

SILVER COINAGE.

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SPEECH

OF

HON. WILLIAM A. PEFFER,

OF KANSAS,

IN THE

SENATE OF THE UNITED STATES,

Thursday, May 12, 1892.

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WASHINGTON.

1892.



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OF  
HON. WILLIAM A. PEFFER.

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The Senate having under consideration the message of the President of the United States, in response to a Senate resolution of April 23, 1892, relative to a proposed international conference on the subject of silver coinage—

Mr. PEFFER said:

Mr. PRESIDENT: To every generation of men is given one part or phase of some great problem to solve. Our immediate predecessors had to deal with the black man's bondage in this country. With the abolition of slavery came still graver matters. We are charged with securing industrial freedom, so that men may not only own and control their muscles, but that they shall get what they earn and themselves enjoy the profits.

The thralldom of labor results from an imperfect distribution of wealth which labor produces. Industrial liberty will follow a system of exchanging whereby the products of labor shall have the quickest, safest, cheapest, and most general diffusion among the people who need them.

Commerce is the greatest of all civilizing agencies, and is itself distribution. It is but the interchanging and exchanging of articles produced by tillage and by mechanism. The original source of all production is the earth. For the carrying on of commerce distributing agencies are essential; and of these, two classes of vehicles are necessary, one class including machines and contrivances to transport articles of property, as drays, carts, wagons, cars, and ships; the other class including devices and tokens to convey values of property, as dollars, dimes, and cents.

Hence we have four great factors in the problem before us, namely: (1) Land, (2) labor, (3) transportation, (4) money. Elements and forces involved in these four factors cover the whole field of human exertion. All things involved in the study of any science, art, or system relating to human activity and pertaining to human progress, cluster about these fundamental ideas; and they are so closely related to one another and are so essentially connected that to discuss the last opens the way to a consideration of all the rest.

It is for these reasons, Mr. President, that the farmers and wage-earners have determined to make common cause and put the whole matter at issue before the country on the single factor—money. A proper consideration of this will bring to view all our grievances; a reasonable adjustment of what is involved in it will bring to us everything that we demand. Fortunately the situation is much simplified through favor of those who oppose us. They have tendered us the use of a key by which we shall solve our problem—a key made of silver.

The matter involved in the pending discussion may properly be considered in two aspects: First, in its relation to political parties; and, second, in its relation to the public interests. In either view the matter assumes supreme importance; for, as was well stated by the distinguished Senator from Ohio in a report to this body in 1867, financial legislation affects the property and touches the hearts and the homes of all the people.

Next to the existence of the Government itself, and the security of personal rights, come the protection of property, the preservation of the public credit, the adjustment of taxes, and the regulation of the currency. Nearly all the legislation of peace is the legislation of finance. The action of Congress on these subjects affects the value of all property in the United States; the reward of labor; the income of the rich; the wages of the poor; the pension of the widow; the enterprise and industry of all classes of our people, and thus touches the home and the heart of every person in the United States.—*Senate Reports*, Fortieth Congress, second session, page 1. [Ordered printed December 17, 1867.]

Never before in our history have the people taken so much interest in the general subject of money as they have done within the few years last past, and never was that interest so generally manifest as it is at this time. This is true more especially with respect to the use of silver as one of our money metals, and it comes because under the operation of laws enacted in recent years and under the late practice of our Government the coinage of silver has been discouraged.

The people had been taught that our monetary standard was bimetallic, consisting of gold and silver coined freely on equal terms at our mints. The two metals had always been together in our laws and the people had not been able to see why one of them should be discarded. If either had to be demonetized the average man was unable to understand why the choice should fall upon the cheaper metal and the one which we produce in greater abundance. The matter assumed special importance by reason of a widespread and general business depression, affecting agriculture, manufactures, merchandising, and all departments of industry more or less.

This condition of things the people attributed largely to what they regarded as a scarcity of money, and they could not understand why at such a time one of our metals should be dropped out of use and to that extent reduce our stock of money. They began to consult their lawmakers and petition Congress on the subject. They asked that silver be restored to its old place by the side of gold.

It will be interesting as well as instructive at this point to refer briefly to the early history of our monetary system.

#### HISTORY OF OUR MONETARY SYSTEM.

As early as 1782 the Continental Congress instituted an investigation into the condition of the coins of the country. At that time every one of the separate States had its own particular coins and values. The money of account was written in pounds, shillings, and pence, the British style of counting, though the Spanish dollar was generally current. Mr. Robert Morris made an elaborate report to Congress on the subject, but nothing further was done about it until two years afterwards, when the matter was taken up and referred to a committee of which Thomas Jefferson was a member. Mr. Jefferson was not satisfied with the report of the financier, Mr. Morris, because, he said, while the principle was sound and was ingenious, yet the unit which he proposed was too minute for ordinary use, too la-

borious for computation either by the head or by figures. As Mr. Jefferson put it, "The price of a loaf of bread would be one-twentieth of a dollar, or 72 units, and a pound of butter would be one-fifth of a dollar, or 288 units."

Some written correspondence passed between Messrs. Morris and Jefferson on the subject, and finally Mr. Jefferson wrote out his views in what he called "Notes on the Establishment of a Mint." They were submitted to members of the Continental Congress, and finally reported to that body, and were in the end adopted as the rule of our coinage. The notes of Mr. Jefferson, to which reference is made here, may be found on page 162 of volume 1 of his works.

In fixing the unit of money Mr. Jefferson laid down three rules: First, that it be of convenient size to be applied as a measure to the common money transactions of life; second, that its parts and multiples be in an easy proportion to each other so as to facilitate the money arithmetic; and, third, that the unit and its parts or divisions be so nearly of the value of some of the known coins as that they may be of easy adoption for the people; and, he added, "the Spanish dollar seems to fulfill all these conditions."

Mr. Jefferson gave the following as his reasons for selecting the dollar for the unit:

The unit or dollar is a known coin and the most familiar of all to the minds of the people. It is already adopted from South to North, has identified our currency, and therefore happily offers itself as a unit already introduced. Our public debt, our requisitions and their appointments, has given it actual and long position of the place of the unit. The course of our commerce, too, will bring us more of this than of any other foreign coin, and therefore renders it more worthy of attention. I know of no unit which can be proposed in competition with the dollar but the pound. But what is the pound? One thousand five hundred and forty-seven grains of fine silver in Georgia, 1,239 grains in Virginia, Connecticut, Rhode Island, Massachusetts, and New Hampshire, 1,031½ grains in Maryland, Delaware, Pennsylvania, and New Jersey, 966½ grains in North Carolina and New York. Which of these shall we adopt? To which State is that preëminence of which all are so jealous, and on which impose the difficulties of a new estimate on their corn, their cattle, and other commodities? Or shall we hang the pound sterling as a common badge upon all their necks? This contains 1,718½ grains of pure silver. It is difficult to familiarize a new coin to the people. It is more difficult to familiarize them to a new coin with a new name. Happily the dollar is familiar to them all, and is already as much referred to as a measure of value as their respective provincial pound.

On the 15th day of April, 1790, the House of Representatives passed a resolution asking the then Secretary of the Treasury, Alexander Hamilton, to prepare a report concerning the establishment of a mint and the coinage of money, and in response to that resolution the Secretary prepared a report and presented it to the House on the 28th day of January, 1791. He sets out by saying that a plan for an establishment of this nature, that is to say, a mint, involves a great variety of considerations, intricate, nice, and important. The general state of debtor and creditor, all the relations and consequences of price, the essential interests of trade and industry, the value of all property, the whole income of both the state and individuals, are liable to be extensively influenced, beneficially or otherwise, by the judicious or injudicious regulation of this interesting institution.

After discussing the importance of the subject and the interests involved he divides the subject into six different heads, the first two of which are these: First, what ought to be the nature of the money unit of the United States; and second, what the

proportion between gold and silver, if coins of both metals are to be established.

As to the first of these two divisions, the Secretary, after an elaborate discussion, came to the conclusion that the dollar ought to be established and maintained as the money unit for the currency of the United States, and he used the word "national," as a "national" coin; and he was of opinion that the dollar then generally current, namely, the Spanish milled dollar, ought to be used as the money unit, and it was made of silver. So we have the opinion of Secretary Hamilton that the unit of value for the United States ought to be a silver dollar—a national coin.

As to the second proposition, whether the standard of money ought to be a single one or a double one, the Secretary was of opinion that we ought to establish and maintain the double standard, namely, gold and silver. He was aware, and called attention to the fact, that in the discussion of the subject by public men generally, our American statesmen largely leaned to the opinion that the standard ought to be single, and that silver. But the Secretary came to the conclusion that the double standard was better, and among the reasons he assigned the following:

But, upon the whole, it seems to be the most advisable, as has been observed, not to attach the unit exclusively to either of the metals, because this can not be done effectually without destroying the office and character of one of them as money, and reducing it to the situation of mere merchandise, which, accordingly, at different times, has been proposed from different and very respectable quarters; but which would probably be a greater evil than occasional variations in the unit from the fluctuations in the relative value of the metals, especially if care be taken to regulate the proportion between them, with an eye to their average commercial value. To annul the use of either of the metals as money, is to abridge the quantity of circulating medium and is liable to all of the objections which arise by a comparison of the benefits of a full, with the evils of a scanty, circulation.

After discussing at some length the probable results of a single standard, the Secretary concluded that the chief if not the sole effect of such a regulation would be to diminish the utility of one of the metals. He then proceeded to discuss the proportion in which the metals ought to be used; that is to say, what amount of silver in pounds or in ounces of weight should be equal to 1 pound or 1 ounce of gold by weight, and he came to the same conclusion that Sir Isaac Newton had arrived at in his report to the treasury of Great Britain in 1717, the proportion of about 1 to 15. One unit of weight in gold to 15 of the same units of weight in silver; and such, in fact, was the proportion established in our coinage law the next year.

This report of Mr. Hamilton was by him submitted to Thomas Jefferson, who was then Secretary of State, for his inspection and consideration. After a very careful review and study of Mr. Hamilton's report, Mr. Jefferson made a few suggestions which were in the main accepted by Mr. Hamilton, and the report as it was finally presented to Congress was a substantial agreement between Mr. Hamilton and Mr. Jefferson. If there was any difference between them in respect to the subject it was upon the matter of a single or a double standard. Mr. Jefferson inclined to the single standard and that silver, while Mr. Hamilton preferred the double standard, that of silver and gold. The report of Mr. Hamilton is found in volume 3 of his works, beginning at page 149.

Having adopted the silver dollar as the unit, then Mr. Jeffer-

son suggested that we ought to have at least four coins. One a golden piece equal in value to \$10; second, the unit or dollar itself, of silver; third, the tenth of a dollar, of silver also; and, fourth, the hundredth part of a dollar, this to be made of copper. And he suggested that perhaps it would not be amiss to coin three more pieces of silver, one of the value of half a dollar, the other 20 cents, and the other 5 cents. He concludes his notes in these words:

My proposition, then, is that our notation of money shall be decimal, descending at the liberty of the person noting; that the unit of this notation shall be a dollar; that coins shall be accommodated to it from \$10 to the hundredth of a dollar.

As to the weight of a dollar, it was finally agreed that it should be 371½ grains of pure silver, with some alloy of copper. This was incorporated in the first coinage law, passed April 2, 1792. Mr. Jefferson's suggestions throughout were adopted.

Having provided the details for establishing a mint, section 9 of the act provides as follows:

SEC. 9. *And be it further enacted*, That there shall be from time to time, struck and coined at the said mint, coins of gold, silver, and copper, of the following denominations, values, and descriptions, namely: Eagles—each to be of the value of ten dollars or units, and to contain two hundred and forty-seven grains and four-eighths of a grain of pure, or two hundred and seventy grains of standard gold. Half eagles—each to be of the value of \$5, and to contain one hundred and twenty-three grains and six-eighths of a grain of pure, or one hundred and thirty-five grains of standard gold. Quarter eagles—each to be of the value of two dollars and a half dollar, and to contain sixty-one grains and seven-eighths of a grain of pure, or sixty-seven grains and four-eighths of a grain of standard gold. Dollars or units—each to be of the value of a Spanish milled dollar as the same is now current, and to contain three hundred and seventy-one grains and four-sixteenth parts of a grain of pure, or four hundred and sixteen grains of standard silver. Half dollars—each to be of half the value of the dollar or unit, and to contain one hundred and eighty-five grains and ten-sixteenth parts of a grain, or two hundred and eight grains of standard silver. Quarter dollars—each to be of one-fourth the value of a dollar or unit, and to contain ninety-two grains and thirteen-sixteenth parts of a grain of pure, or one hundred and four grains of standard silver. Dimes—each to be of the value of one-tenth of a dollar or unit, and to contain thirty-seven grains and two-sixteenth parts of a grain of pure, or forty-one grains and three-fifth parts of a grain of standard silver. Half dimes—each to be of the value of one-twentieth of a dollar, and to contain eighteen grains and nine-sixteenth parts of a grain of pure, or twenty grains and four-fifth parts of a grain of standard silver. Cents—each to be of the value of the one-hundredth part of a dollar, and to contain eleven pennyweights of copper. Half cents—each to be of the value of half a cent, and to contain five pennyweights and a half a pennyweight of copper.

Thomas Jefferson may be justly regarded as the author of our monetary system. If he was not the author of the first coinage law, his views, at least, are embodied in it. He originated the decimal system of coinage—that it should go by tens; he suggested and advocated the adoption of a similar system as to weights and measures, and made an elaborate report upon the subject in connection with his report on coinage.

The Constitution, in prohibiting the States from coining money, contains a provision that no State shall make anything except gold and silver coin a legal tender in payment of debts. All of our public men when referring to our standard of money invariably used the words "gold and silver." Thomas H. Benton in his *Thirty Years* in Congress refers to this matter repeatedly, using the words "gold and silver" as if they meant one and the same thing, using them in the singular number. And that was the rule before 1873.

Among the mistakes which have been committed by leaders of the great political parties during the last thirty years, none

has been so menacing to party integrity and so full of danger to present political methods as their recent ignoring the popular demand for the free and unlimited coinage of silver on an equality with gold. The demand was practically unanimous. It came up from the rural classes in all parts of the country, and from merchants, mechanics, and wage workers in towns and cities of the West and South. Both of the great parties in national, State, district, and county conventions have declared in favor of silver and gold, equally and alike, as the standard and base of our money. That has been the doctrine of Democrats from the time of their party's birth to the present, and in this they but followed the teachings of their great leader and the author of our monetary system. As far back as 1836 Democrats, as a party, declared that "Gold and silver is the only safe and constitutional currency." In 1880, in their national platform, they declared in favor of "Honest money, consisting of gold and silver, and paper convertible into coin on demand." This declaration was repeated in their national platform in 1884. Democrats in twenty-three of the States which held State conventions in 1890 declared, in one form or another, in favor of free coinage of silver. Here is what they said:

#### PARTY PLATFORMS.

*Arkansas.*—We denounce as iniquitous the silver bill as passed by the present Republican House of Representatives, as an attempt to demoralize silver and to build up the fortunes of the favored few, and we favor the free and unrestricted coinage of silver, and an increased volume of currency, restricted alone to the necessary demands of the country, which shall be a legal tender for all debts, public and private. We believe the power to issue and control the volume of currency belongs alone to the Government and that this power should not be delegated to or controlled by any other authority.

*California.*—We favor the free coinage of silver, and demand that it be made an unlimited legal tender for all purposes, public and private.

