to the provision in the Senate bill which compels the purchase of so much silver monthly, etc., he says:

This compulsory purchase of so great an amount will make the Treasury the largest operator in the most gigantic corner ever organized.

And further, comparing the Senate bill, which he was criticising, with his own bill (substantially the one before us), he says:

Is it not enough that we take one half of the world's silver product and lock it up in order to increase the value of the other half; that we join the silver prod- uct in the most gigantic silver corner ever organized?

Yes, Mr. Speaker, I would answer, quite enough. But in my humble opinion that is just what is proposed. And yet we are told by some

HEARD

of those who favor the bill, that those who want free coinage are working under the influence of the "silver lobby." The chairman of the committee reporting this bill said in his speech to-day:

All winter long, Mr. Speaker, a powerful silver lobby has been operating about this city; a lobby paid for and supported by the bonanza mine and bullion owners.

They have been faithful to their trust. They have been persistent in season and out of season; they have plied their vocation at Capitol, hotel, and private residence.

This may be true, Mr. Speaker, and I can only say that while I will not question the correctness of a statement which seems to have been made with all the positiveness that comes from personal knowledge, I would say that, judging from the character of this bill, which is generally supposed to have emanated from the Secretary of the Treasury, said lobby, in addition to the other places which the gentleman says it infested, has not wholly slighted the Treasury Department; at least, Mr. Speaker, and I say it without design to reflect on anybody, that official is generally credited with being the progenitor of a bill which, according to his own statement, proposes "that we join the silver producers in the most gigantic corner ever organized." For myself, Mr. Speaker, I do not propose to join in this "corner." The silver lobby has had no effect on me. Seriously, Mr. Speaker, my constituents have no silver mines or bullion, and their Representative is uninfluenced by the lobby, either the "silver lobby" or the "gold lobby;" and if there be such lobbies here I shall try to be certain that their influence is not reflected in my vote.

Mr. Speaker, why pass a bill obnoxious to such serious criticisms as have been quoted from the Secretary of the Treasury even if it had no other faults? Why pass a bill so complicated in form and of so uncertain operative results that it claims alike the support of those who desire and those who oppose the rehabilitation of silver money? Why not give the people what they ask for, and that is the removal of the unjust restrictions placed on the coinage of silver by the act of 1873, which act no one now has the hardihood to defend? In fact no one has ever defended it, but every one connected with that legislation is to-day on the defensive before the bar of public opinion. The act of demonetization was never asked for nor desired by any one save those who engineered that colossal scheme of legislative robbery which has been fitly named by Senator INGALLS "the great economic crime of the age." That act, of which the great body of the people knew nothing until too late, was passed so stealthily that Senators and Representatives voted for the bill without knowledge of its nature, and it was signed by the President, as he afterwards declared, without the slightest intimation or suspicion of its real purpose. Since this has recently been denied by a prominent Senator, conspicuous now as he has always been in his opposition to the correction of the great wrong done by the act of 1873, I quote the statements of some of the leading Senators and Representatives who were in Congress at the date of the passage of the act, and were therefore in a position to know the facts in the case.

Mr. HOLMAN, in a speech delivered in the House of Representatives July 13, 1876, said:

I have before me the record of the proceedings of this House on the passage of that measure, a record which no man can read without being convinced that the measure and the method of its passage through this House was a "colossal swindle." I assert that the measure never had the sanction of this House, and

HEARD

it does not possess the moral force of law.—*Congressional Record*, volume 4, part 6, Forty-fourth Congress, first session, appendix, page 193.

Again on August 5, 1876, he said:

The original bill was simply a bill to organize a bureau of mints and coinage. The bill which finally passed the House and which ultimately became a law was certainly not read in this House. \* \* \*

It was never considered before the House as it was passed. Up to the time the bill came before this House for final passage the measure had simply been one to establish a bureau of mines; I believe I use the term correctly now. It came from the Committee on Coinage, Weights, and Measures. The substitute which finally became a law was never read, and is subject to the charge made against it by the gentleman from Missouri (Mr. BLAND) that it was passed by the House without a knowledge of its provisions, especially upon that of coinage.

I myself asked the question of Mr. Hooper, who stood near where I am now standing, whether it changed the law in regard to coinage. And the answer of Mr. Hooper certainly left the impression upon the whole House that the subject of the coinage was not affected by that bill.—*Congressional Record*, volume 4, part 6, Forty-fourth Congress, first session, page 5237.

Mr. CANNON, of Illinois, in a speech made in the House on July 13, 1876, said:

This legislation was had in the Forty-second Congress, February 12, 1873, by a bill to regulate the mints of the United States, and practically abolished silver as money by failing to provide for the coinage of the silver dollar. It was not discussed, as shown by the RECORD, and neither members of Congress nor the people understood the scope of the legislation.—*Congressional Record*, volume 4, part 6, Forty-fourth Congress, first session, appendix, page 197.

Mr. Burchard, of Illinois, in a speech made in the House of Representatives on July 13, 1876, said:

The coinage act of 1873, unaccompanied by any written report upon the subject from any committee, and unknown to the members of Congress, who without opposition allowed it to pass under the belief, if not assurance, that it made no alteration in the value of the current coins, changed the unit of value from silver to gold.—*Congressional Record*, volume 4, part 6, Forty-fourth Congress, first session, page 4560.

Senator Conkling, in the Senate on March 30, 1876, during the remarks of Senator Bogy on the bill (S. 263) to amend the laws relating to legal tender of silver coin, in surprise, inquired:

Will the Senator allow me to ask him or some other Senator a question? Is it true that there is now by law no American dollar; and if so, is it true that the effect of this bill is to be to make half-dollars and quarter-dollars the only silver coin which can be used as a legal tender?—*Congressional Record*, volume 4, part 3, Forty-fourth Congress, first session, page 2062.

General Garfield, in a speech made at Springfield, Ohio, during the fall of 1877, said:

Perhaps I ought to be ashamed to say so, but it is the truth to say that, at that time being chairman of the Committee on Appropriations and having my hands overfull during all that time with work, I never read the bill. I took it upon the faith of a prominent Democrat and a prominent Republican, and I do not know that I voted at all. There was no call of the yeas and nays, and nobody opposed that bill that I know of. It was put through as dozens of bills are, as my friend and I know, in Congress, on the faith of the report of the chairman of the committee; therefore I tell you, because it is the truth, that I have no knowledge about it.—*Congressional Record*, volume 7, part 1, Forty-fifth Congress, second session, page 989.

Senator ALLISON, on February 15, 1878, when the bill (H. R. 1093) to authorize the free coinage of the standard silver dollar and to restore its legal-tender character was under consideration, observed:

But when the secret history of this bill of 1873 comes to be told, it will disclose the fact that the House of Representatives intended to coin both gold and silver; and intended to place both metals upon the French relation instead of on our

HEARD

own, which was the true scientific position with reference to this subject in 1873, but that the bill afterward was doctored, if I may use that term, and I use it in no offensive sense of course—

Mr. Sargent interrupted him, and asked him what he meant by the word "doctored."

Mr. ALLISON said:

I said I used the word in no offensive sense. It was changed after discussion, and the dollar of 420 grains was substituted for it.—*Congressional Record*, volume 7, part 2, Forty-fifth Congress, second session, page 1053.

On February 15, 1878, during the consideration of the bill above referred to, the following colloquy between Senator Blaine and Senator VOORHEES took place:

Mr. VOORHEES. I want to ask my friend from Maine, whom I am glad to designate in that way, whether I may call him as one more witness to the fact that it was not generally known whether silver was demonetized? Did he know, as Speaker of the House, presiding at that time, that the silver dollar was demonetized in the bill to which he alludes?

Mr. BLAINE. I did not know anything that was in the bill at all. As I have before said, little was known or cared on the subject. [Laughter.] And now I should like to exchange questions with the Senator from Indiana, who was then on the floor and whose business it was, far more than mine, to know, because by the designation of the House I was to put questions; the Senator from Indiana, then on the floor of the House, with his power as a debater, was to unfold them to the House. Did he know?

Mr. VOORHEES. I very frankly say that I did not.

(*Ibid.*, page 1063.)

Senator Beck, in a speech made in the Senate January 10, 1878, said:

It [the bill demonetizing silver] never was understood by either House of Congress. I say that with full knowledge of the facts. No newspaper reporter—and they are the most vigilant men I ever saw in obtaining information—discovered that it had been done.—*Congressional Record*, volume 7, part 1, Forty-fifth Congress, second session, page 260.

Senator Hereford, in the Senate, on February 13, 1878, in discussing the demonetization of silver, said:

So that I say that beyond the possibility of a doubt (and there is no disputing it) that bill which demonetized silver, as it passed, never was read, never was discussed, and that the chairman of the committee who reported it, who offered the substitute, said to Mr. HOLMAN, when inquired of, that it did not affect the coinage in any way whatever.—*Congressional Record*, volume 7, part 1, Forty-fifth Congress, second session, page 989.

Mr. Kelley, of Pennsylvania, who was chairman of the committee having charge of the bill, in a speech made in the House of Representatives on March 9, 1878, said:

In connection with the charge that I advocated the bill which demonetized the standard silver dollar, I say that, though the chairman of the Committee on Coinage, I was as ignorant of the fact that it would demonetize the silver dollar or of its dropping the silver dollar from our system of coins as were those distinguished Senators Messrs. Blaine and VOORHEES, who were then members of the House, and each of whom a few days since interrogated the other: "Did you know it was dropped when the bill passed?" "No," said Mr. Blaine; "did you?" "No," said Mr. VOORHEES. I do not think that there were three members in the House that knew it. I doubt whether Mr. Hooper, who, in my absence from the Committee on Coinage and attendance on the Committee of Ways and Means, managed the bill, knew it. I say this in justice to him.—*Congressional Record*, volume 7, part 2, Forty-fifth Congress, second session, page 1606.

Again on May 10, 1879, Mr. Kelley said:

All I can say is that the Committee on Coinage, Weights, and Measures, who reported the original bill, were faithful and able, and scanned its provisions closely; that as their organ I reported it; that it contained provision for both the standard silver dollar and the trade-dollar. Never having heard until a long time after its enactment into law of the substitution in the Senate of the section which dropped the standard dollar, I profess to know nothing of its history;

HEARD

but I am prepared to say that in all the legislation of this country there is no mystery equal to the demonetization of the standard silver dollar of the United States. I have never found a man who could tell just how it came about, or why.—*Congressional Record*, volume 9, part 1, Forty-sixth Congress, first session, page 1231.

It will be observed, Mr. Speaker, that Judge Kelley, in referring to the want of knowledge on the part of his committee as to the demonetizing feature being in the bill which they reported, stated that he did not believe that there were three members of the House who knew it, and further, that he doubted if Mr. Hooper, who reported the bill, knew it. I think, Mr. Speaker, that in the latter opinion Mr. Kelley was probably mistaken, and that Mr. Hooper did know it; and in support of my view I quote an extract from the speech of the Hon. JOHN W. DANIEL, delivered, May 22, 1890, on the silver-coinage bill now pending in the Senate.

Mr. DANIEL says:

I take from the Bankers' Magazine of August, 1873, a little extract. It says: "In 1873 silver being demonetized in Germany, England, and Holland, a capital of £100,000 (\$300,000) was raised, and Ernest Seyd, of London, was sent to this country with this fund as the agent of foreign bondholders to effect the same object."

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

Mr. SHERMAN. What date does he fix?

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

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

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

The CONGRESSIONAL RECORD of April 9, 1873, contains the report of a bill presented to the House by Mr. Hooper, of Massachusetts, the chairman of the Committee on Coinage, in which the following language occurs as coming from Mr. Hooper's own lips, and refers to the act which was passed dropping the silver dollar from our coinage laws, where it had been recognized as the unit of value since 1789:

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

It is perhaps fortunate that Mr. Hooper disclaimed the paternity of the bill, since a few months since, at a convention of national bankers held in Kansas City, Mo., Hon. John J. Knox claimed the authorship of it.

I refer to this, Mr. Speaker, not to reflect in any manner upon the conduct of Mr. Hooper, any further than to connect him with the knowledge of the purpose of his work. He may have been ignorant of the motives of Mr. Seyd and of the half-million dollar syndicate of the English and Holland bankers who sent him here; but he acknowledges in his report to the House his indebtedness to Mr. Seyd for his "various sensible suggestions," etc. Then it is not fair to Mr. Hooper's intelligence to suppose that he was so far imposed upon that he did not understand the nature of the work being done by him. It is but justice to him, however, to state that it has been openly charged by Senator ALLISON and others that the bill was changed so as to drop out the silver dollar after it left the Senate. While I am not aware that Sen-

HEARD

ator SHERMAN, who, on January 17, 1873, asked for the consideration of its full purpose, I think the following extract, which I quote from the CONGRESSIONAL RECORD of that date, fails to show that his statement of the nature of the bill upon presenting it was such as would advise the Senate that such measure contemplated the demonetization of silver, or related to anything other than the regulation of the mints, assay offices, and coinage of the United States, and during whatever of debate ensued on the bill, or amendments discussed, not one word was said which disclosed a purpose to prohibit the coinage of a legal-tender silver dollar. The extract referred to reads as follows:

## MINT LAWS.

The PRESIDING OFFICER. The Calendar under the Anthony rule is now in order.

Mr. SHERMAN. I rise for the purpose of moving that the Senate proceed to the consideration of the Mint bill. I will state that this bill will not probably consume any more time than the time consumed in reading it. It passed the Senate two years ago after full debate. It was taken up again in the House during the present Congress, and passed there. It is a matter of vital interest to the Government, and I am informed by officers of the Government it is important it should pass promptly. The amendments reported by the Committee on Finance present the points of difference between the two Houses, and they can go to a committee of conference without having a controversy here in the Senate about them.

Mr. ANTHONY. I hope the Calendar will be laid aside informally, not postponed.

Mr. SHERMAN. Let it be passed over informally until we finish the reading of the Mint bill and dispose of it. The reading is about half through, I am informed by the Secretary.

Mr. CHASE. I shall not oppose this motion, but I wish to give notice that as soon as the Mint bill is disposed of that I shall move to call up the bill (H. R. No. 3310) for the construction of six steam vessels of war, and for other purposes, which was reported from the Committee on Naval Affairs. I hope that bill will be left as the unfinished business this evening.

The PRESIDING OFFICER. The Chair is informed that it is proposed that the Calendar be informally passed over.