*Colorado.*—We condemn the present Administration for reckless and unnecessary waste of public treasure, by means of which the surplus fund accumulated under the wise and economic Administration of Grover Cleveland has practically disappeared, in place of which the country is threatened with a deficiency arising from the increase of expenditures over receipts for the present fiscal year. We demand the free and unlimited coinage of silver.

*Florida.*—We persistently and continuously oppose the pernicious system of contracting the circulating medium of the country, as now conducted by the National Government. The consideration of the subtreasury bill in Congress indicates a desire upon the part of the whole people for an increase of a circulating medium, and that it is the duty of our members in Congress to secure the passage of some law that will give the required relief.

*Idaho.*—We tender our gratitude to the Democrats in Congress for their almost unanimous votes in both Houses for the free and unlimited coinage of silver, and congratulate the people of our new State that there is one great political organization in the country committed by its votes in Congress to a measure so essential to the prosperity of Idaho. The silver bill as enacted by the Republican Congress is a compromise in the interests of Wall street, clothes the Secretary of the Treasury with power to refuse to purchase bullion on the pretext that bullion is not offered at the market price, and enables him to bear the silver market by refusing to purchase except at his discretion and at such prices as he may determine.

*Illinois.*—We demand that all unnecessary restrictions be removed from the coinage of silver.

*Indiana.*—We denounce the silver bill, so called, recently enacted, as an ignominious surrender to the money power. It perpetuates the demonetization of silver and the single gold standard, whereas the interests of the people require the complete remonetization of silver and its restoration to perfect equality with gold in our coinage. We demand the free and unrestricted coinage of silver upon the basis existing prior to 1873.

*Iowa.*—We demand the free coinage of silver, and that it may be made a legal tender for all debts, public and private, and denounce as unjust and dishonest the provision of the law recently enacted allowing parties to stipulate against payment in silver and silver certificates, thus setting one standard of value for the creditor and one for the debtor, one for the poor man and the other for the rich man.

*Kansas.*—We favor the free coinage of silver. We favor such change in our fiscal laws as will leave the control of our circulating medium of the country wholly in the hands of the Government.

*Massachusetts.*—We recall with pride the financial policy of the Federal Government when the Treasury was under control of the Democratic party, when confidence was felt in the prudence and sagacity of its methods, and we ask the business men of this State to contrast that administration with the short-sighted and dangerous policy that has prevailed lately, a policy which has several times threatened and may at any time lead to a financial panic.

*Michigan.*—We believe in the free and unlimited coinage of gold and silver, unhampered by conditions as to the legal-tender qualities of either and unhampered by the proviso suspending coinage of silver after July 1, 1891. We condemn the Republican policy because it demonetized silver and still refuses the demand of the people for the restoration of silver to a complete equality with gold.

*Missouri.*—We are in favor of the free and unrestricted coinage of silver and the increase of currency to meet the legitimate demands of trade, and we believe that the power to issue and control the volume of such currency should be assumed by the Government.

*Nebraska.*—We favor the placing of the silver dollar on its former footing with gold coin in our coinage law, with equal legal-tender qualities, and we denounce as unjust and dishonest the law recently enacted as a discrimination in favor of the gold coin for the benefit of the money power, and we further declare ourselves in favor of the free coinage of silver.

*Nevada.*—We declare for the free and unlimited coinage of standard silver dollars of the present weight and fineness, to be legal tender for all debts, public and private, equally with gold.

*North Carolina.*—The Democrats of North Carolina favor the free coinage of silver and an increase of the currency and the repeal of the internal-revenue system. \* \* \* We demand the abolition of national banks and the substitution of legal-tender Treasury notes in lieu of national-bank notes, issued in sufficient volume to do the business of the country on a cash system, regulating the amount needed on a per capita basis, as the business interests of the country expand, and that all money issued by the Government shall be legal tender in payment of all debts, both public and private.

*Ohio.*—We favor the free coinage of silver with its present ratio with gold.

*Oregon.*—We reaffirm the position which has ever been maintained by the Democratic party, that gold and silver are equally the people's money; we are opposed to all measures of discrimination against silver, and demand free coinage to supply the needs of business; and that all money issued by the Government be made legal tender for all debts, both public and private.

*South Carolina.*—We demand the abolition of national banks, and that legal-tender Treasury notes be issued in sufficient volume to do the business of the country on a cash system, and that all money issued by the Government shall be legal tender in payment of all debts, both public and private. \* \* \* (We favor) the free and unlimited coinage of silver, the increase of currency, and the repeal of the internal-revenue system.

*South Dakota.*—That we are in favor of the full remonetization of silver, the free and unlimited coinage thereof, and the issuance of coin certificates based thereon, which shall be a full legal tender.

*Tennessee.*—We demand a currency of gold and silver, and also of paper convertible into coin at the option of the holder, and we demand the free coinage of silver on the basis originally fixed by law, and that it and the gold dollar shall be equally a unit of value.

*Texas.*—We are opposed to the continuance of the national-banking system and demand the abolishment thereof as soon as by law the same can be done. \* \* \* We are in favor of the free and unlimited coinage of silver, and indorse the action of our Senators and Representatives therof.

*West Virginia.*—That the Democrats of West Virginia \* \* \* declare that they are unalterably in favor of the free and unlimited coinage of silver.

*Wyoming.*—We demand the free coinage of silver, and we denounce the Republican party for the enactment of a law which makes it discretionary with the Secretary of the Treasury to demonetize silver.

The same year Prohibitionists in Arkansas, Colorado, Kansas, Michigan, Minnesota, Missouri, and Ohio adopted free-coinage resolutions; and independent voters in Iowa, Kansas, Minnesota, Nebraska, North Dakota, and South Dakota declared in favor of unlimited silver coinage.

Republicans in their national platform in 1884 and 1888 adopted the following resolutions:

1884.—We have always recommended the best money known to the civilized world, and we urge that an effort be made to unite all commercial na-

tions in the establishment of an international standard which shall be for all the relative value of gold and silver coinage.  
1888.—The Republican party is in favor of the use of both gold and silver as money, and condemns the policy of the Democratic Administration in its efforts to demonetize silver.

That language was properly interpreted to mean free coinage of silver equally with gold. Republican writers and speakers so construed it. No other construction could fairly be put upon the words. Bimetallism means the use of two metals alike as a money standard—gold and silver as one. Republican voters so understood it, and they appealed to the country on that construction. The junior Senator from Colorado [Mr. WELCH], in a speech delivered here on the 17th day of June, 1890, stated the case thus:

The open and avowed views of ex-President Cleveland, while they convinced nobody apparently, either in the Democracy or out of it, were yet sufficient to paralyze the efforts of the friends of silver in both political parties to secure its full recognition. The day star of hope did not rise for us until the national convention of 1888. Then the Republican convention declared for silver. It seems droll now to recall the enthusiasm created in the far West in the last campaign. The Republican candidate for the Presidency had been in public life, but his utterances had not been many or particularly important. \* \* \* But we hunted up the CONGRESSIONAL RECORD, and being ardent and sanguine, and our hearts being illumined with hope, many of us found here and there a phrase or a sentence which indicated a friendly feeling for silver. And we labored among the farmers in the valleys and on the plains and with the toilers in the mining camps in the mountain gulches and canyons with these as texts.

Mr. HAWLEY. Will the Senator yield for a single question?

Mr. PEPPER. Yes, sir.

Mr. HAWLEY. Does the Senator think that Mr. Cleveland so understands those platforms?

Mr. PEPPER. No, sir.

Republicans understood their platform to mean just the same as the Democrats understood theirs—free and unlimited coinage of silver the same as gold. The argument recently urged, that bimetallism means one metal for money, the other to be subsidiary, is a mere makeshift. If that is a proper meaning of the word bimetallism, we then have trimetallism and quadrometallism, because we use copper and nickel as well as silver and gold. We use four metals.

In all Republican State conventions held in 1890 free silver coinage was favored, or the silver-bullion law lately enacted was indorsed as a "step in the right direction," and in some instances both. In Kansas we were unanimous in our advocacy of free coinage. The Republicans, at their State convention, adopted this resolution as part of their platform:

The practical operation of the silver act now in force, recently passed by a Republican majority in both Houses of Congress, is rapidly increasing the value of silver, is a good step in the right direction; but we, the Republicans of Kansas, demand free coinage of silver, a measure strongly opposed and vigorously denounced by the late Democratic Administration, led by ex-President Grover Cleveland.

The Democrats declared:

We favor free coinage of silver.

The People's party declared:

We demand the free and unlimited coinage of silver.

We have been quite pronounced in our financial views in Kansas. We have always been in favor of an abundant currency and that the Government should reserve to itself the right to look

after this matter. At our State convention—Republican, I mean, in 1878—we adopted this resolution:

That experience has shown the greenback currency (the creation of the Republican party and under whose fostering care it has been brought to a par with coin) to be admirably adapted to the wants of trade, and to the end that there may be but one class of paper currency we favor the withdrawal of the national-bank notes, substituting therefor greenback currency issued directly by the Government, as the sole paper currency of the country. And we demand that it be issued in sufficient volume to fully meet the wants of business without depreciating its value; and that it shall be received in payment of all debts and dues, public and private, except as otherwise specified by contract; that we are in favor of an honest greenback that shall always be worth its face in coin, to which end we favor a law of Congress by which the volume of greenback currency in circulation shall obey the natural law of supply and demand.

We then had three Congressional districts in the State, and at each one of them similar resolutions were adopted at their nominating conventions. I give them below:

#### FIRST DISTRICT.

2. That as experience has indorsed the greenback currency, originated and maintained by the Republican party, as well adapted to the purpose of a permanent circulating medium, we hereby declare ourselves in favor of a repeal of the national banking law and a substitution of the currency issued by the Government on the security of the deposit of Government bonds, on which no interest shall be allowed while so used, and demand that it be issued in sufficient volume to fully accommodate the wants of business without depression in value, and that it shall be made receivable for all debts, whether public or private, unless otherwise specified.

#### SECOND DISTRICT.

4. That experience having shown that United States notes, commonly called greenbacks, originally issued by a Republican Administration during the war, are admirably adapted to all the purposes of a permanent paper circulation, we hereby declare ourselves in favor of retiring the notes of the national banks and making greenback currency the sole paper currency of the country, and demand that it be issued in sufficient volume to fully accommodate all the wants of business without depreciation in value, and that they be made receivable for all debts and dues, whether public or private.

#### THIRD DISTRICT.

3. We declare in favor of greenbacks as the money of the country, as being admirably adapted to meet the wants of trade. Their existence is due to the Republican party, and though denounced and stigmatized by the Democratic party as rag money, they have, by the fostering care of the Republican party and the faith of the loyal people of the country, been brought to a par with coin. To the end that there shall be but one paper circulating medium as money, we demand the withdrawal of the national-bank circulation, substituting therefor greenback currency as the sole paper currency of the country; and we demand that it be issued in sufficient volume to fully meet the wants of business without depreciating its value, and that it shall be received in payment of all debts and dues, public and private, except as otherwise expressly specified by contract.

Our Senators and Members of Congress have uniformly favored free silver coinage. Senators now listening to me have clear memory of the active and earnest efforts of Messrs. Ingalls and Plumb in that direction. The speech of Mr. Ingalls February 14, 1878, delivered in this Chamber, was extensively circulated in our State during the exciting campaign of 1890, and he himself quoted from it in the last extended effort he made in this Chamber, January, 1891. Among the last acts of Mr. Plumb's official labors, December, 1891, was the introduction of a bill providing for free coinage of silver. My colleague [Mr. PERKINS],

then a member of the House, when the silver discussion was on two years ago, said:

I represent a constituency that believes in free coinage. I represent a constituency that believes that a great crime was committed in 1873, when silver was demonetized, and I share that conviction. \* \* \* My judgment is that fullest justice will never be done until the same provisions are given to silver as are given to gold under existing laws.—RECORD, June 7, 1890, Fifty-first Congress, volume 21, part 6, page 5801.

Mr. FUNSTON, now as then a member of the House from Kansas, in the same discussion said:

Now, Mr. Speaker, the alarming condition of the business of the country, arising not by reason of the tariff nor overproduction, as has been claimed on this floor, but by reason of an insufficiency of currency, demands that the mints be thrown open and every ounce of available silver be coined into standard dollars. The people are expecting this; they are demanding this; and mark my word, the man from the West who stands out against it will forever have hung his political "harp on the weeping willow tree." The people of the West and South and Northwest have taken up the question in earnest, and they mean that every man in this body from these sections who opposes free coinage shall be made to feel their power at the polls. \* \* \* Could anything be more humiliating to the friends of silver dollars than to see it divested of all its functions as money and then stored away in the basement of the Treasury, dishonored and disgraced.—RECORD, Fifty-first Congress, volume 21, part 6, page 5805.

#### Resolution passed by Kansas senate, January 28, 1891:

Whereas the recent action of the Senate of the United States in promptly passing the free coinage of silver bill, is a move in the direction of restoration of prices and prosperity to the agricultural industry; Therefore

*Be it resolved*, That the senate of the State of Kansas urge upon the National House of Representatives prompt concurrence in the passage of the silver bill; that this body, representing the Republicans of Kansas, respectfully but earnestly request our delegation in Congress to insist, in the interest of the country and the welfare of the Republican party in the West, upon the passage of the bill and its approval by the Republican Executive, as being in line with Republican pledges.

In addition to the declarations of political bodies and public men of all parties, great numbers of men of every phase of political belief, belonging to social and benevolent associations, have expressed themselves in favor of free coinage. Beginning with the Patrons of Husbandry (commonly called the "Grange"), the oldest body of organized farmers in the country, they, in their national and local councils, frequently declared themselves unqualifiedly in favor of silver coinage. The Farmers' Alliance and Industrial Union, the largest body of organized farmers in the world, representing a very large voting force scattered over thirty-six States, made public their united demand for the free and unlimited coinage of silver at St. Louis, Mo., December, 1889; again at Ocala, Fla., November, 1890; at Indianapolis, Ind., December, 1891. The Knights of Labor, with a quarter of a million members, united in the demand, as did the Farmers' Mutual Benefit Association, and numerous other smaller bodies of working people.

Public opinion was well understood to be practically unanimous in favor of restoring silver to its place as one of the full money metals. When a measure for that purpose was introduced in the Fifty-first Congress every member was advised and knew that the people wanted and expected such legislation. A large majority of the members of the House of Representatives were committed in favor of the measure. But the bill was defeated and the defeat was complete. Indeed, it was a rout.

The bill as finally passed and approved July 14, 1890, was defended before the people by its friends as a compromise. But it was nothing of the kind; for it provided for the discontinuance of all silver-dollar coinage after July 1, 1891, at the discretion of the Secretary of the Treasury. Here is the law:

SECTION 1. That the Secretary of the Treasury is hereby directed to purchase from time to time silver bullion to the amount of 4,500,000 aggregate ounces, or so much thereof as may be offered each month at the market price thereof, not exceeding \$1 for 371.25 grains of pure silver, and to issue in payment for such purchases of silver bullion Treasury notes of the United States, to be prepared by the Secretary of the Treasury in such form and of such denominations, not less than \$1 nor more than \$1,000, as he may prescribe, and a sum sufficient to carry into effect the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 2. That the Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand in coin at the Treasury of the United States or at the office of any assistant treasurer of the United States, and when so redeemed may be reissued, but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion and the standard silver dollars coined therefrom then held in the Treasury purchased by such notes; and such notes shall be legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes, and all public duties, and when so received may be reissued, and such notes when held by any national banking association, may be counted as a part of its lawful reserve. That upon demand of the holder of any of the Treasury notes herein provided for the Secretary shall, under such regulations as he may prescribe, redeem such notes in gold or silver coin at his discretion, it being the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio, or in such ratio as may be provided by law.

SEC. 3. That the Secretary of the Treasury shall each month coin 2,000,000 ounces of the silver bullion purchased under the provisions of this act into standard silver dollars until the 1st day of July, 1891, and after that time he shall coin of the silver bullion purchased under the provisions of this act as much as may be necessary to provide for the redemption of the Treasury notes herein provided for, and any gain or seigniorage arising from such coinage shall be accounted for and paid into the Treasury.

SEC. 4. That the silver bullion purchased under the provisions of this act shall be subject to the requirements of the existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained and the amount of charges and deductions, if any to be made.

SEC. 5. That so much of the act of February 28, 1878, entitled "An act to authorize the coinage of standard silver dollars and to restore its legal-tender character," as requires the monthly purchase and coinage of the same into silver dollars of not less than \$2,000,000 nor more than \$4,000,000 worth of silver, is hereby repealed.

#### THE PEOPLE'S COMPLAINT.

It is proper that I should speak of that measure and the manner of its enactment with the respect and consideration due to the acts of so distinguished a body as the American Congress. But it was so directly in opposition to the public expectation, so utterly at variance with the people's demands, and so clearly contemptuous of the popular will, that no careful observer can fail to understand that some interest not in sympathy with that of the public had more influence with their representatives in Congress than the wishes and openly expressed declarations of the people themselves.

Complaining of such treatment, the voters were told by one class of speakers and writers that the silver-bullion law was one step toward free coinage; that, after all, it was not so bad but that it might have been worse; that it was the result of a compromise, and it opened the way for free coinage in the near future.

Another class of speakers and writers told the people that Democrats would control the next House, and then, with the aid

of the Senate, which was committed to that policy, a free-coinage bill would surely be passed and presented to the President. The people listened to these predictions and elected a Democratic House, with a majority large beyond precedent, and everybody expected a free-coinage bill to pass without trouble. The only part of the procedure about which there was any doubt was the course that the President should see fit to pursue in relation to it. Strange to say, however, with a majority of over a hundred Democratic members in the House, the bill was crowded aside and did not reach a vote. In this body, where less than two years ago, a majority of seventeen Senators voted "aye" on the passage of a free-coinage bill, we have thus far been unable to get a bill of that character before the Senate for discussion, though two such bills have been introduced, one by the late Senator Plumb, the other by the Senator from Nevada [Mr. STEWART]. Both have been reported adversely, and are now on the Calendar only by courtesy.

This treatment of the subject, in view of the condition of the public mind in regard to it, is looked upon by the people as a betrayal on the part of Congress of a grave public trust which had been reposed in its members.

Mr. CHANDLER. I dislike to interrupt the Senator. I do not see any objection to his using those terms with reference to the Senate, or the failure of the Senate to act, but I doubt whether he ought to characterize the action of the House of Representatives as "a betrayal of a grave public trust." I hope the Senator will revise his remarks in that respect.

Mr. MORGAN. Mr. President, I hope the Senator from Kansas will not revise his remarks, as he has only told the truth, and told it in a plain and specific and honest way, and the country understands it in that way.

Mr. CHANDLER. I do not make a point of order on the Senator, but my point is that the Senator, in referring to the failure to pass the free-coinage bill in a coördinate body, charges that the House of Representatives has been guilty of "a betrayal of a grave public trust." I think that is going rather further than the rules of courtesy between the two Houses will allow.

Mr. PEPPER. I will repeat the words. They are in writing:

This treatment of the subject, in view of the condition of the public mind in regard to it, is looked upon by the people as a betrayal on the part of Congress of a grave public trust which has been reposed in its members.

It is impossible, Mr. President, to escape the conclusion that the people are judging wisely. I should feel myself unworthy the further confidence and respect of the good people who sent me here were I not to call attention to these things, and in their name to protest against them.

I submit, in all candor, whether it be possible for a man to keep faith with his conscience and longer follow the lead of men who tell him plainly they have no respect for the demands of the people and do not expect to keep pledges made to them. The defeat of the free-coinage bill in 1890 drove 80,000 Kansas voters from their party allegiance, and, like the ten tribes of Israel, they are in rebellion to this day. In at least a dozen other States voters are in open revolt against existing party leadership. Mason and Dixon's line will soon be changed half around and made to run north and south.

It is hard to understand why it is that men who were present in 1856, when the Republican party was born, who stood sponsors at its baptism in 1861, and who followed its fortunes through all those dreadful years of war, are now unable to see the danger signals on the outposts, unable to detect the presence and influence of a power a hundredfold stronger and more dangerous than that wielded by the slaveholders. It seems incredible that men who set out as champions of free labor and free homes, under the leadership of a gallant mountaineer at the head of a brave young party, now that they have grown old, are not amazed to see the machinery of that great organization made an instrument in the hands of daring speculators to despoil labor and fasten on the people a perpetual bondage of interest-bearing debt; that these veterans of a war for popular liberty are now willingly marching under the banner of a relentless despot, a conscienceless tyrant, whose God is gold.

And if these things be difficult to comprehend, what shall be said concerning disciples of Jefferson, Jackson, and Benton—these conscientious sticklers for strict construction of organic law; these venerable defenders of what they choose to believe the money of the Constitution, who now in their old age look complacently on while their ancient enemy—a “concentrated money power”—takes possession of their party, and with one wave of the wand paralyzes the people’s representatives. Think of Democrat soldiers, scarred veterans of many hard-fought political campaigns, surrendering a vital point and then crowding forward to kneel before the conqueror!

But, Mr. President, the people are not conquered. The Great Father will raise up leaders for us. The money power must be dethroned that the Republic may live.

#### EFFECT ON PARTIES.

What will be the effect of these things on the great political parties of the time can not be accurately predicted in detail, but that it must be disastrous will hardly be doubted by any student of the philosophy of politics. It is logical; it is inevitable. Surely no unprejudiced observer of signs can fail to note that processes of disintegration are in rapid progress even now. There are many men now living whose respect for their party creed is second only to their reverence for the creed of the apostles. On one side of this Chamber are men to whom recitals of the lives of Jefferson, Calhoun, Hayne, and Jackson come as tender voices from the past—treasures of memory they would not yield. On the other side sit men to whom Hamilton, Webster, Clay, and Lincoln are living characters now present, men whose deeds live in our history and whose virtues are treasured as common legacies too sacred for division.

Aside from glorious memories which have come to us through history and tradition, our party associations have so much to interest and please that the mere thought of severing party ties is disagreeable and unwelcome. But history is the burial ground of parties dead. Progress means change—not change of principles and elements, but change of agencies and methods—development, growth. The simple philosophy of the Christian’s model—the ideal man, has not been changed in twenty centuries of life—it can not be changed, because it can not be im-

proved; all men acknowledge the perfection of its excellence; but it has descended to us through a thousand changes of other things.

Parties, like machines, were made for particular purposes. When things other than those for which the machine was invented are to be done, and it is found unfit or inadequate, it is reconstructed or cast aside and old principles are applied in a new arrangement of mechanism which can be operated to accomplish the work in hand. To the patriotic citizen, when he must choose between the interests of his country and those of his party as he sees them, to him the way is clear. There may be times when to forsake one's party is to jeopardize great public interests. It sometimes happens that to abandon an old associate and friend is to risk a human life. So there may be times, for such there have been, when to follow one's party is to ignore important interests of his fellow-men, to do violence to his own convictions, and to imperil the result of great issues. That alternative is now presented to the voters of the United States.

#### A GREAT STRUGGLE AT HAND.

Mr. President, a great struggle is at hand, more momentous than any through which we have passed—a conflict between contestants of unmeasured power. That loss and destruction will follow is certain; not of life and property, let us hope, but loss of place, and destruction of customs, methods, and creeds. These words need surprise no one. They are not prophetic. They state only the logical sequence of present conditions. The car of progress leaves wrecks in its wake. Precedents retire when better things appear. The friction of thought grinds finer than the movement of glaciers. The march of mind is a line of conquest. Growth is the fruit of victory.

Two great forces are forming in battle line; the same, under different form and guise, that have long been in deadly antagonism, represented in master and slave, lord and vassal, king and peasant, despot and serf, landlord and tenant, lender and borrower, organized avarice and the necessities of the divided and helpless poor.

Under protection of our laws an aristocracy of wealth has grown up amongst us. We have fostered and fed and fattened men at the expense of the people until they have become a standing menace to popular liberty. Fabulous fortunes have been gathered in the course of a few years. We have many men whose checks are good for a million dollars each at any bank where that amount of money is on deposit. The interests of all these people are virtually the same. Their combined influence is often greater than that of the Government itself, and it grows greater every year.

So powerful has this great moneyed interest become that we find it operating in the business affairs of the country everywhere; in the hovels of the poor, the little stores of the country merchant, on the farm, in the shop, as well as in the great manufacturing establishments, banks and clearing houses. It amounts to an all-pervading force, reaching out through every avenue of trade, through every channel of commerce, into every department of business, into the details of every vocation, into every phase and condition of life. It owns every railroad and steam-

boat line, every telegraph and cable, every packing house, elevator and merchant mill, every bank and stock exchange, all the great newspapers of the country, and the important agencies for news; it has local attorneys at every county seat, trained lawyers at every court, skilled lobbyists at every capital; it dictates party platforms, controls important nominations, and laughs at the popular will; it levies tribute on toil, collects revenue from trade, has an interest in every State and a lien on every town.

It "moves the money that controls the affairs of the world," says a distinguished banker—Mr. Henry Clews. It wields a "mighty power," he says, a power greater than that of monarchies. That is the power which demands gold in payment of debts payable in lawful money; the power that will not accept the bonds of a people whose mountains are rich in gold and silver, unless they are made payable, principal and interest, in gold.

That is the power that demanded 12 per cent annual interest on loans of bank paper to the Government at a time when farmers and mechanics, merchants and clerks, and field and shopmen all over the country volunteered their bodies for use in war; the power that depreciated our currency that it might purchase our bonds at a discount, then demand payment in gold; the power that banks on nontaxable bonds and charges 1 per cent a month on its paper loans; the power that has grown rich on the losses and misfortunes of the people; the power that has usurped the functions of government; that has wrested the prerogatives of voters from their grasp; that nineteen years ago demonetized silver, and has three times since prevented its restoration to its ancient place as one of the money metals; that kept from the people \$375,000,000 of silver coin that they were entitled to under the Bland law; that withdrew \$240,000,000 of national bank notes at a time when the people needed a large and steady increase of currency.

And that is the power that now controls the machinery of both the great political parties, and which the people must meet face to face.

It may be of interest to look a moment at the methods of the men who exercise this "mighty power" to learn how they make their money. I quote from pages 19 and 20 of Twenty-eight Years in Wall Street.

I will say, parenthetically, Mr. President, that it is in the nature of advice given to young men, coming from men who claim to be Christians, and among the leaders of the grandest civilization on earth, priding themselves, not only in their power, but in their method of using it, their manner of life, and their manner of business, and recommending it to young men. I shall read it:

#### HOW TO MAKE MONEY IN WALL STREET.

But few gain sufficient experience in Wall street to command success until they reach that period of life in which they have one foot in the grave. When this time comes these old veterans of the street usually spend long intervals of repose at their comfortable homes, and in times of panic, which recur sometimes oftener than once a year, these old fellows will be seen in Wall street, hobbling down on their canes to their brokers' offices.

Then they always buy good stocks to the extent of their bank balances, which have been permitted to accumulate for just such an emergency. The panic usually rages until enough of these cash purchases of stock is made to afford a big "rake in." When the panic has spent its force, these old fellows who have been resting judiciously on their oars in expectation of the inevi-

table event, which usually returns with the regularity of the seasons, quickly realize, deposit their profits with their bankers, or the overplus thereof, after purchasing more real estate that is on the upgrade, for permanent investment, and retire for another season to the quietude of their splendid homes and the bosoms of their happy families.

If young men had only the patience to watch the speculative signs of the times, as manifested in the periodical egress of these old prophetic speculators from their shells of security, they would make more money at these intervals than by following up the slippery "tips" of the professional "pointers" of the stock exchange all the year round, and they would feel no necessity for hanging at the coat tails, around the hotels, of those specious frauds who pretend to be deep in the councils of the big operators and of all the new "pools" in process of formation. I say to the young speculators therefore, watch the ominous visits to the street of these old men. They are as certain to be seen on the eve of a panic as spiders creeping stealthily and noiselessly from their cobwebs just before rain. If you only wait to see them purchase, then put up a fair margin for themselves, keep out of the "bucket shops" as well as the "sample rooms" and only visit Delmonico's for light lunch in business hours, you can hardly fail to realize handsome profits on your ventures.—*Twenty-eight Years in Wall Street*, by Henry Clews, pages 19 and 20.

Such is the "money power" and such are the methods of the men who exercise it. I have charged that this "mighty power" has exerted its baleful influence in our financial legislation. Let us take a bird's-eye view of what has been done since the beginning of the great war in that respect, and we shall be able easily to distinguish its footprints. Let us begin by referring to the mercenary conduct of Wall street in 1861 when Secretary Chase sent Mr. Cisco, the subtreasurer at New York City, to "raise the money required to sustain the nation's credit." "Wall street men were equal to the occasion," says Mr. Clews. They charged 12 per cent for a loan, and these are the considerations which influenced them:

Money was dear at the time, and the Government was only obliged to pay what could have been obtained in other quarters. Curiously enough, private property was then considered better security than the Government indorsement on the principle—which was not a very patriotic one, though in reality true—that the country could survive its form of Government.—*Twenty-eight Years in Wall Street*, page 40.

The banks, in the latter part of December, 1861, suspended specie payments. The national Treasury was empty. The Government was obliged to rely on its own resources for money to carry on the war. During its progress Government paper was issued amounting in the aggregate to \$3,309,271,327.45, as appears from the following table, found on page 60 of the report of the Treasurer of the United States, 1891.

*United States currency of each class, together with one and two year notes and compound-interest notes, issued, redeemed, and outstanding at the close of the fiscal year 1891.*

Class.	Issued during year.	Total issued.	Redeemed during year.	Total redeemed.	Outstanding.
Old demand notes .....		\$60,030,000.00	\$385.00	\$59,974,352.50	\$55,647.50
United States notes .....	\$70,792,000	2,402,921,808.00	70,792,000.00	2,056,240,792.00	346,681,016.00
Treasury notes of 1890 .....	51,852,417	51,852,417.00	1,624,000.00	1,624,000.00	50,228,417.00
Currency certificates .....	39,440,000	341,735,000.00	28,050,000.00	917,855,000.00	23,780,000.00
Gold certificates .....	63,520,000	1,450,350,880.46	68,601,550.00	1,297,808,451.46	152,481,429.00
Silver certificates .....	84,904,000	629,034,000.00	71,728,563.00	314,318,815.00	314,715,185.00
Fractional currency .....		368,724,079.45	3,831.37	353,440,461.52	15,283,617.93
One and two year notes .....		211,000,000.00	740.00	210,938,345.00	61,655.00
Compound-interest notes .....		266,595,440.00	2,750.00	266,415,530.00	179,910.00
<b>Total .....</b>	<b>310,508,417</b>	<b>6,382,252,624.91</b>	<b>240,803,822.37</b>	<b>5,478,805,747.48</b>	<b>903,446,877.43</b>

## OUR WAR CURRENCY.

Our debts were all contracted with the understanding that they were to be paid with paper. The people had no money but paper. Our contracts were made with reference to the paper standard, and so we continued until what was called "the resumption of specie payment," under the act of 1875, which was to take effect on the first of January, 1879. Notwithstanding all our business was done with paper, and our promises to pay were promises to pay in paper, still, at the conclusion of the war, Wall street demanded payment in coin. During the fiscal year 1866 something near \$400,000,000 of our currency was withdrawn from circulation and most of it put into interest-bearing bonds. During the next three years, some \$900,000,000 more currency was withdrawn and put into bonds, so that at the beginning of the fiscal year 1870, about thirteen hundred millions of our paper money had been withdrawn from circulation and the currency volume contracted to that extent.