Mr. SHERMAN. I am perfectly willing that that should be done.

The PRESIDING OFFICER. That will be regarded as the sense of the Senate if there is no objection, and the bill referred to by the Senator from Ohio is now before the Senate.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. No. 2334) revising and amending the laws relative to the mints, assay offices, and coinage of the United States.

The Chief Clerk resumed and concluded the reading of the bill.

The PRESIDING OFFICER. The Committee on Finance report the bill, with amendments, which will now be read.

Mr. SHERMAN. I send to the clerk some amendments of a formal character from the Committee on Finance, adopted since the amendments first reported were printed. I will ask that they be acted upon with the others in their order.

Whatever knowledge of the scheme may have been possessed by those engineering it, Mr. Speaker, it can not be claimed that the masses of our people had any notice of the true intention of the bill, or that the coinage of the legal-tender dollar was to be interfered with at all. No man connected with that work has ever attempted to give a reason for it. During the present Congress we have witnessed the labored efforts of a distinguished Senator to show that the act was not passed wholly without notice to the Senate; but it yet remains for him, or any of his associates in the work, to assign a reason justifying the act. For any one not bound to apologize for the origin of the law it is easy to discover the motive. It was the desire and purpose to destroy one of the money metals in order to increase the value of the other. A brief reference to history discloses the fact that the device was not a new or untried one, for it had been frequently resorted to by those who owned

HEARD

the money and held the credits of the world in other countries. Nor has the metal demonetized always been silver. Sometimes it has been gold; but always that metal which by its greater abundance, present or prospective, most threatened to resist the oppressive power of the money-owner as against the poor and the indebted.

Up to the year 1819 every civilized nation used both gold and silver equally as money. At that date England, having become a creditor nation, demonetized silver by declaring that all contracts for the payment of money should be discharged in gold only. We will take occasion hereafter to note the effects of that act upon the people of that country. After the discovery of the gold mines of California and Australia the European countries which still retained the use of both metals, becoming alarmed at the sudden increase in gold money, set about the demonetization of that metal. In 1850 Belgium made silver her single standard, and in 1857 her example was followed by the German States and Austria; and to the opposition of France alone was due the fact that the demonetization of gold did not obtain throughout the whole of Europe. But less than twenty years thereafter the great increase in the product of silver completely changed the status of the two metals; and the change which began with the formation of the "Latin Union," in which Belgium, Italy, and Switzerland joined in 1865, was followed in 1873 by Germany and the United States, and later by the Scandinavian States, France, Holland, and Spain, and the mints of all these countries were closed against silver. The result has been fitly described by Hon. ROGER Q. MILLS, when he declared that thus—

The labor of the world was paralyzed in order to raise the price of gold to the small but powerful class who live on incomes.

Thus it will be observed, Mr. Speaker, that it is always the metal that is or promises to become the most useful to the people for money purposes that is singled out by the law-making power as the victim for the time being of demonetization. The effect of such legislation being much the same in all countries, it may not be surprising to us in the light of our own experience, yet interesting to note the result of the original demonetization of silver in England in 1819. The historian of that day informs us that "by reason of the contraction of the currency prices rapidly fell, cotton sinking in three months to half its former value;" that in six months all prices had fallen half, and "showed no signs of improvement for the next three years." By reason of the contraction of the currency the industry of the nation was paralyzed, etc.:

Alarm became universal, confidence and activity ceased, bankruptcy increased in 1819 more than 50 per cent. of the number of the previous year. Meetings were held throughout England in which the people called on the Government to devise some means of redressing the situation. So universal was the distress that the owners of land in England, who in 1819 numbered 160,000, were in seven years, by forced sales and the foreclosures of mortgages on the smaller farms, reduced to 30,000, and one in every seven of the population lived on organized charity.

Mr. Speaker, this is indeed a dark picture of distress, but one which millions of our people will recognize as having been presented to their gaze by the act of 1873. Let us see what was the effect of the same policy applied to Germany. In 1873 that nation joined in the war against silver money, and the effects of such action was immediately reflected in the distress of her people, which is aptly described by Mr. Lavaleye, who seven years later wrote as follows:

At the sitting of the Reichstag, of the 18th June, 1879, the governor of the Imperial Bank, Herr Von Decherd, declared, in reply to a question by ex-Minister

HEARD

Delbrück, that the sale of demonetized silver had already involved a loss of 96,500,000 marks (\$23,100,000), and that for the sale of the remaining 500,000,000 of marks (\$120,000,000) a rather higher loss must be calculated upon. (A mark is worth 24 cents.) It was then that Prince Bismarck interposed and declared that he would no longer bear the responsibility of such an operation. Germany is a considerable producer of silver, and her present production is worth less by \$5,000,000 per annum from the depreciation of silver. Germany owns at least \$400,000,000 of investments, whose interest, payable in silver, now yields \$2,500,000 a year less than if that metal was at par.

#### THE EFFECT UPON THE GERMAN FARMERS.

He thus describes the effect upon the German farmers:

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

The extraordinary emigration from Germany referred to by this distinguished authority, aggregated in the sixteen years, from 1873 to 1889, 1,546,000 persons, nearly 100,000 per annum. People do not emigrate when they are prosperous; and this "hegira" of Germans, as it has been termed, declared the condition of that country.

But, Mr. Speaker, unfortunately for our country, we are not compelled to go abroad for illustrations of the evil effect of this character of legislation. It will not be denied that the demonetization of silver in 1873 has depreciated all values in this country about one-third. The magnitude of that destruction of values can scarcely be conceived, much less accurately stated; but it may not be unprofitable to refer in this connection to the opinions of well informed statesmen and financiers of this, as well as of other countries, on the subject. Senator TELLER says it added more than a thousand millions to the public debt of this country alone, and great as that sum appears, it is but a trifle when compared to the increase of burden added to the private and other debts of the people. While no man can even approximately state the weight of that burden, every debtor and laboring man in this country from 1873 to this day has felt its oppressive effects.

In a recent speech delivered in the United States Senate by Hon. JOHN P. JONES he presents irrefragable proofs that the depreciation of silver caused by its demonetization has been shared by every other species of property except gold alone; or, in other words, that silver has held its ratio of value as compared with every thing except gold and therefore the correct way to state the change of relative values of silver and gold is, not that silver has declined, but that gold has been advanced in value. The effect upon the people of this rise in gold can not perhaps be more forcibly presented than in the illustrations used by Senator JONES, as follows:

If a cotton planter in 1873 owed \$10,000 he could then have paid it with 60,975 pounds of cotton. To-day, by reason of the increased command which gold has over commodities, it would take 101,010 pounds of cotton to pay that \$10,000; notwithstanding that the money in which the debtor has paid the interest has each year become more valuable than it was at the time he contracted to pay it.

The cotton manufacturer of the East who in 1873 owed \$10,000 could then have paid it with 70,422 yards of uncolored cotton cloth, to-day owing to the rise in

**HEARD**



the value of gold it would require 147,059 yards to pay that debt, without taking into account the amount lost by the debtor in the greater sacrifice he had year by year to make to pay the interest.

The farmer of the North and West who in 1873 owed \$10,000 could then have paid it with 8,733 bushels of wheat; to-day it would require 11,446 bushels of wheat to liquidate that debt, though he, too, has year by year been "cinched" through the progressive increase in the value of the money in which the interest has been paid. Or he could, in 1873, have paid his debt with 1,514 barrels of flour; to-day it would take 2,126 barrels of flour to pay the same debt.

Showing the continual decline in prices, and the consequent increasing distress of our agriculturists, I quote the following from one of the leading agricultural journals of the country. Referring to the official crop report this writer says:

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

The wheat crop of 1888 was 415,868,000 bushels, valued at \$385,248,030, while the wheat crop of 1889 was 490,560,000 bushels, valued at only \$349,491,707. It will be seen that the wheat crop of 1889 was greater than that of 1888 by 74,692,000 bushels and sold for less money by \$42,756,223.

The oat crop of 1888 was 701,735,000 bushels, valued at \$195,424,240, and the oat crop for 1889 was 751,575,000 bushels, valued at \$171,791,008, or the oat crop was greater in 1889 than in 1888 by 49,780,000 bushels, and is valued for less by \$23,643,232.

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

As evidence that this condition is recognized and appreciated by financiers and economic writers of accepted ability and character in Europe as well as in this country, I quote from Mr. Frewen, of London, in his late work entitled *The Economic Crisis*, which relates, not peculiarly, to financial causes and effects in the United States, but in the whole civilized world. His incidental allusion, however, to a state of facts which we all know exists in this country, makes his illustration appropriate to this discussion, while his acknowledged ability and fairness as an author on financial and economic subjects gives great weight to his observations. Mr. Frewen says:

It may, indeed, be affirmed, without fear of contradiction, that legislation arranged in the interest of a certain class, first by Lord Liverpool in this country, and again by Sir Robert Peel at the instigation of Mr. Jones Loyd and other wealthy bankers, which was supplemented recently by simultaneous anti-silver legislation in Berlin and Washington at the instance of the great financial houses—this legislation has about doubled the burden of all national debts by an artificial enhancement of the value of money.

The fall of all prices induced by this cause has been on such a scale that while in twenty years the national debt of the United States quoted in dollars has been reduced by nearly two-thirds, yet the value of the remaining one-third, measured in wheat, in bar iron, or bales of cotton, is considerably greater—is a greater demand draft on the labor and industry of the nation than was the whole debt at the time it was contracted. The aggravation of the burdens of taxation induced by this so-called "appreciation of gold," which is no natural appreciation, but has been brought about by class legislation to increase the value of the gold which is in a few hands, requires but to be explained to an enfranchised democracy, which will know how to protect itself against further attempts to contract the currency and to force down prices to the confusion of every existing contract.

Senator JONES, of Nevada, presents some facts and figures to prove what the losses have been, by reason of this shrinkage in value of some of the staple crops of the country. On the cotton crops alone, in those seventeen years, he states upon a computation based on the reports of the Bureau of Statistics in the Treasury and Agricultural Departments, that the loss has been \$1,411,000,000. On the wheat crop, by data

HEARD—2

derived from the same sources, he estimates the loss to have been \$1,700,000,000; or an aggregate on those two crops alone of over \$3,000,000,000. When we apply the same percentage of shrinkage to the other crops and property of the country which have been produced and handled at constantly declining prices during this long and hideous night of financial horror, we can get an approximate realization of the losses sustained by the decline in price of property; but in order to more fully appreciate the greivous burden which that act placed upon the masses we must note its effect on the laborers whom it deprived of work—over two millions in number—who had neither crops to sell nor money with which to buy except as they earned it by daily toil. Quoting further from the distinguished Senator, I present his estimate of the almost immeasurable loss inflicted upon the laboring element of our people. He says:

The census report of 1890 states the number of persons employed in all occupations as 17,392,039, out of a population of 50,135,783, or a percentage of 34.68 of the entire population. Our present population being not less than 65,000,000, if we assume, as we are warranted in doing, that a like proportion of the population is engaged in occupations of all sorts, it is clear that we have to-day a working population of 22,251,000 persons.

Accepting as correct the careful deductions from the reports of the Massachusetts bureau of labor that a number equivalent to 10 per cent. of the people are always out of employment, we find that at the present time there are 2,250,000 persons involuntarily idle in this country. How faintly does the term "the army of the unemployed" describe this vast number of eager and willing men seeking in vain the opportunity to earn a livelihood for themselves and families.

Were the business of the country in the active condition in which it could not avoid being if our money system were perfectly adjusted to industry, and if employers were competing for laborers with the same degree of eagerness that laborers are competing for employment, the average wage of a day for a workman would not be less than \$2. This would make but the moderate sum of \$50 a month for each workman, which, under the most thrifty system of household economy, can not be considered more than enough for the support of an American family.

#### THE WAGE LOSS FROM INVOLUNTARY IDLENESS.

By multiplying the number of persons thus shown to be idle by this moderate average wage we arrive at the amount of \$4,500,000 as the daily sum which is lost to the wage-earners of the United States by the non-employment of labor. This is a money loss of \$27,000,000 a week, \$117,000,000 a month, or the amazing sum of \$1,404,000,000 a year. A saving of this sum for a year and three months would pay our entire national debt. This being the loss in a single year, we can imagine (making due allowance for difference in the numbers of the population) how stupendous has been the loss to the nation during the past seven-teen years, a loss exceeding incomparably all other losses whatsoever.

If a crop of wheat be lost, it is appropriately noted as a public misfortune; if a city be burned down, or swept away by flood, it is properly regarded as a great national calamity, and the sympathies of all the people go out in unstinted measure to the sufferers. But here is a loss as real and as deplorable as any ever caused by flood or fire—a loss whose consequences, while not so apparent, are as destructive to national prosperity as the burning of ten cities, or the occurrence of one hundred and forty Johnstown disasters every year, and always to the people who can least afford it. Yet it passes almost wholly unheeded except by the sufferers.

A war that would take a million of men from industry and deprive the country of the production which would result from their labors would be regarded as a calamity of unsurpassable magnitude, yet a shrinkage in the volume of money relatively to population withdraws much more than that number from productive pursuits, and without the salutary discipline and restraints of military life, subjects them to conditions of which the unavoidable results are poverty and crime.

Imagine, Mr. President, the unhappiness, discontent, and even despair implied in the mere statement that two million men are constantly out of employment (or, what amounts to the same thing, that three times that number are idle for four months in the year). Imagine what it means to the working-people of this country to be deprived of the enormous sum of \$1,400,000,000 a year.

In contemplation of the loss and suffering wrought by the act of 1873,

HEARD

well may the eloquent Senator from Kansas [Mr. INGALLS] denounce it as "the great economic crime of the age," and its paternity and office are properly described by the honored Senator from Nevada [Mr. JONES] when he declares that—

It was the child of ignorance and avarice, and is already the prolific parent of enforced idleness, poverty, and misery.

Such has been the effect, Mr. Speaker, of this legislation of 1873, and why shall we not now correct the great evil by removing the cause that produced it? This we can speedily and effectually do by restoring to silver the rights it had from the foundation of our Government down to 1873.