At the beginning of the fiscal year 1866 (July 1, '65) the amount of paper money in circulation in the United States was \$2,122,437,-841.02. During the year, as appears from the report of the Secretary of the Treasury for 1866, on page 164, \$211,239,515.41 was "retired, counted, and destroyed," as follows:

Old issue demand notes.....	\$200,440.75
New issue legal-tender notes.....	6,764,370.65
One-year 5 per cent notes.....	6,316,104.50
Two-year 5 per cent notes.....	2,508,427.50
Two-year 5 per cent coupon notes.....	33,363,097.50
Six per cent compound interest notes.....	81,246,829.00
Gold certificates.....	64,913,800.00
First issue fractional currency.....	2,897,307.88
Second issue fractional currency.....	7,598,479.78
Third issue fractional currency.....	5,414,844.49
Discounted on above for mutilations.....	17,813.36
	<hr/>
	211,239,515.41

During the year \$181,096,804 was retired from circulation, but not destroyed, as appears from page 168 of the same report, as follows:

Demand notes redeemable in coin.....	\$288,121
One-year 5 per cent notes.....	2,181,287
Two-year 5 per cent notes.....	5,209,335
Two-year 5 per cent coupon notes.....	1,078,550
Three-year compound interest notes.....	172,369,511
	<hr/>
	181,096,804

On the 30th day of June, 1866, as appears on pages 25 and 26 of the report, the amount of Government paper money out was \$1,550,506,311.61, as follows:

Compound interest notes due 1867-'68.....	\$159,012,140.00
Treasury notes, seven-thirties, due 1867-'68.....	806,251,550.00
Temporary loan, ten days' notice.....	120,176,196.65
Certificates of indebtedness past due.....	26,391,000.00
United States notes.....	400,891,368.00
Fractional currency.....	27,070,878.96
Gold certificates of deposit.....	10,713,180.00
	<hr/>
	1,550,506,311.61

At the beginning of the year the amount of national-bank notes out, as appears from the Treasurer's report, was \$179,-595,210. Adding these several amounts together we have a total of paper money out on the 1st day of July, 1865, of \$2,122,437,-841.02, as above stated.

By the terms of the credit strengthening act of 1869 we agreed to pay all of our indebtedness of every kind in coin. Not in gold nor in silver, but in coin; and we had understood from the foundation of the Government that when we talked about coin, we meant coin made of gold and silver.

SEC. 1. That in order to remove any doubt as to the purpose of the Government to discharge all just obligations to the public creditors and to settle conflicting questions and interpretations of the laws, by virtue of which such obligations have been contracted, it is hereby provided and declared that the faith of the United States is solemnly pledged to the payment in coin, or its equivalent, of all the obligations of the United States, not bearing interest, known as United States notes, and of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money, or other currency than gold and silver. But none of said interest-bearing obligations not already due shall be redeemed or paid before maturity, unless at such time the United States notes shall be convertible into coin at the option of the holder, or unless at such times bonds of the United States bearing a lower rate of interest than the bonds to be redeemed can be sold at par in coin. And the United States also solemnly pledges its faith to make provision at the earliest possible period for the redemption of the United States notes in coin.

"Gold and silver are the only proper measure of value," said Secretary McCulloch. (Finance report, Treasury, 1865, page 6.) By the funding act of 1870 we agreed to pay all of the bonds in coin; not gold, remember, nor silver, but in coin of the then "present standard value." Three years later, in February, 1873, a new act was passed, by the terms whereof the silver dollar was dropped from our coinage, leaving but one sort of coin with which to pay our bonds, and that was gold coin. With this policy of withdrawal and contraction came a rapid falling of prices. Labor fell, and all sorts of property except gold went with it. Labor, wheat, cotton, cloth, iron, wool, everything except gold must face the cruel and inexorable laws of trade, and have their selling value fixed in the open market. Gold alone is the pet of the law. Hence it was that while farmers and others suffered losses innumerable and vast and business failures increased in numbers and amount of liabilities, the money-changers grew correspondingly rich. As the value of wheat and cotton and cloth went down gold went up. The crash of September, 1873, came, and thousands of millions of dollars in value changed hands from the toilers to the gamblers. What those lost, these gained.

And what adds to the enormity of this stupendous wrong—I had almost said crime—is, that our public men were advised of the result before they entered upon this crusade of fortune-wrecking. Our statesmen looked forward over the dreary waste they should leave in the wake of their destructive legislation; they painted for us the pictures of desolation which they saw in advance, and they consoled the people by telling them it was necessary in the public interests—that we must get to a "specie basis" in order to keep our credit good. That is the rule laid down by economists, they said. All nations had practiced it. It was the custom of ages. And so the people were despoiled in order to maintain a false theory, and to play into the hands of speculators. "What does specie payments mean to a debtor?" gravely asked the Senator from Ohio [Mr. SHERMAN] in an able speech delivered in this Chamber on the 26th day of January, 1869. "What does specie payments mean to a debtor?" And after explaining that the rise in value of gold logically affected the values of other property in the opposite direction, and that

the people who use borrowed money, and the people who are in debt—the debtor class generally—always suffer most when the value of gold is increased, he proceeded to answer the question, and stated what specie payments mean to a debtor, as follows:

It means the payment of \$135 where he has agreed to pay \$100; or which is the same thing, the payment of \$100 where he has agreed to pay \$74. When he has purchased property and paid one-fourth of it, it means the loss of the property. It means the addition of one-fourth to all currency debts in the United States. A measure to require a debtor now to pay his debt in gold, or currency equivalent to gold, requires him to pay 135 bushels of wheat when he agreed to pay 100; and if this appreciation is extended through a period of three years, it requires him to pay an interest of 12 per cent in addition to the rate he has agreed to pay. The appreciation of currency is a far more distressing operation than Senators may suppose. Our own and other nations have gone through this process before, and always with the sorest distress. It means the ruin of all debtors whose debts are twice their capital, though one-third less than all their property. It means the fall of all agricultural productions without any great reduction of taxes. To attempt this task suddenly by a surprise upon our people, by at once paralyzing their industry, by arresting them in the midst of lawful business and applying a new standard of value to their property, without any reduction of their debt or giving them an opportunity to compound with their creditors or distribute their loss, would be an act of folly without example in modern times.

Those words were spoken in January, 1869, after more than one-half of our war currency had already been withdrawn and put into 6 per cent bonds, and when values of everything but gold were falling, and when the difference between gold and paper had reached about 33½ per cent. Notwithstanding our statesmen foresaw the consequences of their policy, and plainly spoke of it, yet in face of the incalculable losses which they knew such legislation would entail upon the people it was deliberately placed upon the statute book.

June 14, 1870, the funding act was passed, authorizing the issue of \$1,500,000,000 worth of bonds running ten to thirty years, at rates of interest 5 per cent, 4½ per cent, and 4 per cent, all payable in coin of the "present standard value."

SECTION 1. That the Secretary of the Treasury is hereby authorized to issue, in a sum or sums not exceeding in the aggregate \$300,000,000, coupon or registered bonds of the United States in such form as he may prescribe, and of denominations of \$50 or some multiple of that sum, redeemable in coin of the present standard value, at the pleasure of the United States after ten years from the date of their issue, and bearing interest, payable semiannually, in such coin at the rate of 5 per cent per annum; also a sum or sums, not exceeding in the aggregate \$300,000,000 of like bonds, the same in all respects, but payable at the pleasure of the United States after fifteen years from the date of their issue, and bearing interest at the rate of 4½ per cent per annum; also a sum or sums not exceeding in the aggregate \$1,000,000,000 of like bonds, the same in all respects, but payable at the pleasure of the United States after thirty years from the date of their issue, and bearing interest at the rate of 4 per cent per annum; all of which said several classes of bonds and the interest thereon shall be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form, by or under State, municipal, or local authority; and the said bonds shall have set forth and expressed upon their face the above specified conditions and shall, with their coupons, be made payable at the Treasury of the United States. But nothing in this act, or in any other act now in force, shall be construed to authorize any increase whatever of the bonded debt of the United States.

It will be seen that the funding act provides that we shall pay our bonds in coin, and in coin of the "present standard value;" not the present value of gold; not the present value of silver, or of copper, or of nickel, or of corn, but of coin. What was the value of coin at that time? Exactly the same that it was before and that it has been since; exactly the same that it has been ever since the first coinage law, 1792, notwithstanding the amount of gold in gold coins was reduced 6 per cent by the act of June 28, 1834.

## COINING MONEY.

Let us see what that value was and is, and how it came to be just that. The Constitution of the United States empowers Congress to "coin money, and regulate the value thereof." Please note the language carefully. It is not to coin gold; not to coin silver or copper or tin, but to coin money. That is to say, Congress is empowered to manufacture money, to make or create money, if you choose. So the Supreme Court has held. The word coin, as applied to money, is used in two senses. One as a noun, the other as a verb—to coin. As a noun, the word is thus defined by Webster:

2. A piece of metal on which certain characters are stamped, by government authority, making it legally current as money.

As a verb the same author defines the word:

1. To make of a definite fineness, and convert into coins, as a mass of metal; to mint; to manufacture; as, to coin silver dollars; to coin a medal.

The use of the word coin in the Constitution is as a verb. "Congress shall have power \* \* \* to coin money." That is to say, Congress may make or manufacture coins out of some substance of a definite character or fineness, as a mass of metal; these coins to be used as money. Simplified, Congress has power to manufacture money out of any substance that it shall please the lawmaking power to select.

But the power is not limited to the mere coining of money. There is something more, and that something is quite as important as the coining of money, namely, to fix its value. So it is provided that Congress shall have power to coin money and regulate the value thereof.

To regulate the value—not of gold, nor of silver, nor of wood or stone or potatoes or beans, not even of coin, but to regulate the value of money. The power is to coin money and to regulate the value of the money so coined. Now, let us examine the matter of the value of money. Acting under authority of the grant of power from Congress "to coin money and regulate the value thereof," and having read and studied and adopted the report of Jefferson, approved by Hamilton, Congress, in 1792, proceeded to provide for the coining of money and regulating its value. The first part of the law for that purpose makes provision for the establishment of a mint. The title of the act is: "An act establishing a mint and regulating the coins of the United States." The first section of the act reads as follows:

SECTION 1. That a mint for the purpose of a national coinage be, and the same is established; to be situate and carried on at the seat of the Government of the United States for the time being; and that for the well conducting of the business of the said mint there shall be the following officers and persons, namely: A director, an assayer, a chief coiner, an engraver, a treasurer.

At the time the refunding act was passed a new coinage act was in process of preparation. The act as finally passed, February 12, 1873, contained the following among other provisions:

SEC. 15. That the silver coins of the United States shall be a trade dollar, a half dollar or 50-cent piece, a quarter dollar or 25-cent piece, a dime or 10-cent piece.

SEC. 17. That no coins, either of gold or silver or minor coinage, shall hereafter be issued from the mint other than those of the denominations, standard, and weights herein set forth.

SEC. 20. That any owner of gold bullion may deposit the same at any mint,

to be formed into coin or bars for his benefit; but it shall be lawful to refuse any deposit of less value than \$100.

SEC. 21. That any owner of silver bullion may deposit the same at any mint, to be formed into bars or into dollars of the weight of 420 grains troy, designated in this act as "trade dollars," and no deposit of silver for other coinage shall be received.

PANIC OF 1873 AND FALL OF PRICES.

September following came the great crash, when a financial cyclone struck the country and fortunes were swept away in a night. Hundreds of millions of dollars' worth of value was lost. But the work of devastation was only fairly begun. The resumption act of January 25, 1875, running through four years, completed the process, and the ruin wrought was too vast to be measured. The amount of all the cereal crops of 1867 was 1,329,729,400 bushels, grown on 65,637,444 acres of ground, and it was valued at \$1,284,037,300, an average of 96 cents a bushel. In 1887 the same crops amounted to 2,660,457,000 bushels, grown on 141,841,315 acres, and valued at \$1,204,239,370, an average of 45 cents a bushel. Twenty years of Wall street legislation had reduced the value of cereal grains 50 per cent. These crops consisted of corn, wheat, oats, rye, barley, and buckwheat. The average value per bushel of the crops, taken together, in 1867, was 96½ cents. The average value of the same crops in 1887 was 45½ cents.

In all parts of the country agriculture languished. The value of farm productions in general in many instances were below the cost line, and farm lands fell from 30 to 50 per cent from their value when this destructive legislation was begun. I find an interesting collection of newspaper paragraphs relating to this subject in a published address delivered by Luther S. Kaufman before the Pennsylvania State board of agriculture, January 21, 1890, on the subject, "The Interest Burden." I quote a few extracts:

In the Philadelphia Times of January 19, 1889:

READING, January 18.

"The sheriff's office here is full of bills advertising the property of various farmers for sale. No sheriff for years has been as busy as the present incumbent. It is estimated that he levied on the farms, stock, and agricultural implements of thirty to thirty-five farmers in this county in the last few months. Farmers say that farming no longer pays, and that they are obliged to go under. Farms which were purchased a few years ago for \$175 per acre now sell for about \$125."

In the Philadelphia Press of January 28, 1889, is a special telegram from Reading, as follows:

"The increase in the business in the sheriff's office continues to attract attention here. At no time since the effects of the panic of 1873 wore off have there been so many executions and sales. On Saturday last judgments aggregating \$32,000 were taken for want of affidavits of defense, the largest amount taken on any rule for many years. The sheriff has at present thirty real-estate sales advertised, among them many farms. \* \* \* For several months the number of sheriff's sales has averaged more than four times as many as during the same months last year."

In the Philadelphia Press of October 7, 1889, was a special dispatch from Lancaster, as follows: "Real estate is not bringing large prices in Lancaster County this year, and in some instances the depreciation is startling. A farm was sold in Strasburg Township last week for \$173.50 per acre, for which \$280 per acre had been offered at public sale last year, the offer being refused and the farm withdrawn. A farm in Rapho Township, for which \$18,000 was paid, can not find purchasers now at \$10,000."