For four thousand years gold and silver have served side by side, and with equal efficiency, as the money metals of all civilized peoples, save and except when the greed and avarice of those who controlled the making of laws have arbitrarily interfered with that natural arrangement. In the Bible it is written that nearly four thousand years ago Abraham weighed to Ephron the Hittite 400 shekels of silver, "current money with the merchant," and through all the intervening ages from that time down that metal was in use as money and good enough for such purposes till, in 1819, England seemed to have discovered that through all time the whole world had been mistaken, and by law declared that gold should be the only basis for money contracts in that country.

There has never been an hour in the life of this Government when the people did not regard silver as highly as gold, if both were uninterfered with by our own laws, and never until 1873 did the law-makers dare try to discriminate against it. Once having robbed silver of part of its privileges and value, its enemies, in order to continue its legal degradation, said all manner of false things against its good character. When the people discovered that they had been robbed by Congress, and began clamoring for the restitution of their property and the restoration of their money rights, the class at whose prompting the wrong had been done became fruitful in reasons why it should not be undone. Many of the reasons then given have since been exploded by the results of our experience, but some that are still relied on I will briefly consider.

When the act of 1878 for the remonetization of silver was being discussed in the Senate, Senator Wadleigh, of New Hampshire, in opposing it, gave expression to the views of the monometallists in relation to the danger of silver driving out the gold money of the country in the following language:

The passage of this measure will result in driving all the gold from this country and giving us the single standard of silver.

The cheaper metal will drive away the dearer.

Two hundred millions of gold now in the country would, without this pernicious agitation, ere now have crossed the frail barrier of 1½ per cent. which separated it from paper currency, and gone into our circulation to restore hope and confidence, and give strength and vigor to all business operations.

The success of this measure will drive it to other enlightened and commercial nations, and leave to us the debased and bulky money which nearly every progressive nation in Europe has ceased to coin, and which supplies the few and degraded wants of the poor and ignorant millions of Russia, China, India, and Mexico.

Even now there come from all parts of the country complaints of the burdensome accumulations of subsidiary silver coin, which refuses to circulate.

At that time this apprehension had some lodgment in the minds of our people, and the argument was not without force. But, Mr. Speaker, the experience test has completely discredited it. At that time we had about \$65,000,000 of silver coin of all kinds. Now we

HEARD

have \$126,000,000. The subsidiary silver coin about the "burden-some accumulation" of which the people were then said to be "complaining," and which would not circulate, has been augmented in volume until it exceeds \$76,000,000, and no complaints are now heard about its not circulating, notwithstanding there are also in circulation with it over 350,000,000 of legal-tender dollars in coin or certificates all of which is just as good as gold. In the mean time what has happened to our gold coin that was to be driven out of the country? At the date of that prophecy of evil we had gold coin \$167,000,000, and now the Treasury officials state that we have \$689,000,000, or more than four times as much. The \$200,000,000 which was spoken of "has crossed the frail barrier of 1½ per cent." which separated it from paper money, and has gone into circulation, as far as that metal will circulate under the present management of our fiscal affairs, which tends to the locking of it up.

Another war cry of the monometallists in their crusade against silver money is that the standard silver dollar is a "dishonest dollar;" notwithstanding that it contains all the silver, of the requisite fineness, ever required by the law, and that, as compared with the silver coin of other countries, it is 3 per cent. above par. In order to discredit it and exclude it from use it is falsely called a "dishonest dollar," although at the time it was demonetized it was worth a premium of 3 per cent. above gold, and is yet just as good.

Mr. Speaker, it will be remembered that the Bland bill of 1878, as it left the House, provided for the full restoration of silver to all its rights and privileges in the mints of the country, and to its full parity with gold in every respect; but the Senate mutilated it by striking out the provision for free coinage, and substituted the principle that silver could only be coined when owned by the Government, and then in the amount limited therein. When the bill, thus shorn of its greatest strength and virtue, but still relieving to some extent against the absolute inhibition then existing against silver coinage, went to President Hayes for his signature, that official vetoed it, and in the closing of his veto message used the following language:

It is my firm conviction that if the country is to be benefited by a silver coinage, it can be done only by the issue of silver dollars of full value, which will defraud no man. A currency worth less than it purports to be worth will in the end defraud not only creditors, but all who are engaged in legitimate business, and none more surely than those who are dependent on their daily labor for their daily bread.

This was the first official declaration that the lawful silver dollar was a "dishonest" one, and as usual with that class of silver-haters who are so solicitous about the honesty of our money, he based this expression of his solicitude upon his great concern for the business interests of the people, and especially "those who are dependent on their daily labor for their daily bread." We have already had occasion to examine how these classes and interests were affected by the destruction of silver money, and I will only say in this connection that this conduct on the part of that Executive was fitly supplemented at a later day by his veto, at the dictation of the national banks, of the Carlisle refunding bill, which Executive act robbed our people of millions of dollars. I feel that, taken in connection with the reference already made to what has been our experience with this "dishonest dollar" (?), over 350,000,000 of which are to-day in circulation on a parity with gold, I can not better emphasize the emptiness if not absolute dishonesty of

F FARD

said declaration, than by again quoting the last Executive communication on the effect of silver coinage under the Bland law, in which President Harrison says:

The evil anticipations which have accompanied the coinage and the use of the silver dollar have not been realized. As a coin it has not had general use, and the public Treasury has been compelled to store it. But this is manifestly owing to the fact that its paper representative is more convenient. The general acceptance and use of the silver certificate show that silver has not been otherwise discredited.

No, Mr. Speaker, it has not been, and will never be discredited by the people. That is only done by the financial prophets, who, were the old Jewish laws in force in this country, would have long since been "stoned to death" as the penalty for their false prophecies. Notwithstanding the admitted fact that experience has shown that silver has not been depreciated by the increased coinage thereof, the present Executive, after officially announcing that fact, permits himself to become a financial Jeremiah also, and in sad prophetic strain to bewail our prospective condition in case we give further contradiction to what he calls the "evil anticipations which have accompanied the coinage and use of silver," by removing the existing legal discrimination against it, and giving it better opportunity for maintaining an existence which its enemies have been unable to destroy. The President further says:

I think it is clear that if we should make the coinage of silver at the present ratio free, we must expect that the difference in the bullion values of the gold and silver dollars will be taken account of in commercial transactions, and I fear the same result would follow any considerable increase of the present rate of coinage. Such a result would be discreditable to our financial management and disastrous to all business interests. We should not tread the dangerous edge of such a peril. And, indeed, nothing more harmful could happen to the silver interests. Any safe legislation upon this subject must secure the equality of the two coins in their commercial uses.

Thus we have the President declaring the necessity for the establishment of commercial equality of the two kinds of coin, when he has just stated that such equality exists, and yet the bill recommended for our adoption by his Secretary of the Treasury, and to which the President says he has "only been able to give hasty examination," but to which he gives his assent, is designed to prevent the commercial equality of the two metals before the law, by making the one a commodity and the other a money for measuring its value. The President further says:

I have always been an advocate of the use of silver in our currency. We are large producers of that metal and should not discredit it.

Turning from this declaration of his favor of silver for use as money to his commendation of the plan of his Secretary of the Treasury, which is now before us, I think the people who are now clamoring for free coinage of silver will conclude that the latter will be received as the stronger evidence of what he desires, and that his real position on the question is much the same as that of the individual who, on the subject of prohibition declared he was "in favor of the law, but against its enforcement."

Had we not already been assured by the President that silver money had "not been discredited," and that its equality with gold coin was thoroughly established, it might not be amiss to refer to the fact that in spite of the Treasury Department and all the financial influence of the Government silver has obtained and still preserves its perfect inter-

**HEARD**

changeability with gold in this country, and even in the Treasury Department itself. The fact is that since the silver dollar is just as good as the gold one nobody ever wants to exchange it for gold to use in this country. The records of the Treasury Department show, however, that millions of dollars in gold have gone into the Treasury Department in exchange for silver at par.

In 1880, Mr. Sherman, as Secretary of the Treasury, made an order allowing silver and silver certificates in the Treasury Department to be exchanged for gold, and over \$80,000,000 of gold went into the Treasury in such exchanges within a single year, when for some reason the order was suspended. Why was it suspended? Why not let the people have the money, which was just as good and more convenient for their use, in exchange for their gold? But at present, under a rule of the Department, the Treasury exchanges silver and silver certificates for any other kind of money, and as is shown by the books of the Department exchanges of that kind aggregating more than \$52,000,000 were made in the three years of 1887, 1888, and 1889. Of the money thus exchanged for silver and silver certificates, about \$22,000,000 was of gold coin and gold certificates. And yet we are told that this silver dollar, for which all these millions of gold is being voluntarily exchanged, is a "dishonest dollar," and that its use imperils the business interests of the country.

It may not be inappropriate to ask in this connection, since the successive administrations from Hayes to Harrison, have been so much afraid that this "dishonest" money would, in the language of President Hayes, "defraud all business men, and none more surely than those who are dependent on their daily labor for their daily bread," why it is that it has been continually paid out by the Government to these classes of the people, while the bondholder was paid in gold? A little more solicitude of that character manifested in action, and less of it in cheap professions, would entitle it to more respect from the public. Since our experience under the operation of the act of 1878, providing for increased coinage, and our actual possession of over \$426,000,000 of silver money, and at the same time quadrupling our stock of gold, has destroyed the two arguments that silver would not circulate, and that if it did, it would drive out gold; the "scare-crow" of a changed "balance of trade" is made to do duty in their stead. The opponents of free coinage say that "It is the credit of the Government that floats the silver dollar, as it does the greenback," and that this keeps it at par in this country; but say they, "Should the balance of trade turn against us, our gold will leave us and silver alone will remain," etc.

Mr. Speaker, nobody of intelligence contends that with the balance of trade against us we would not have to ship money of some kind, and the kind would depend on what country the balance was in favor of. If it were a country where silver was the preferred money then it would naturally be silver that would go out, while it would be gold if going to a country having the gold standard. But, Mr. Speaker, suppose that it would in every case be gold, would it not have to go until the balance was settled regardless of whether or not we had silver? If we have in such contingency to ship any considerable proportion of gold it would be all the more necessary that we should have silver to make the money exchanges of the country. But, Mr. Speaker, regardless of the suggestion of the unfortunate contingency by the Secretary of the Treasury, as a reason why our silver coinage should not be increased, I do not think that any serious alarm will be felt on this account by

HEARD

any one who will take the trouble to examine the statistics relating to our trade balances in the past.

It is true that on account of the injurious effect of our high tariff, in provoking retaliatory laws against the free exchange of our products, added to the advantage which England derives from the cheapness of our silver bullion, which she buys and sends to India in exchange for wheat that we formerly supplied, our exports of cereals has fallen off immensely; yet the fact still obtains that with the exception of two years out of the last sixteen, the balance has always been in our favor. The aggregate of balances in our favor from 1876 to 1888 amounted to more than \$1,000,000,000, while the only two years in which it was against us were 1888, to the amount of \$28,000,000, and 1889 for \$2,000,000, or a general balance in our favor on the thirteen years, of \$970,000,000. While there was a balance of \$2,000,000 against us last year, our largely increased exports of grain during the present year, renders it certain that the balance will again be in our favor at its close.

In connection with this point, Mr. Speaker, I wish to direct attention to the fact that while in 1830 we exported 190,000,000 bushels of wheat, in 1839 we only exported 41,000,000 bushels. In 1830 we exported 53,000,000 bushels of corn, and in 1839 only 32,000,000 bushels. On account of the high tariff imposed by our Government on the products of other nations, which exchanged with us for our grain, meat, cotton, and other products—mostly agricultural—those nations have retaliated, and in some cases most severely, on our products, and in the most of the ports on the continent of Europe we are to-day paying import duties on our products (which is the same in effect as an export tax here) in amount which would be quite sufficient to pay to our producer a fair profit, if they could save it, on products which are in many cases selling at a loss.

Again, referring to the serious disadvantage at which the demonetization of silver and the consequent cheapening of its value as bullion has placed our agriculturists, I would call attention to the fact stated by economists and denied by no one, that England gets that part of her wheat which comes from India at 30 per cent. less than she could get it before silver was demonetized, because she buys silver bullion in this country at 30 per cent. discount for gold and ships it to India, where it is coined into rupees, which have the same purchasing power that they possessed before silver was outlawed in Europe or America. It is this terrible competition with India, produced by the conditions described, that has prostrated the wheat-growers of this country. Thus it will be seen that the injurious effect of the high tariff, which has materially limited the foreign demand for our grain by cutting off profitable exchange with the countries which formerly furnished us with markets, has been greatly aggravated by the cheapening to our principal customer the product of our mines, so that she uses it in India for the destruction of our greatest agricultural industry.

Passing from the question of trade balances, which need not alarm us, with the remark that however much they may change against us, the possession of silver can not impair our ability to pay our debts, I wish now to notice the old objection to increased coinage, that "silver will drive out gold," and that "if we open our mints to free coinage we will be flooded with the silver of other countries, and all our gold will leave us." There is no amount of argument that a wise man will accept in contradiction of a well established experience.

**HEARD**

When the objection now being considered was first made, in 1878, as an argument against the passage of the Bland law, it had more effect upon our people than it now has, because since that time the experience of this country with the two metals as money has completely discredited its truth. It may be well, however, to present some facts which tend to show that our favorable experience in establishing the equality of silver and gold in our circulation, and holding and continually increasing both, is not in any sense accidental, but that it results from the operation of certain fixed and well-known laws, which under like conditions must always give like results. If we are to be flooded with silver, where is the flood to come from? All the coined silver in the world is estimated at \$3,337,000,000, and with the exception of \$93,000,000 which is held by Japan and Mexico, not one dollar of it could come here without an absolute loss to the sender, of 3 per cent. I can not in any other way so succinctly or forcibly present the facts to support this statement as by quoting from the article of Hon. ROGER Q. MILLS, published in the North American Review for May, 1890, which upon this point states:

The coined silver of the world, outside the United States, is of the value in our money of \$2,337,000,000, of which amount Mexico has \$18,000,000; Japan, \$19,000,000; Belgium, \$18,000,000; Italy, \$20,000,000; Switzerland, \$14,000,000; Austria-Hungary, \$75,000,000; Spain, \$3,000,000; France, \$646,000,000, and India, \$1,352,000,000. This is the supply with which we are threatened if we open our mints to unlimited coinage. This large stock of silver, when it passes the boundary of its own country, ceases to be money and becomes a commodity. It ceases to carry with it the value given to it by law, and only retains the value given to it by commerce. It is worth to-day 72 cents in the dollar in the open markets of the world, while it is worth at home more than 100 cents to the dollar. The 371½ grains of fine silver which are required to coin our standard dollar, and into which the imported silver would be coined, are worth here 23.22 grains of fine gold, which is our gold dollar. That is equal to 15.93 grains of silver to 1 grain of gold.