In the Philadelphia Press of December 3, 1889, in an editorial, "The Fall in Farm Values," the editor says:

"In the New England States it has reached a point where farms are con-

stantly offered for the cost of the buildings and fences on them, so that the land is practically given away if anyone will pay for the bare cost of improvements. The collapse has been less complete in the Middle States, but we do not suppose any well-informed person will place the loss in farm values, as compared with the prices fifteen years ago, at less than 50 per cent. We should be glad to believe it was no greater. In only too many instances it reaches 50 per cent. Bankers know only too well how frequently this shrinkage has sunk below the line which only represented the mortgage value. \* \* \* We do not believe any economic question is of greater weight and interest to-day than this change in farm values. It demands and deserves the closest and most careful investigation. Unless the Pennsylvania farmer wishes to see the forest invade the farm, as it has in New England, the cause for this great depreciation must be investigated and a remedy proposed."

The State assessors of the State of New York in their report for 1889 say: "We find a general decline in the value of farm lands. We have visited fourteen counties—Monroe, Erie, Chautauqua, Cattaraugus, Chenango, Broome, Delaware, Sullivan, Franklin, Clinton, Essex, Washington, Warren, and Albany Counties. In all we find the same condition of affairs. City property is increasing in value, while farming property is growing less and less valuable. I can not see any way for it to improve and in a few years you will see more tenement farmers than anything else. I don't see how these insurance companies that have advanced money will ever get out whole. No one wants to buy farm lands here. They can't get their money out of them. \* \* \* In Washington County I had an illustration of the receding value of farming land. A man took a mortgage for \$10,000 on a farm just after the war. He has held it ever since, and to-day will take \$8,000 for the entire farm, after foreclosing the mortgage."

Dr. Thomas Welsh, lecturer of the State Grange of Maryland, in his report at the annual meeting of the Grange in December, 1889, said:

"We see lands in our section valueless as a marketable commodity. The farmers of the best counties in Maryland are not now looking for profits, but have been struggling for years to make both ends meet, and living in hopes that a better day may come."

On page 44 of Minutes of State Board of Agriculture of New Jersey, Judge Forsyth says:

"The farm lands of the State are depreciating daily and hourly in value. They have depreciated so much they will not to-day bring as much as the lands of Nebraska and Kansas. I am speaking of a fact that came home to myself. Less than a year ago I bought a farm for \$9,000, and the buildings on that farm were valued for insurance at \$6,300, and the fencing on the property must still be deducted from the balance. Taking the cost of buildings and the cost of fencing from the cost of the property, and how much does it leave for the land? Not as much as land in Kansas and Nebraska, Iowa, or Colorado."

The commissioner of agriculture of New Hampshire issued a circular dated October 14, 1889, in which he gives a "Price list of abandoned farms in New Hampshire." This list contains descriptions of nearly three hundred such farms. The commissioner says:

"These are unoccupied farms, and have been reported by the selectmen of the various towns to have fairly comfortable buildings. They comprise but a small part of the abandoned farms of the State. \* \* \* We desire here to briefly state that in most instances these farms have not been abandoned because the soil has become exhausted, or from the lack of natural fertility, but from various causes appearing in the social and economic history of the State."

Many of the farms named in this list can be bought at \$5 per acre.

Apropos of the discussion about abandoned farms in New Hampshire and Vermont a correspondent of the Christian Union reports that within 4 miles of Brooklyn, Conn., there are twenty-seven such farms, containing from 10 to 200 acres each, and says that "most of them can be bought for half the value of the land, and the buildings free."

A correspondent of The Nation, November 21, 1889, writing of the condition of New England agriculture, wrote pathetically—

Yet the last act of the New England farmer is not unworthy of his sturdy and upright lineage. He faces the situation and closes his accounts, and pays his debts like a man; it is the business which has become bankrupt, not he. When we remember how hard it is for any of us to give up an undertaking on which we have spent time and money, or to throw away a foolish purchase instead of storing it in the attic, and when we consider how the poor of this world cling to their poverty, how the peasants and crofters of other races obstinately hold fast to their small holdings, and divide and subdivide their insufficient farms, only to entail intenser misery on their descendants, we must acknowledge that there is something grand in the farmer of these

mountain towns, who, rising to the heroic treatment of his case, turns away from the fields and fences upon which he has toiled through the better part of his life, and by a decree as unalterable as the laws of the Medes and Persians, writes upon the closed door, Abandoned.

While the agricultural regions suffered untold losses all those years, and while the conditions grow worse rather than better—cotton now lower than it ever was and the splendid wheat crop of 1891 worth no more than that of 1880, though upward of a million bushels larger—the manufacturing and money-lending States have prospered greatly, as the census figures show. The prosperity was, however, confined to the cities and to only the rich people there; for renters are multiplying faster in towns and cities than on farms.

Mr. Superintendent Porter, of the Census Bureau, published a table in Census Bulletin No. 104, August 22, 1891, showing some astounding facts in relations to this subject. It appears from the figures that the six New England States, with New York, Pennsylvania, and New Jersey—nine States, with an area of 168,665 square miles, with a population in 1880 of 14,507,407, increased their taxable wealth in the ten years beginning 1880, \$3,054,762,722, while the twenty-one States—Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Tennessee, Kentucky, West Virginia, Ohio, Indiana, Illinois, Missouri, Iowa, Nebraska, and Kansas, with an area of 985,635 square miles, and a population of 28,242,922, increased their taxable wealth during the same ten years \$1,698,195,657, a little over one-half as much as the nine States, with only one-sixth as much territory and twice as many people.

	Area	Population	Increase of wealth, ten years.
	<i>Sq. miles.</i>		
Nine States .....	168,665	14,507,407	\$3,054,762,722
Twenty-one States .....	985,635	28,242,922	1,698,195,657

The table shows further, that the three States of Pennsylvania, New York and Massachusetts, with a territorial area of 102,700 square miles, with a population of 11,048,847, and with an assessed property valuation of \$5,920,155,824 in 1880, increased their aggregate taxable wealth in the ten years following \$2,602,145,772, or \$229,920,528 more than one-half as much as all the rest of the country put together.

It appears further, quoting from a speech which I had the honor to deliver in this place on the 21st day of January last, that Massachusetts, with 8,315 square miles of territory, with a population of 2,230,000, and a taxable property valuation of \$1,584,756,802 in 1880, increased her taxable wealth in the ten years following \$569,377,824, while nine great agricultural States—Indiana, Illinois, Iowa, Nebraska, North Carolina, Georgia, Alabama, Mississippi, and Louisiana—with a territory of 485,385 square miles, a population of 15,600,000, and taxable property amounting to \$2,792,919,163 in 1880, increased their taxable wealth only \$559,000,000, or \$10,000,000 in round numbers less than Massachusetts. Their territorial area is fifty-eight times that of Massachusetts, their population in 1880 was seven times as large as hers, and their wealth was nearly twice as great.

The increase in the assessed property valuation in that small State during the ten years was two and one-fourth times as much as that of Missouri; two and one-half times as much as Ohio; three and one-half times as much as each of the two States Kentucky and Wisconsin; four times as much as each of the two States Georgia and Tennessee; four and one-half times as much as Kansas; five times as much as each of the four States Colorado, Indiana, New Jersey, and Oregon; six times as much as each of the two States Arkansas and Nebraska; seven times as much as each of the three States Alabama, Iowa, and Louisiana; ten times as much as each of the States North Carolina and Virginia, and twelve times as much as each of the States Florida and Mississippi. [For table see pages 28 and 29.]

## OHIO AND KANSAS.

The following matter is copied from pages 3 and 5 of Extra Census Bulletin No. 18, of date April 8, 1892, relating to farm and home mortgages in ten average counties in Ohio and Kansas:

## OWNERSHIP OF FARMS.

In Table 2 the facts corresponding to the foregoing are presented for families that cultivate farms to the exclusion of families occupying homes not on farms. From 6.91 per cent of those in the Kansas counties no returns have been received. Of the remaining 17,574 families, 66.75 per cent own and 33.25 per cent hire farms. In 1880, according to the census of that year, 13.13 per cent of the farms in these ten counties were hired, a farm, and not a family, being the unit. The percentage of hired farms for the twenty counties in Kansas and Ohio in 1880 are presented in the following table in comparison with the percentages of hiring families in 1890:

## FARM TENANCY, 1880 AND 1890.

Counties.	Per-centage of fam-ilies hiring farms, 1890.	Per-centage of hired farms, 1880.	Counties.	Per-centage of fam-ilies hiring farms, 1890.	Per-centage of hired farms, 1880.
Kansas (10 counties) . . . . .	33.25	13.13	Ohio (10 counties) . . . . .	37.10	24.96
Chase . . . . .	35.69	19.23	Adams . . . . .	37.79	18.40
Clay . . . . .	30.16	13.67	Brown . . . . .	32.19	17.50
Dickinson . . . . .	33.18	13.08	Butler . . . . .	41.33	30.48
Geary . . . . .	29.66	15.38	Clermont . . . . .	36.46	21.80
McPherson . . . . .	32.73	10.75	Cilnton . . . . .	38.34	23.92
Marion . . . . .	39.73	17.66	Greene . . . . .	39.28	23.27
Morris . . . . .	37.69	10.22	Hamilton . . . . .	39.52	33.51
Ottawa . . . . .	36.86	9.53	Highland . . . . .	31.44	16.85
Riley . . . . .	23.55	15.83	Preble . . . . .	37.68	30.49
Saline . . . . .	30.65	12.44	Warren . . . . .	40.68	29.89

## HOME OWNERSHIP.

In Table 3 it is shown that, after omitting the 5.52 per cent of the total number of home families in the Kansas counties concerning which no report has been received, 51.69 per cent of the remaining 11,211 families own and 48.31 per cent hire their homes, and of the 5,795 owning families, 58.91 per cent own free of incumbrance and 41.09 per cent own with incumbrance. The largest town in these ten counties is Salina, in Saline County, with a population of 6,149; the next in population is Junction City, in Geary County, with 4,502 people, and the third is Abilene, in Dickinson County, with 3,547 people. After deducting 4.23 per cent of the home families in the Ohio counties, from which no returns were received, 103,467 families making returns remain, and 80.36 per cent of these own and 19.64 per cent hire their homes. The proportions for Hamilton County, containing the city of Cincinnati, are 21.95 per cent for owning families and 78.05 per cent for hiring families; for

[Census Bulletin No. 104, August 22, 1931.]

199. Preliminary statement showing the assessed valuation of real and personal property of the several States and Territories for 1890 and 1891.

States and Territories.	Total assessed valuation.		Increase of assessed valuation.	Population.		Assessed valuation per capita.		Increase per cent of assessed valuation.	Increase per cent of population.
	1890.	1891.		1890.	1891.	1890.	1891.		
Total.....	\$16,902,993,543	\$24,249,589,804	\$7,346,596,261	50,155,783	62,622,250	\$337.01	a\$387.62	43.46	24.86
Alabama.....	122,867,228	197,080,411	74,213,213	1,262,505	1,513,017	97.23	130.20	60.40	19.84
Arizona.....	9,270,214	21,434,707	12,164,553	40,440	59,620	229.23	359.52	131.22	47.43
Arkansas.....	86,409,864	172,408,497	85,999,133	802,525	1,128,179	107.67	152.82	99.53	40.58
California.....	584,578,036	1,071,102,327	486,524,291	864,094	1,208,130	678.05	898.58	83.23	59.72
Colorado.....	74,471,693	188,911,325	114,439,632	194,357	412,168	383.23	458.30	163.07	112.12
Connecticut.....	327,177,385	358,913,906	31,736,521	622,700	746,258	525.42	499.95	9.70	19.84
Delaware.....	59,951,643	674,134,401	14,182,758	146,608	168,493	408.62	439.90	23.66	14.93
District of Columbia.....	99,401,787	153,307,541	53,905,754	177,624	230,392	559.62	665.42	54.23	20.71
Florida.....	30,938,309	76,926,938	45,988,629	239,493	391,422	114.80	196.53	148.55	45.24
Georgia.....	233,472,599	377,366,784	137,894,185	1,542,180	1,837,353	155.28	205.39	57.68	19.14
Idaho.....	6,440,876	25,581,305	19,140,429	32,610	84,385	197.51	303.15	297.17	158.77
Illinois.....	276,616,394	272,416,252	250,200,142	3,077,871	3,826,351	255.57	190.11	27.63	24.32
Indiana.....	727,816,131	782,872,126	55,056,995	1,978,301	2,192,404	367.90	357.08	7.56	10.82
Iowa.....	398,871,251	5478,318,248	79,646,997	1,624,615	1,911,896	245.39	250.18	19.88	17.68
Kansas.....	160,891,680	290,583,711	129,702,022	996,096	1,427,096	161.52	203.63	80.61	43.27
Kentucky.....	550,583,971	512,615,506	102,051,535	1,648,690	1,858,635	212.63	275.83	46.23	12.73
Louisiana.....	160,162,439	224,320,780	74,158,341	939,946	1,118,587	170.40	209.48	46.30	19.01
Maine.....	235,978,716	309,129,101	73,150,385	648,956	661,086	363.64	467.61	31.00	1.87
Maryland.....	e97,307,075	f482,184,824	d15,122,851	934,943	1,042,390	531.91	462.58	23.04	11.49
Massachusetts.....	1,584,750,802	2,154,134,626	569,377,824	1,783,085	2,238,943	888.77	902.12	35.93	25.57
Michigan.....	517,066,359	9945,450,000	427,783,641	1,636,937	2,093,889	316.24	451.53	82.64	27.92
Minnesota.....	258,028,687	588,531,743	330,503,056	780,773	1,301,823	330.48	452.08	123.00	66.74
Mississippi.....	110,628,129	157,518,906	46,890,777	1,131,597	1,289,600	97.76	122.15	42.39	13.96
Missouri.....	532,795,801	780,343,753	233,547,952	2,168,380	2,679,184	245.71	293.50	47.59	23.56
Montana.....	18,609,802	106,392,892	87,783,090	39,169	132,159	475.24	805.04	471.70	237.49
Nebraska.....	90,585,782	184,770,305	94,184,523	452,402	1,058,910	200.23	174.49	103.07	134.06
Nevada.....	29,291,459	24,063,385	44,628,074	62,266	45,761	470.42	538.96	215.80	226.51

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New Hampshire	164,755,181	252,722,016	87,866,835	346,991	376,530	474.81	671.19	53.39	8.51
New Jersey	572,518,301	689,309,187	115,790,820	1,131,116	1,444,633	506.15	476.30	20.22	27.74
New Mexico	11,363,406	940,041,010	34,077,604	119,565	153,593	95.01	239.76	305.17	28.46
New York	2,651,940,006	3,775,325,838	1,123,385,332	5,082,871	5,997,853	521.74	629.45	42.36	18.00
North Carolina	156,100,202	212,697,287	56,597,085	1,369,750	1,617,947	111.52	131.40	36.20	15.59
North Dakota	3,785,572	1,778,394,536	69,607,964	35,009	182,719	238.00	429.04	792.21	335.05
Ohio	1,534,360,508	1,778,136,457	243,777,949	3,198,062	3,672,316	479.78	484.20	15.89	14.83
Oklahoma					61,834				
Oregon	52,522,084	166,025,731	113,503,647	174,768	313,767	300.52	529.14	216.11	79.53
Pennsylvania	1,683,459,016	2,592,841,032	909,382,016	4,282,891	5,238,014	393.07	493.12	54.02	22.77
Rhode Island	252,536,673	321,764,503	69,227,830	276,531	345,606	913.23	931.28	27.41	24.04
South Carolina	133,560,135	132,182,638	21,377,497	995,577	1,151,149	134.15	114.83	71.03	15.63
South Dakota	11,534,958	131,562,587	120,057,029	98,268	328,808	117.38	400.21	1,040.82	234.60
Tennessee	211,778,538	347,510,103	135,731,565	1,542,359	1,767,518	137.31	196.61	64.03	14.60
Texas	320,364,515	1,695,842,820	375,477,805	1,501,749	2,235,523	201.27	311.27	117.20	40.44
Utah	24,775,279	104,758,750	79,783,471	143,963	207,905	172.00	503.88	322.84	44.42
Vermont	86,800,775	161,551,328	74,744,553	332,286	332,422	261.24	485.98	86.10	0.04
Virginia	308,455,135	382,422,741	53,967,606	1,512,565	1,655,980	203.93	218.86	17.50	9.48
Washington	23,810,693	5124,795,449	100,964,750	75,116	349,330	316.99	357.18	424.12	305.13
West Virginia	139,622,705	169,927,587	30,394,882	618,457	762,794	223.76	222.77	21.70	23.34
Wisconsin	438,971,751	592,890,719	153,918,968	1,315,497	1,686,880	333.69	351.47	35.06	28.23
Wyoming	13,621,829	631,431,495	17,809,666	20,789	60,705	655.24	517.77	130.74	192.01

*a* The assessed valuation of Oklahoma not being given, the population of that Territory is omitted in calculating the assessed valuation per capita for 1890 of the United States.