Now, France has 3,250,000,000 francs in silver, which is worth within her jurisdiction \$646,625,000 in gold, at her ratio of 15.50 to 1. If that were sent here and coined at our mints at our ratio of 15.93 to 1 it would be worth \$637,250,000, which would be at a loss to her of more than \$19,000,000. And if our Government should buy it at the market price for silver, 72 cents in the dollar, France would realize \$178,820,000 for her stock worth at home \$646,625,000! She would lose, by "flooding" us with her "cheap" silver, \$167,000,000. Belgium, Italy, Switzerland, and Spain, which coin at the same ratio, would sustain a corresponding loss on their silver. India, which coins at 15 to 1, has a stock of silver worth at home \$1,352,000,000, and worth at our ratio \$1,269,000,000. If she should attempt to flood us with her silver it would be at a loss to her of \$83,000,000. If we should buy her silver at the market price in gold to-day it would be at a loss to her of \$350,000,000. It is evident from this plain statement that no country whose silver is coined at a ratio higher than 15.93 can export it to us. Japan coins at 16.18 and Mexico at 16.50. They have together a stock of silver amounting to \$98,000,000, which would be worth in our coin \$100,000,000. It is possible that they would get that amount of our gold for their silver. But it is beyond the region of possibility that the coined silver of other countries would come to the United States.

By the above statement it will be seen that the silver of Mexico and Japan is the only stock which could come to this country without loss, and neither of those countries can spare any of their supply, every dollar being needed by them respectively for the business exchanges of their people. But suppose it should all come here to be exchanged for gold, what would be the result? Simply that there would be \$93,000,000 more of silver in the country and that much less of gold, and so far from its affecting injuriously our business or prosperity, nobody but the statistician would ever know of the change. If, then, no country having silver coin can afford to send any of it here, the flood so much talked of must come from the mines.

HEARD



Let us see what we may expect from that source. The annual yield of silver during the last fifteen years has been about \$100,000,000, but for the last year it reached \$142,000,000. While we have no reason to assume that the annual product in the future will attain the last-named amount, still suppose it does, how will it probably affect this country? India claims annually for her uses \$45,000,000, and never exports a dollar. She is properly called "the silver sink of the world." It matters not how much she gets from other countries it is absorbed by her people, and she gives none back to the world. Add to this \$45,000,000 the \$46,000,000 which is the estimated amount consumed in the arts and manufactures, and there would be left about \$50,000,000 for coinage purposes of the whole world. Should that amount be distributed to all the different countries according to their increasing necessities by reason of the natural increase of population and business, the proportion falling to the United States would be quite trifling and far from being a cause for alarm.

It is admitted on all sides that in order to prevent undue contraction of the currency of any country the increase in the volume of money should keep pace with the increase of population. The soundness of that rule admits of no question and its application is universal. Then, in this country, according to the estimate of competent financiers based upon our statistics, about \$40,000,000 annual increase in the volume of our currency will be required to keep pace with the growth of our population, which is estimated at 3 per cent. annually. In India, where half the entire silver coinage of the world is found, the ratio between silver and gold is 15 to 1, and in all other countries outside of the United States (excepting only Japan and Mexico) the ratio is 15½ to 1. In this country it is 16 to 1. Hence it will be observed that since all of said countries pay more for their silver than it is worth here it is only fair to assume that they will continue to get their fair proportion of the products of the mines and that we will not get it all. But admitting for the sake of argument that we would get the entire surplus of \$50,000,000, it would add to our money circulation only 80 cents per capita annually, or less than 7 cents each per month. We are now coining \$28,000,000, and the increase of \$22,000,000 annually, if continued indefinitely, would not more than fairly provide for the increased demand by reason of the growth in our population and business.

Mr. Speaker, if we compare our country with France as to the per capita supply of money in circulation among the people we will find that France has \$57.56 to our \$22.36. With one-fifteenth more paper money per capita and over five times as much of gold as we she has ten times as much silver. That country is admitted to be the most prosperous of all great commercial nations, and it is because she has more than double as much money per capita for her people than any of her rivals. This country produces about \$59,000,000 of silver annually, about \$8,000,000 of which is needed for the arts and manufactures, leaving about \$51,000,000 for coinage or export. That is about the entire surplus of silver in the whole world, and if we were to coin every dollar of it it would require many years for us to get a per capita circulation equal to that of France. Yet France has no silver to spare. The fact is stated by Mr. St. John, upon what he claims is reliable authority, that in December or January last France refused an offer of gold at par for about \$59,000,000 of her silver coin. As before stated, that coin is intrinsically worth 3 per cent. less than ours, as is all the European silver coin,

**HEARD**

and therefore I think we may safely conclude that what France would not sell at home for par she would not transport to this country at her own expense and sell at 3 per cent. less.

If any further assurance is needed that our country is not to be flooded with silver to any damaging extent, I now quote from the present Secretary of the Treasury in a recent communication on this subject. He says:

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

The Secretary continues in his report:

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

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

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

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

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

In this statement the Secretary has argued the whole case, and few, I think, will dissent from his conclusion that there being no stock of accumulated bullion in the world, and the silver now being used as money by the various nations being worth more to them to keep than to sell, we need not fear any inundation of money of that class. In the light of past history, of present known facts, and of our own recent experience with silver coinage, I can not see how it can longer be contended that any danger to our interests lurks in the proposition to restore silver to an equality with gold in our mints. The product of that coinage will be in the future, as it was prior to 1873, perfectly safe and convenient. Having the double standard of values, we would be guarded against sudden revulsions in business caused by the withdrawal of one or the other from use. Instead of the possession of both kinds of money reversing the established laws of finance as applied to this country, and accomplishing the driving out of one kind by the use of the other, our experience since 1873 demonstrates that they will mutually attract each other and serve harmoniously side by side in the circulation of the country. We will thus utilize the products of our mines not exclusively in the interest of the miner, but to the benefit and use of every industry and of every citizen of the Republic.

By increasing the supply of money for the commerce of the people, we will infuse new life into all kinds of business, and while the rich would prosper by the general improvement of trade, the life of the poor man would be lightened with the ray of hope, and the debtor would see the possibility of escape from bondage under the improved

HEARD

system, which will check falling prices, give increased demand, with improved prices, for the product of his labor, and render it possible for him to meet the obligations which for years have enslaved him.

Should not the results I have anticipated be secured, if possible, for a people that for seventeen years have felt their burdens growing heavier until now their hearts are well-nigh filled with despair? Yes, they need this relief, and in language too plain to admit of misconstruction they have appealed to their representatives to give it. For what have they asked? Not that you give them some strange and experimental legislation, some untried expedient of so-called financiers, which they have not considered and do not understand? No! They simply ask to be restored to the standing which the fathers of the Republic gave them, and which they enjoyed in security, prosperity, and contentment until the greed of the money-lenders overcame the patriotism of the people's representatives.