*b* Annual report of 1889.

*c* The State board of equalization declares that in 1890 the assessed value was 50 per cent and in 1890 only 25 per cent of the true value; hence the reduction.

*d* Decrease.

*e* Valuation for local purposes; amount for State purposes, \$450,187,408.

*f* Valuation for State purposes; amount for local purposes not reported.

*g* Assessment of 1886; assessment made every five years.

*h* Not including unorganized counties.

nine Ohio counties, omitting Hamilton County, the proportions are 50.24 per cent for owning and 49.76 per cent for hiring families.

Of the 31,412 home-owning families in the ten Ohio counties 73.18 per cent own free of incumbrance and 21.82 per cent with incumbrance. In Hamilton County 74.10 per cent of the home-owning families own free and 25.90 per cent own with incumbrance, while in 9 counties, omitting Hamilton County, 82.40 per cent own free and 17.60 per cent own with incumbrance. Cincinnati, in Hamilton County, has a population of 296,908; Hamilton, in Butler County, 17,565; Middletown, in Butler County, 7,681; Xenia, in Greene County, 7,301.

#### RATIO OF DEBT TO VALUE.

The value of incumbered farms and homes occupied by owning families from which reports have been received, the amount of incumbrance thereon, and the ratio of incumbrance to value are presented in Table 4. The percentages are derived from actual reports, and probably would be but little different if they were based on reports from all families.

In the Kansas counties 38.13 per cent of the value of farms and homes occupied by owners and incumbered is represented by the incumbrance thereon; the percentage for farms is 37.96 and for homes 38.95. The accepted valuation is that reported by owners.

In the Ohio counties the incumbrance is 40.53 per cent of the value of farms and homes, 36.97 per cent in the case of farms and 42.76 per cent in the case of homes. County variations are more noticeable for homes than for farms. The percentage of home incumbrance in Kansas is .99 of 1 per cent more than that of farm incumbrance; in Ohio it is 5.79 more.

#### AVERAGE VALUE AND INCUMBRANCE.

The average value of the farm cultivated by each family from which a report of incumbrance was received is \$3,694 in the Kansas counties; of each home, \$2,198; total, \$3,335. The average amount of incumbrance to a farm is \$1,402; to a home, \$856; total, \$1,271. These averages are found in Table 7.

In the Ohio counties the average farm is valued at \$3,848; the average home, \$3,167; total, \$3,399. The average home in Hamilton County is valued at \$4,020; the average home in nine Ohio counties, excluding Hamilton County, \$1,872. It should not be forgotten that these farms and homes are occupied by owners and incumbered, and that none that are hired or free of incumbrance are included.

The average farm in the Ohio counties is worth \$154 more than the average farm in the Kansas counties, but the average home of the Kansas counties is worth \$298 more than the average home of the Ohio counties, excluding Hamilton County.

In the Kansas counties the average farm incumbrance is \$1,402; the average home incumbrance, \$856; total, \$1,271.

The average farm incumbrance in the Ohio counties is \$1,422; the average home incumbrance, \$1,354; total, \$1,378. The average home incumbrance in Hamilton County is \$1,768; the average home incumbrance in 9 Ohio counties, excluding Hamilton, \$726.

For the ten counties that are included the average Ohio farm has an incumbrance \$20 greater than the average Kansas farm; but the average Kansas home has an incumbrance \$130 greater than that of the average Ohio home, excluding Hamilton County.

#### FARM AND HOME MORTGAGES IN NEBRASKA.

The following statements are copied from page 1 of extra census Bulletin No. 20, issued May 3, 1892, relating to farm and home mortgages in Nebraska:

The real estate mortgage business of Nebraska during the ten years, 1890-'99, is represented by \$57,872 mortgages made to secure a debt of \$274,368,358. Of this debt 48.44 per cent remained unpaid January 1, 1890. Nearly one-third (31.90 per cent) of the existing debt is on village and city lots, and the principal portion of this is in the counties of Douglas and Lancaster, containing, respectively, the cities of Omaha and Lincoln. In Douglas County the existing debt is \$27,064,041, of which 87.60 per cent is on lots. In Lancaster County the existing debt is \$9,172,266, of which 64.97 per cent is on lots.

In some of the more prominent characteristics of its real estate mortgage indebtedness, Nebraska occupies a place between Kansas on one hand and Iowa and Illinois on the other. The per capita indebtedness of these four States compares as follows:

Kansas .....	\$170	Iowa .....	\$104
Nebraska .....	126	Illinois .....	100

Existing mortgages cover 14,065,290 acres in Nebraska, and these are 58.13 per cent of the total number of taxed acres in the State. This is lower than

the Kansas percentage and higher than the Iowa and Illinois percentages, as is shown below:

	Per cent.		Per cent.
Kansas .....	61.56	Iowa .....	46.95
Nebraska .....	58.13	Illinois .....	30.78

Again, Nebraska occupies an intermediate place in the proportion that the debt on acre tracts bears to the estimated true value of the acre tracts that secure it. The proportions for the four States are shown by the following percentages:

	Per cent.		Per cent.
Kansas .....	47.53	Illinois .....	43.13
Nebraska .....	44.47	Iowa .....	38.25

#### IN RELATION TO PUBLIC INTERESTS.

Many of the writers on money and the laws which apply to its nature and functions seem to be of opinion that if the precious metals are not the only things of value which men prize, they are the most sought after. In a work entitled "Money and its Laws," by Messrs. H. V. and H. W. Poor, published 1877, the authors summarize that agreement of opinion. They say:

In the earliest periods of which history or tradition gives any account, and which are far anterior to any possible concert or agreement between different peoples, the precious metals sustained precisely the relation to the nature and wants of man that they do to-day. They have had through all time the same importance in the arts. They always served as money in trade, and have always been esteemed the most desirable of all kinds of property to hold. Their owner has always been able to command whatever a people possessed, whether civilized or savage, among whom he might happen to be cast. No other articles of property have a similar power, for, with the exception of the precious metals, what is highly prized by one is often little valued by another: but in the desire for gold and silver all nations and races, barbarous and civilized, Asiatic, African, European, and American, meet on the same plane. To all they have an attractiveness equal in durability and intensity, and among all they have rendered those that possessed them masters of the property and services of those who did not. Articles for which such an universal preference was felt, based alike upon their beauty and utility, necessarily became, by virtue of such preference, the highest form of capital, the universal equivalent—money.

If there ever was a time when gold and silver was the "universal equivalent," that time passed long ago. It could have been true only when these metals were sufficiently abundant to be practically equal in value to all other property. It is not, and could not, be true to-day. The aggregate value of all the gold and silver coin estimated to be in the country on the 1st day of May, 1892, was \$1,092,016,532, of which amount \$562,012,603 was in the Treasury, leaving \$530,003,929 in banks and in the hands of the people. It is believed, however, that this estimate is too large. Considering reserves in banks and the removal of gold from the country by travelers, it is doubtful whether there is more than \$350,000,000 of gold and silver coin in the United States available for use in circulation. The late Senator Plumb, in his speech of June 6, 1890, delivered before this body, said the Treasury estimate was too high by at least \$150,000,000. He said: "The Treasury is, consciously or unconsciously, deceiving the people."

While our available gold coin may be as much as \$350,000,000, the value of all the property in the country is estimated at \$66,000,000,000, and is probably nearer \$100,000,000,000. It would be impossible for \$350,000,000 or \$500,000,000 to be the "universal equivalent" in this case. It will be said, of course, that the doctrine of equivalents applies only by reason of the frequency of business transactions, a small amount of money being needed for each separate exchange, and thus a small amount of money by changing hands often and rapidly suffices for a large amount of business. This is true, but think of the measureless reach of

human endeavor. Think of the ceaseless activity of men. Look at the vast volume of American trade.

Mr. Carnegie, a few years ago, referring to this subject, said:

The coasting tonnage of the Union alone more than doubles the entire foreign traffic, 31,000,000, as against 16,000,000 tons, while the domestic commerce by rail is reported at 291,000,000 tons, and by steamers, lakes, and rivers at 25,500,000 tons. Thus it appears that our internal commerce, of which so little is heard, is more than twenty times greater than the foreign trade.

And further, he asserts:

That this internal commerce of the United States exceeds the entire foreign commerce of Great Britain and Ireland, France, Germany, Russia, Holland, Austria, and Belgium combined. \* \* \* The Pennsylvania Railroad system alone transports more tonnage than all Britain's merchant ships.

The chief of the Bureau of Statistics, in his first annual report on the internal commerce of the United States, published in 1877, estimated its value to be twenty-five times that of our total foreign commerce. Referring to this, it is said on page 570 of the report on internal commerce of the United States for 1887: "If we accept this estimate as correct, we must multiply the present foreign commerce of the United States (which during the fiscal year ending June 30, 1886, was \$1,314,960,966 in value) by twenty-five to meet the present total of our internal commerce. The result is the enormous sum of \$32,874,024,150, or more than double the value of the foreign commerce of the whole world.

The late Secretary of the Treasury of the United States, thus:

For the accommodation and development of our home trade, we have built 45 per cent of all the railroads of the world. \* \* \* The floating tonnage of the United States engaged in coastwise commerce and on our lakes and rivers is very far in excess of that of any other nation.

Some of his statistics were these, viz:

Tonnage through the Detroit River during 1889 exceeded, by 2,468,127 tons, the combined total entries inward and outward from London and Liverpool that year. Freight through the St. Marys Canal exceeded, by 2,357,876 tons, the entire tonnage of all nations through the Suez Canal. Our railroad freights exceeded, by over 36,000,000 tons, the aggregate freight of all the railroads of Great Britain, Germany, France, and Russia for the year 1889.

At the same rate our internal commerce for the year 1891 must have amounted to \$41,000,000,000. And this includes only the value of the property carried from place to place among our own people. It does not include the value of the railroads engaged in this vast system of transportation nor of their equipments; nor does it include the value of the ships and boats of various kinds, nor the cost of handling the property carried, nor the wages of the army of men employed on the roads. And it leaves out of view the vastly greater volume of trade in our towns and cities, the countless little transactions of the people in their local traffic among themselves, where only small vehicles are used in transportation, and where men and women work singly on small jobs and at daily or weekly wages. It leaves out of sight the work of the local merchants and manufacturers, the farmers and day laborers, the miners and lumbermen, with their multitudinous business affairs, all requiring the use of money. And besides these things the banks annually handle nearly \$20,000,000,000 worth of paper representing money in making exchanges for their patrons, and the bank clearing houses handle vast amounts by paper representing money balances.

The New York bank clearing house handles more than \$50,000,000,000 in this way every year. Then consider the various boards

of trade and stock exchanges and the operations in Wall street. Collecting into one vast aggregate the money value of the business done by the people of the United States the amount would be inconceivably great, all the gold and silver coin in the world would not be equivalent for the one hundredth part of it.

*Approximate amount of the gold and silver money of the world.*

Countries.	Gold.	Silver.
United States .....	\$702, 018, 869	\$482, 071, 346
United Kingdom .....	550, 000, 000	100, 000, 000
France .....	900, 000, 000	700, 000, 000
Germany .....	500, 000, 000	145, 000, 000
Belgium .....	65, 000, 000	55, 000, 000
Italy .....	140, 000, 000	60, 000, 000
Switzerland .....	15, 000, 000	15, 000, 000
Greece .....	2, 000, 000	4, 000, 000
Spain .....	100, 000, 000	125, 000, 000
Portugal .....	40, 000, 000	10, 000, 000
Austria-Hungary .....	40, 000, 000	90, 000, 000
Netherlands .....	25, 000, 000	65, 000, 000
Scandinavian Union .....	32, 000, 000	10, 000, 000
Russia .....	190, 000, 000	60, 000, 000
Turkey .....	50, 000, 000	45, 000, 000
Australia .....	100, 000, 000	7, 000, 000
Egypt .....	100, 000, 000	15, 000, 000
Mexico .....	5, 000, 000	50, 000, 000
Central American States .....		500, 000
South America .....	45, 000, 000	25, 000, 000
Japan .....	80, 000, 000	50, 000, 000
India .....		900, 000, 000
China .....		700, 000, 000
The Straits .....		100, 000, 000
Canada .....	16, 000, 000	5, 000, 000
Cuba, Haiti, etc .....	20, 000, 000	2, 000, 000
Total .....	3, 727, 018, 869	3, 820, 571, 346

MINT BUREAU, January 12, 1891.

E. O. LEECH, *Director.*

Shall it be said that all this trade, incalculable in extent, all the work and toil necessary to produce the wheat, corn, hay, cotton, iron, coal, and the ten thousand articles which flow through the arteries of commerce, to keep its railways and ships going, to supply the towns and cities, to feed and clothe and shelter the millions of our people—that all this is done merely to procure gold and silver? Shall it be said that the \$9,000,000,000 that our farmers and townspeople borrowed during the ten years next following 1879 was borrowed to store away, merely to have money on hand? Shall it be said that the indebtedness of men everywhere, and the debts of companies, firms, corporations, cities, counties, and States—that all these debts were incurred in order to secure money? Do men mortgage their homes and toil unceasingly merely that they may procure money, something that does not supply a single natural want, something that neither shelters, nor clothes, nor warms, nor nourishes the body? No, Mr. President.

It is lands and houses that the people want, clothing and food, grain, cattle, machinery, and implements—things that minister to comfort and enjoyment, things which aid us in our vocations that we may live and enjoy our living. It is these things that we want, not money. We use money only as a

means of procuring the things that we want or need. We want money to give away, not to keep. We procure it in order to exchange it for something that we want to use or enjoy. The value is in the thing we want, not in the thing we do not want. If I want a wagon and have nothing but a horse to pay for it, and if the merchant do not want a horse and is not willing to exchange a wagon for a horse, I sell the horse for money enough to pay for the wagon, or I borrow money and pledge the horse as security for the payment of the debt thus incurred and use the money to buy the wagon. In this way, by the use of money, I do, in effect, exchange my horse for a wagon.

Mr. MORRILL. Would it embarrass the Senator for me to ask him a question?

Mr. PEPPER. No, sir.

Mr. MORRILL. I would ask the gentleman if we are to have cheap money that he has spoken about, which would not purchase any more of the things we want, how much better off should we be?

Mr. PEPPER. The advantage would come in this way, as I shall argue in a minute or two. We need more money than we have now to transact the business of the people. Gold and silver are not the equivalent of the property which we now have on hand; they are not sufficient to transact the business of the people now.

Since the beginning of our history we have been in the habit of using from three to five dollars of paper money for every dollar of gold and silver which we had. We have never had enough gold and silver, we never shall have enough, for there is not one-thousandth part enough of it in the world to be the equivalent of all classes of property. Hence we must have more money, and, as I shall argue directly, it does not matter about the value of the material out of which we make the money; its cheapness does not come from the material, but it comes rather from its abundance, and I am only asking for enough to transact the business of the people. That is my answer to the question of the Senator from Vermont.

If in want of a dollar's worth of sugar, a paper dollar or twenty nickle pieces or a hundred copper pieces serves our purpose quite as well as a gold dollar or silver. The value is in the sugar, not necessarily in the money. The material out of which the money is made is no part of money. Money is an attribute, if I may be permitted to use the word in that connection—money is an attribute and the use or circulation of money is a function. The attribute is imparted by the sovereign will of the people, and the functions of paying debts and facilitating exchanges of value is the attribute in action. The attribute is the quality or power to exchange values among the people. Passing from hand to hand, it serves to exchange the value of labor, not labor, but the value of labor, thus setting a day's work against a dollar's worth of flour.

With money we exchange values of horses, cattle, corn, houses, lands, railways, and ships—not the things themselves, but the values of them. That is one of the functions of money, and one substance serves the purpose quite as effectively as any other when it is set apart by the law of the land for that particular purpose. Iron, tin, copper have been used for money metals. Shells, skins of animal, animals themselves, have been used for money.

Tobacco was once legal-tender money in Virginia. I am indebted to the Senator from Nevada [Mr. JONES] for the following statement of different substances used for money. The table was prepared for and published with an exhaustive speech delivered in this Chamber by that Senator on the 12th day of March, 1890. I omit his authorities.

Period.	Country.	Substance used as money.	
B. C.	1900 Palestine .....	Cattle, and gold and silver, by weight.	
	..... Arabia .....	Gold and silver colus.	
	..... Phoenicia .....	Gold, silver, and copper coins.	
	..... Phoenician colony in	Same (some still extant).	
	..... Spain .....		
	1200 Phrygia .....	Coins, by Queen of Pelops.	
	1184 Greece .....	Brass coins.	
	862 Argos .....	Gold and silver coins, by Phidon.	
	700-500 Rome .....	Brass, by weight.	
	578 do .....	Copper coins.	
	Uncertain .....	Carthage .....	Leather, or parchment money, first "paper-bills" known.
	491 Sicily .....	Gold coins, by Gelo (some still extant).	
	480 Persia .....	Gold coin, by Darius (two still extant).	
	478 Sicily .....	Gold coin, by Hiero (some still extant).	
	407 Athens .....	Debased gold coins, foreign.	
	400 Sparta .....	Iron, overvalued.	
	360 Macedonia .....	First gold coins coined in Greece, by Philip.	
266 Rome .....	First silver coins coined in Rome.		
54 Britain .....	Pieces of iron.		
50 Rome .....	Tin and brass coin.		
Uncertain .....	Arabia .....	Glass coin.	
A. D.	212 Rome (Caracalla) .....	Lead coins silvered, and copper coins gilded.	
	1066 Britain .....	Living money, or human being made a legal-tender for debts at about £2 16s. 3d., per capita.	
	1180 Italy .....	Paper invented; bills of exchange introduced by the Jews.	
	1240 Milan, Italy .....	Paper bills a legal-tender.	
	1275 China .....	Do.	
	..... Africa, part of .....	"Machutes" (ideal money; this view doubted).	
	1470 Granada, Spain .....	Paper bills a legal-tender.	
	1574 Holland .....	Parseboard bills, representative.	
	Uncertain .....	Iceland .....	Dried fish.
	Do .....	Newfoundland .....	Codfish, dried.
	Do .....	Norway and Greenland .....	Seal skins and blubber.
	Do .....	Hindustan and parts of Africa .....	Cowry shells.
	Do .....	North American Indian tribes .....	Agate, carnelian, jasper, lead, copper, gold, silver, terra cotta, mica, pearl, lignite, coal, bone, shells, chalcidony, wampumpeag, etc.
	Do .....	Oriental pastoral tribes .....	Cattle, grain, etc.
	Do .....	Abyssinia .....	Salt.
	Do .....	China and India .....	Rice.
	Do .....	India .....	Paper bills.
Do .....	China .....	Pieces of silk cloth.	
Do .....	Africa .....	Strips of cotton cloth.	
Do .....	Not stated .....	Wooden tallies or checks.	
1631 Massachusetts .....	.....	Corn a legal tender at market prices.	
1635 do .....	.....	Musket balls.	
1690 do .....	.....	Paper bills, colonial notes.	
1694 England .....	.....	Bank notes.	
1700 Sweden .....	.....	Copper and iron coins.	

## Statement of different substances used for money—Continued.

Period.	Country.	Substance used as money.
A. D.		
1702	South Carolina.....	Colonial notes.
1712	.....do.....	Bank notes.
1716	France.....	Interconvertible paper bills a legal tender.
1723	Pennsylvania.....	Paper bills, colonial notes.
1732	Maryland.....	Indian corn a legal tender at 23 <i>d.</i> per bushel.
1732	.....do.....	Tobacco a legal tender at 1 <i>d.</i> per pound.
1776	Scotland.....	Tenpenny nails for small change.
1785	Frankland, State of (now part of North Carolina).	Linen at 3 <i>s.</i> 6 <i>d.</i> per yard, whisky at 2 <i>s.</i> 6 <i>d.</i> per gallon, and peltry as legal tender.
1810-1840	All commercial countries.	Great era of bank-paper bills.
1826	Russia.....	Platinum coins (discontinued in 1845).
1847	Mexico, parts of.....	Cocoa beans; and at Castle of Perote, soap.
1849	California.....	Gold dust by weight, also minute gold coins for small change, coined in private mints.
1855	Australia.....	Gold dust by weight.
185-	Communist settle- ment in Ohio, called "Utopia."	Paper bills, each representing "one hour's labor."
1862	United States.....	Paper bills a legal tender.
1863	North Carolina.....	Tenpenny nails, at 5 cents each, for small change.
1863	Camp at Florence, S. C.	Potatoes for small change.
1863	United States.....	Postage stamps for small change, temporary.
1865	Philadelphia, Pa....	Turnips for small change, temporary and local.
1865	United States.....	Nickel coins for small change, overvalued.

The people have a perfect right to use for money any material that they see proper. It is frequently alleged the constitutional money of the country is gold and silver coin, but that is error. The Constitution empowers Congress to coin money and regulate the value thereof. It does not require that the money shall be coined of gold or of silver or of metal at all. Congress is not authorized to regulate the value of any metal, but simply to regulate the value of money which it coins. The language is, "To coin money and regulate the value thereof"—the value of the money or of the coin after it is made into what we call money. If the people see proper to use gold or silver to make their money coins out of they have an unquestioned right to do so, and no one has any moral or legal ground for complaint. Personally, I have long since abandoned the belief that gold and silver are better for the purposes of money (except silver for small change) than paper.

It matters not what material we use in the coining or manufacture of coins or pieces. The most important considerations are, first, that we have an abundance of it; and, second, that we do not permit it to be cornered and thus controlled by individual men or by corporations or combinations of any sort. While it is true that the attribute of money may be imparted to any substance, and while I believe that a substance of little value, if suitable in other respects, is better material for money, I quite

agree with other men that among money metals gold and silver far surpass all others yet tested. And I agree further, that inasmuch as these two metals have been so used from time immemorial, and in our own national history they have descended to us from the fathers of the Republic—have become part of us. It would be unreasonable as well as unnecessary to ask the people to abandon their preferences for these metals.

In this, as in many other matters, the prejudice and traditions of the people are factors to be considered by statesmen in the transaction of public business, in the enactment of laws and in the interpretation of contracts. We find in this case that the people have been trained to the use of gold and silver as money. Gold and silver are peculiarly well adapted to uses as money, and we have large quantities of both in our own mines. To extract them and put them in form ready for mints requires a great deal of labor. It gives employment to a great many men. It furnishes means of livelihood to a great many people, and it is in every way a proper and legitimate employment.

But, Mr. President, we must have more money. My late colleague, Mr. Plumb, in his able speech before referred to, treated this proposition elaborately. His views were so reasonable and so clearly expressed and so perfectly in accord with my own and those of Kansas people generally that I quote an extract from it here:

Mr. President, there ought to be an increase of circulating medium in order to relieve from this great strain and also in order that the people who can not make satisfactory use of the devices may have a fair chance. In the great world of credit the laborer and the farmer have no place and little or no opportunity. It is money they want, money for manual delivery. The competition is now so keen for the few dollars there are in circulation that they do not get them; they go to the merchant and the banker and those who already have the better opportunity because they can make use of credit. The money goes into the till of the merchant only to be deposited in the bank, whence it goes out in the shape of loans. But these do the farmer little good because he can not make quick returns in his business. He is therefore resorted to heavy loans upon mortgage, the money drawing interest when not in use as well as when it is, eating out the substance of the borrower, tempting to extravagance, and often the means of destruction.

So keen is competition for money for manual delivery, so constant and always is this demand, that no sooner does a dollar get out than every agency of the banks is set at work to bring it back, and so it happens that not only is this money not found in the outer periphery of things among the farmers and poorer people, but it concentrates itself in the great cities and hides in the vaults of the banks. Mr. President, we ought to have more money. I am not certain now how much more. I know how inevitably some compromise on this subject will result; but if I were to express what I think ought to be done I should say that not only the vacancy in the national-bank circulation which has occurred during the last twelve years should be made up, and that, too, as speedily as can be, but there ought to be in addition at least as much as would result from the free coinage of silver.

It is not possible to carry on the constantly increasing work and trade of this busy people without a correspondingly increased abundance of money. Adam Smith stated the truth when he said: "Money has become, in all civilized nations, the universal instrument of commerce, by the intervention of which goods of all kinds are bought and sold or exchanged for one another."

We must have money to maintain our national existence; indeed, as was well said some weeks ago by the Senator from Colorado [Mr. TELLER], the maintenance of our civilization depends upon money. And having determined that we will use gold and silver as our money metals, we must use all of them that we need, if so much is attainable. To use only one of them is to throw away half of our money, leaving only the other half to do a busi-

ness for which both would not furnish one-tenth part enough. Our available public lands are virtually exhausted. There is no longer an outlet for the overflow of population. Homes are now so much in demand that men and even women imperil their lives to secure a place to live in an Indian reservation. Our territory will become more densely populated, business will increase and employments diversify, creating greater and more imperative need for conveniences of quick and ready exchange of property and values. The crying need of the time is money.

Quoting my own words in another place—

The American farmer of to-day is altogether a different sort of a man from his ancestor of fifty or a hundred years ago. A great many men and women now living remember when farmers were largely manufacturers; that is to say, they made a great many implements for their own use. Every farmer had an assortment of tools with which he made wooden implements, as forks and rakes, handles for his hoes and plows, spokes for his wagon, and various other implements made wholly out of wood. Then the farmer produced flax and hemp and wool and cotton. These fibers were prepared upon the farm; they were spun into yarn, woven into cloth, made into garments, and worn at home. Every farm had upon it a little shop for wood and iron work, and in the dwelling were cards and looms; carpets were woven, bed clothing of different sorts was prepared; upon every farm geese were kept, their feathers used for supplying the home demand with beds and pillows, the surplus being disposed of at the nearest market town. During the winter season wheat and flour and corn meal were carried in large wagons, drawn by teams of six to eight horses, a hundred or two hundred miles to market, and traded for farm supplies for the next year—groceries and dry goods. Besides this, mechanics were scattered among the farmers.

The farm wagon was in process of building a year or two; the material was found near the shop; the character of the timber to be used was stated in the contract; it had to be procured in a certain season and kept in the drying process a length of time specified, so that when the material was brought together in proper form and the wagon made both parties to the contract knew where every stick of it came from and how long it had been in seasoning. During winter time the neighborhood carpenter prepared sashes and blinds and doors and molding and cornices for the next season's building. When the frosts of autumn came the shoemaker repaired to the dwellings of the farmers, and there, in a corner set apart to him, he made up shoes for the family during the winter.

All these things were done among the farmers, and a large part of the expense was paid with products of the farm. When winter approached the butchering season was at hand; meat for family use during the next year was prepared and preserved in the smokehouse. The orchards supplied fruit for cider, for apple butter, and for preserves of different kinds, amply sufficient to supply the wants of the family during the year, with some to spare. Wheat was thrashed, a little at a time, just enough to supply the needs of the family for ready money and not enough to make it necessary to waste one stalk of straw. Everything was saved and put to use.

One of the results of that sort of economy was that comparatively a very small amount of money was required to conduct the business of farming. A hundred dollars average probably was as much as the largest farmers of that day needed in the way of cash to meet the demands of their farm work, paying for hired help, repairs of tools, and all other incidental expenses, because so much was paid for in produce.

Coming from that time to the present, we find that everything nearly has been changed. All over the West particularly the farmer thrashes his wheat all at one time, he disposes of it all at one time, and in a great many instances the straw is wasted. He sells his hogs and buys bacon and pork; he sells his cattle and buys fresh beef and canned beef or corned beef, as the case may be; he sells his fruit and buys it back in cans. If he raises flax at all, instead of putting it into yarn and making gowns for his children, as he did fifty or more years ago, he thrashes his flax, sells the seed, and burns the straw. Not more than one farmer in fifty now keep sheep at all; he relies upon the large sheep farmer for the wool, which is put into cloth or clothing ready for his use. Instead of having clothing made up on the farm in his own house or by a neighbor, woman or country tailor a mile away, he either purchases his clothing ready made at the nearest town, or he buys the cloth and has a city tailor make it up for him. Instead of making implements which he uses about the farm—forks, rakes, etc., he goes to town to purchase even a handle for his ax or his mallet; he purchases twine and rope and all kinds of needed material made of fibers; he buys his cloth and his clothing; he buys his canned fruit and preserved fruit; he buys hams and shoulders and mess pork

and mess beef indeed he buys nearly everything now that he produced at one time himself, and these things all cost money.—*The Farmer's Side*, page 56 *et seq.*

#### THE PEOPLE DEMAND FREE COINAGE.

But why should we have free coinage of silver? First, because the people have demanded it. The demand has been made in all the usual forms, by conventions of great political organizations, petitions, and memorials of farmers and other working classes, and in every other way known to the people. Promises have been made in party platforms and in the public utterances of party leaders, in the newspaper press of the country, and in every way which it was possible to make them. This is a good reason. In this country the people are the source of power. They alone have the right to dictate to their public servants whatever policy, in their judgment, is best. It is not for us who are commissioned as members of the National Legislature to say what the people shall have and what they shall not have. They have elected us to execute their will, and it is our duty to obey. It is not for us to determine that we know better what the people need and what they ought to have than they do themselves. It is true the common people are not trained in the subtleties of statecraft, they are not skilled in the niceties of legal forms. They are not familiar with details of legislation, nor do they understand the art of making laws. But they know what they want, they choose representatives to get it for them, and they pay liberal salaries for the work.