Why does Congress hesitate in making that restitution to the people? Let the party in power here, and which is doubly charged with this duty, make answer. I say that the Republican party is doubly charged with this duty, because that party enacted the law which took from the people that for the restoration of which they now appeal. This should not now be a political question, for it equally affects people of all political parties; but that it is being made such increases the responsibility of that party which above all others is now charged with the duty of undoing the wrong for which it, and it alone, is responsible. Unfortunately for the country the question has been given a political character here in order not to enable the party in control to more easily and more fully do what the people demand; but, on the contrary, the caucus has been used and the party lash applied to prevent those members of that organization who know and desire to do what their constituents want and what the country needs from cooperating with a large majority of the Democrats on this floor in the correcting of the flagrant wrong of 1873.

Mr. Speaker, while the Republican party contains many members, and some Representatives here, who want silver restored to its old place and usefulness as money, unfortunately the majority of those who control its action now, as always in the past, has sympathized with those who had the money; and applying in their practices in legislation, in a perverted way, that text of Scripture which declares that "to him that hath shall it be given," they have neglected the interests of those who more helpless condition called for the greater protection and steadily pursued that course in legislating which has resulted in making the rich richer, and the poor poorer.

The demonetizing act of 1873 was not the initial step in such law-making, for in 1869 this party, by means of the act improperly entitled "An act to strengthen the public credit," converted the debt of the country, then payable in lawful money, into a debt payable—principal and interest—in gold, thus without a shadow of justification, and solely and exclusively for the benefit of the bondholders, putting a burden on the people of nearly \$500,000,000. As all the world knows, that act was accomplished by a fraudulent pretense, that of strengthening a "public credit" which was daily and hourly improving, and when such an improvement had already been brought about by natural causes, that bonds of the Government had risen over 50 per cent. above the prices originally paid for them in greenbacks.

As to this and the subsequent acts of July 14, 1870, fixing the weight

**HEARD**

and fineness of the coin required to pay off this debt, contracted to be paid in any lawful money, as well as of the final act of this legislative crusade against the people—the act of 1873—I will quote from high Republican authority, Hon. JOHN P. JONES, of Nevada. In a speech delivered upon the silver question in the Senate on May 13, last, he uses the following pertinent language descriptive of that series of acts which had its completion in the act of 1873. He says:

At the time silver was demonetized it might well have been supposed that a sufficiently large unearned increment had already been realized by the foreign and domestic holders of the United States bonds. The greater portion of the debt of the Government was, when incurred, made payable simply in "lawful money"—the interest alone being payable in coin. Yet in March, 1869, the bondholders secured the passage of an act of Congress, entitled "An act to strengthen the public credit," containing a pledge to pay in coin or its equivalent, not merely the interest, but the principal of all national obligations not specially provided to be paid otherwise.

#### THE COURSE OF THE CREDITORS.

And again, when in 1870 Congress was about to provide for a refunding of the public debt, these clamorous creditors, not satisfied with having got the bonds at rates much below their face value, and not satisfied with the pledge to pay in coin—a pledge made long after the contract was made and the debt incurred—insisted that not only should the new bonds be payable in coin, but in order to guard against any possible interpretation which might work to their detriment, they did what has rarely been done in the history of monetary legislation, insisted that even the very standard of that coin should be fixed and nominated in the bond. They were willing to take no chances. They were not willing to place confidence in the sense of equity and fair dealing of the people of the United States. They held before Congress the covert threat that if the new issue of bonds did not provide for payment in "coin" instead of "lawful money," and did not prescribe the precise standard of coin in which they were to be payable, it would be difficult, if not impossible, to place the bonds on the market.

So, by the refunding act of July 14, 1870, Congress provided for the payment in "coin of the present standard value," that is to say, in either gold dollars of 23.8 grains of gold, nine-tenths fine, or in silver dollars of 412½ grains of silver, nine-tenths fine, at the option of the United States. But even this extreme advantage to the creditors over payment in "lawful money" of the United States, in which the bonds were bought, and in which they were legally payable, was insufficient. All but the most ingenious would imagine that having thus provided for payment in coin then bearing a considerable premium over the current money of the Republic, and having the very standard of that coin fixed in the act, the highest point of vantage had been reached. One device, however, and only one, remained by which the money of the payment could be still further increased in value, and this device did not escape the watchful eye or cunning hand of the public creditors.

They clearly saw that if by legislative enactment they could secure the rejection of one of the money-metals they would succeed in enormously increasing the value of the metal retained. This they accomplished by the demonetization of silver, and thus by striking down one-half the automatic money of the world and devolving the money function exclusively on the other half, added thousands of millions of dollars to the burden of the debt. The title of the act should have read, "An act to strengthen the bank account and credit of the holders of United States bonds."

And, again, in 1873, when all the bonds provided for by the refunding act of 1870 had been sold and had passed out of the hands of the Government, another act was passed, intended by the money-lenders again to strengthen the public credit, and again to the disadvantage of the people and to the exclusive and enormous advantage of the bondholders. It bore the innocent title of "An act revising and amending the laws relative to the mints, assay offices, and coinage of the United States." This act, bearing on its face no suggestion of any change more serious than that of regulating the petty details of mint management, has proved to be an act of momentous consequence to the people of this country. This is the act that demonetized the silver dollar, which it did by merely omitting that coin from the enumeration of the coins of the United States.

The author of this criticism is himself a Republican in unquestioned standing in his party, hence he can not be suspected of bias against that political organization. Driven by the increasing clamor of a peo-

HEAD

ple who, having discovered the nature and extent of their wrongs, demand in no uncertain terms the restoration of their rights, the Republican party has publicly professed an intention of being just to the people on this subject, and in their party platform at Chicago in 1888 the following plank was inserted:

We, the Republican party, believe in the use of gold and silver as money; and we denounce the present Democratic Administration for its hostility to silver, etc.

Was this another false pretense? Let their conduct here now answer the question. This declaration, if intended to mean anything, meant that that party favored the use of silver and gold equally—else what was it that they condemned in the action of the Democratic party? That party was then using both metals as money, and in exactly the same way that Republicans had used it before, and as they are using it now. But while the Democratic Secretary of the Treasury recommended, unwisely, that the coinage of the standard silver dollar should cease, an overwhelming majority of his party, and of their Representatives on this floor, refused to consent to it; and the latter voted for a bill providing for free coinage during that administration, which was defeated mainly by Republican votes, the affirmative vote being 96 Democrats to 30 Republicans.

But, Mr. Speaker, that Democratic administration, whose want of friendship to silver "as money" called for the denunciation of the Republican convention, never proposed to store away silver bullion in the Treasury as pig-lead in a warehouse, and thus make the Treasury a pawnshop, where tickets, in the form of Treasury notes, would be issued, which in due season might be taken up by the return of the article deposited; nor did it propose by statute law to declare the line of difference between the coinage and bullion of this metal, which, under a correct interpretation of the Federal Constitution and the fair administration of just laws, should hold its money quality and value equally with gold.

It is for a bill that will give us free coinage that we desire to vote to-day, and we will not under any condition vote for this one which proposes to repeal the only law which authorizes coinage at all. I introduced one of the many bills for free coinage which have been sent during the present session of Congress to the committee reporting this bill; but going away from what the people were thus asking for, the committee bring here what they have not asked for and do not desire, and I hope that it may be defeated, and thus meet the fate which I think it richly deserves at the hands of true representatives of the people.

HEARD