What they ask is not unreasonable, not a new and untried thing, not an experiment. It is only that an old custom be restored; one that has descended to us from the earliest days of the Republic, one that was always useful and beneficent in its operations, one which we were recently deprived of without our knowledge or consent. The demonetization of silver was done without consulting the people. There was some show of discussion about resumption of specie payments; but "specie payments" mean gold and silver coin alike. The people had no thought that silver coin would be struck down. Perhaps it will be said the people do not know and can not know how much money they need or ought to have. But why not, pray? Do they not know how much postage currency they need? Do they not know how many wagons or carriages or steamboats or ships their business requires? How do we determine what number of shoes the people need, how many coats or how many carts? There is but one way, and that is altogether practical.

We ask the people themselves. We let them determine how much of these things they need, and why should they not do the same with respect to money? As matter of fact the people do now make known every day how much money they need. They apply to banks and loan agents, and to other persons who control money, and in that way make known their wants. Consider the vast amount of money borrowed at high rates of interest, and the still greater amount needed that can not be procured at all. Does anybody believe that with plenty of money in the country loanable at reasonable rates on good security half the homes of the people would be mortgaged, and that a large part of business of courts would be ordering sales of land for debt? Debt, the bane of civilization, is an abnormal condition. There ought to be no such thing as debt that makes slaves of men. It is scarcity

of money, and the resulting high price for it that forces the incurring of debts which impoverish.

At 10 per cent interest, running ten years, the debt is doubled; and at interest rates high above the normal increase of permanent wealth, high above the profits of labor in the usual and ordinary vocations, it fastens debt burdens on men forever. That accounts for the fact that 99 per cent of men are to-day in debt to 1 per cent, that the masses are toiling from year to year and turning over all their net earnings to the money-changers. With plenty of money such things would be impossible. With money enough to conduct all the business of the people men could make as much profit out of farming or blacksmithing or making shoes as they could out of lending money. With an abundant circulation property values would be high, interest rates low, and burdensome debt practically unknown. The use of money to exchange values ought not to be any more burdensome in business than the use of means to transport property. Dollars and dimes are vehicles for use in exchanging and transporting values as much as wagons, cars, and ships are vehicles for use in exchanging and transporting commodities. Money is a vital matter with the people; hence they ought to be permitted to control its volume.

With silver coinage, according to the popular demand, we will have taken the first step toward getting this great need into practice. Then we can supply the deficiency with paper. If we must have a basis as security for the paper, and have not gold and silver enough for that purpose, we can use cotton and wheat or other useful and imperishable articles. With plenty of money labor would be employed, hours of toil would be shortened on the farms and in the shops, and our people would own their homes. There would be no masters among us.

#### SILVER-KING ARGUMENT.

The "Silver King" argument has no force. It may serve to frighten timid men into the support of our enemies, but it will satisfy the conscience and judgment of no one. If it be true that we should not use silver for our coinage because silver-miners will be benefited by the transaction, the same rule will apply in every case where the Government needs property for use in the exercise of its lawful powers. Here are two paragraphs from a section of the Army appropriation bill which passed both Houses a few days ago:

#### QUARTERMASTER'S DEPARTMENT.

**Regular supplies:** For the regular supplies of the Quartermaster's Department, consisting of stoves and heating apparatus and repair and maintenance of the same, for heating offices, hospitals, and barracks and quarters; of ranges and stoves and appliances for cooking and serving food; of fuel and lights for enlisted men, guards, hospitals, storehouses, and offices, and for sales to officers; for the equipments of bakehouses to carry on post bakeries; for the necessary furniture, text books, paper, and equipments for the post schools and libraries; for the tableware and mess furniture for kitchens and mess halls, each and all for the enlisted men of the Army; of forage in kind for the horses, mules, and oxen of the Quartermaster's Department at the several posts and stations and with the armies in the field, including its care and protection; for the horses of the several regiments of cavalry, the batteries of artillery, and such companies of infantry, members of the hospital corps, and scouts as may be mounted, and for the authorized number of officers' horses, including bedding for the animals; of straw for soldiers' bedding; and of stationery, including blank books, for the Quartermaster's Department, certificates for discharged soldiers, blank forms for the Pay and Quartermaster's Departments, and for printing division and department orders and reports, \$2,575,000.

## SUBSISTENCE OF THE ARMY.

For the purchase of subsistence supplies for issue as rations to troops, civil employes when entitled thereto, hospital matrons, military convicts at posts, prisoners of war (including Indians held by the Army as prisoners, but for whose subsistence appropriation is not otherwise made), estimated for the fiscal year on the basis of 10,103,565 rations; for sales to officers and enlisted men of the Army; for authorized extra issue of candles, salt, and vinegar; for public animals; for issues to Indians visiting military posts and to Indians employed with the Army without pay, as guides and scouts; for payments for cooked rations for recruiting parties or recruits; for hot coffee, baked beans, and canned beef for troops traveling when it is impracticable to cook their rations; for scales, measures, weights, utensils, tools, stationery, blank books and forms, printing, advertising commercial newspapers, use of telephones, office furniture for temporary buildings, cellars, and other means of protecting subsistence supplies (when not provided by the Quartermaster's Department); for bake ovens at posts and in the field and repairs thereof \* \* \* \$1,700,000,

The Government needs corn, oats, cattle, wheat, pork, beeves, and other farm products and many manufactured articles to make up supplies for the Army. Shall it be said we must not purchase these articles because farmers, mechanics, and merchants will be benefited by the transactions? If we want corn we must look for it among the producers of corn. If we need wagons or railway cars to transport our supplies we must get them from men who make wagons and cars, or else we must ourselves manufacture the vehicles; we must have a Government farm and workshop to produce at the lowest possible cost the articles we need in carrying forward the work of our Government. Let the Secretary of War set the clerks to work raising corn and cattle to feed the Army; let the Secretary of the Treasury detail part of his clerical force to making guns and munitions of war. If that is to be the rule as to these things so let it be in relation to our coin metals. If we need gold and silver in the manufacturing of our money coins, and dare not purchase the metals from persons who procure them from the mines because of the profits such persons would receive from the trade, the only alternative is that the Government shall take possession of the mines and procure the metal by its own means without the agency of private persons acting as owners or employes of the mines.

It would be just as reasonable and as logical for us to argue that because the Government buys horses and cattle and pork, beef, corn, oats, rye, straw and hay from the farmers, therefore the benefit which farmers receive from these purchases by the Government ought to be considered as a set-off against the price to be paid and that we ought not to purchase any of the articles unless at prices reduced accordingly. So in the matter of silver. If the Government needs silver to make money out of, the material must be purchased from some person or persons. Otherwise we could not procure it at all unless we should take to ourselves, as Government property, all the mines in the country, and it may be that would be a very good thing to do.

Indeed, I have heard it suggested somewhere that it would be well for the Government to employ an expert to measure the extent of our silver and gold deposits as they lie in their native beds, and to issue Government certificates upon the deposits without going to the trouble of taking the metal out of the mines at all. Let the metals remain in store where the Creator put them and bank on specie at long range. But we have not gone that far yet. We have permitted individual persons and corporations to take possession of and to own the mining regions.

They own, in their own right, the metals which they take from the hills, and they have it for sale. The Government needs it for money. A very simple transaction it is, a very honest and proper one from every point of view, to purchase it because we need it, and it does not matter who is benefited by our purchase. We need the material, and we buy it from the silver owner the same as we would procure other property from other persons.

If the argument is worth anything as to silver, it is equally cogent in relation to gold. If we are not to purchase silver from the silver miner because he receives a benefit from it, what are we to say in relation to the gold miner? Shall we not purchase gold from him because he receives a benefit? The argument is as good in one case as it is in the other. All that the silver miner asks, all that the "bullion kings" that we hear so much about ask, is that silver be placed upon an equal plane with gold, that it be treated just as gold is treated. If you coin gold, coin silver; if you buy gold bullion and issue certificates upon it, buy silver bullion and issue silver certificates upon that in the same way. If we demonetize one, do likewise with the other.

I believe it would be better for the Government to purchase gold and silver bullion alike, and instead of coining it simply store it in the most convenient places and issue paper money on it; pay for the gold and the silver upon the same terms precisely, at the market price, and pay for it with Treasury notes, just as we are doing now in the case of silver. This would preserve the parity between the metals.

That little word "parity" has caused a good deal of uneasiness in the minds of some economists. It was very neatly incorporated into the law of 1890, in a phrase nicely worded, to the effect that it is the established policy of the United States to preserve the parity between the two metals. If falsehood were fire, how those words would burn. Since 1873 the policy of the Government has not been to preserve the parity between the metals, but to destroy it. It has been the practice of the Presidents and all of our Secretaries of the Treasury since the enactment of the law of 1873 until the present time to depreciate silver and to drive it out of use as a money metal. There has been no effort to preserve the parity. The deception is of a very grave character.

I had the honor some time ago to introduce a bill to increase the circulating medium by purchasing gold and silver bullion in the open market and paying for it in Treasury notes, precisely as we are now purchasing silver alone and paying for it in Treasury notes. I thought when the bill was introduced and think now that it embodied excellent features along this line. I think it would be well to preserve some relation between the money metals so long as we use them, and there can be no fairer or more convenient way to secure that end than to purchase the bullion at market price and pay for it in Treasury notes. Then we purchase a dollar's worth of metal and put into circulation a piece of paper which represents it. Section 2 of the bill provides—

That from and after the taking effect of this act the Secretary of the Treasury shall purchase in open market, at least once a month, all the gold and silver bullion offered, at not to exceed \$1 for 23.45 grains of pure gold and 371.25 grains of pure silver, and pay for the same with Treasury notes of form and dimensions similar to those which have been issued under the provisions of the act of July 14, 1890, with the denomination of the note printed in letters extending full across the note lengthwise, in such style and with such appropriate engraving on the face and back as the Secretary shall determine.

## FREE COINAGE WOULD INCREASE THE CURRENCY.

It is said that free coinage will increase the currency but little. Assuming that to be true, shall we not have that little? Do we not need it? Is this clamor of the multitude but the vaporing of mad men? Who would be injured? Who objects? Who excuses? Who denies?

And it is said, too, by one school of economists, that the only source of relief lies in reforming our tariff laws; yet the most zealous statesmen of that school propose to put wool on the free list and leave high taxes on woolen goods. When they gave us a complete tariff bill in 1888 they left the average rate on dutiable goods at 42½ per cent. And now, with four years for reflection, they offer us free wool and cotton, with taxed cloth and clothing; free hides, with taxed leather and shoes.

If our tariff-reform friends will move on Europe as the protectionists are moving on South America, so that farmers could discover some consistency as well as merit in reciprocity, and if they would put cheap wool and cheap yarn and cheap cloth and clothing of all kinds on the free list, with lumber, coal, salt, binding-twine, cotton-ties and bagging, common glass and earthenware, hollow ironware, builders' tools, heavy hardware used in building, and ores of all kinds, and put high taxes on all sorts of luxuries, including precious stones and jewelry, high-priced manufactured goods of all kinds, including fine cloths, laces, and embroidery, and diamonds, sporting goods, pictures, and statuary, the plain common people would be able to recognize something tangible in the matter of tariff reform.

But, and I say it with great respect and deliberation, after having studied the subject carefully and long, it is my opinion that if we were to repeal all our tariff laws and close the custom-houses, raising our revenues by direct taxation on the property of the people, the saving would not equal in dollars and cents as much as we shall gain by restoring the bimetallic monetary, standard and coining silver as freely as we now coin gold.

But let us see whether free coinage, even of the quantity of bullion now purchased, would not increase the currency circulation. The average price of bullion during the past twelve months has been less than \$1 an ounce. Let us take \$1 as the average in the future, as long as the law continues in force. At \$1 per ounce, 54,000,000 ounces of bullion would cost us \$54,000,000 in paper, and that is the total amount of money that could be issued upon it.

Under free coinage 54,000,000 ounces of bullion would put nearly \$70,000,000 of silver money in circulation, as any one may estimate for himself. The difference between fifty-four million and seventy million gives \$16,000,000 in favor of free coinage. Free coinage is simply coining bullion for its owner without charging him anything for it. That much money, be it more or less, goes directly into circulation among the people. Under free coinage we would get \$1.29½ out of every ounce of silver, and at that rate 54,000,000 ounces would coin \$69,790,000.

Free coinage would give us \$23,350,000 a year more money than we could get out of 54,000,000 ounces at 86 cents an ounce, the average price during the last sixty days.

The Treasury had purchased 89,044,075 ounces of fine (pure) silver, under the late law from its taking effect to the 1st day of April, 1892, at an average of 96 cents an ounce. That cost the

Government \$85,482,312, and that amount of money went into circulation on silver account. With free coinage we would have put out \$115,127,154—a gain of \$29,644,842.

#### THE DUMPING-GROUND ARGUMENT.

The argument that free coinage would make this the "dumping ground" for the silver of other nations is not tenable; and if it were there would be no danger, for it would put just that much more money afloat among us. Foreign silver coined is worth neither more nor less than our own here or elsewhere.

An eminent New York banker, Mr. St. John, in a carefully prepared address delivered before the American Bankers' Association recently, presented this subject forcibly. He showed that, as far as Europe is concerned, the stock of silver there is in the form of money coin:

Europe's primary silver money—

He said—

is the unlimited legal-tender equivalent of her gold. As such it circulates in settlement of every day's transactions. As such it constitutes a liberal share of the coin reserves which Europe's great banks accumulate for the liquidation of their vast liabilities, including the redemption of their circulating notes. This European standard coin values silver at 359.91 grains to the dollar. Our mints exact 371.25 grains of pure silver for our standard dollar. Thus, 11.34 grains would be Europe's first sacrifice, with loss of weight and transportation costs additional, in every dollar for dollar exchange of Europe's standard silver coin for ours. Or more intelligibly: Europe's silver money, which circulates at home at 100 cents, would recoin at our free mints into less than 97 cents.

If Europe's pursuit is presumed to be our gold, let it be understood that equally free coinage for gold and silver is only a promise of gold coin for gold, and of silver coin for silver. Therefore, in order to obtain our gold for silver, Europeans must bargain with the owners of our gold, after the re-coining of their silver into our standard silver dollars. In this contemplation, and in words now memorable: "Unless the Yankee has lost his quick scent of danger and forgotten his cunning \* \* \* probably before the swiftest ocean greyhound could land her silver cargo in New York, the last gold dollar within reach would be hidden safely away \* \* \* to be brought out only by a high premium on gold." Upon experience of high premiums on gold in the United States, 10 per cent would appear to be moderate, as a high premium. Add 10 per cent, as premium on gold, to over 3 per cent lost in the exchange of silver at our mints, and 13 per cent will be the minimum first cost which Europe is to contemplate. Thirteen per cent of \$1,100,000,000, or \$143,000,000, will be Europe's sacrifice in contemplation, therefore, if she will thus exchange her silver for our gold.

#### FREE COINAGE NOT REPUDIATION.

It is charged that free coinage of silver is equivalent to repudiation. The distinguished and venerable Senator from Vermont [Mr. MORRILL] heads an able speech delivered in this Chamber on the 6th day of January, 1892, with the caption "Unlimited silver coinage an unlimited disaster."

I here present to the view of Senators a silver dollar coined in the year 1795. The date is marked upon the face of the coin. Here is a dollar of the coinage of the year 1860, and here is one of 1892, all containing exactly the same amount of pure silver, save only the abrasions from use. If the older coin was honest money, what makes the later coin dishonest? If in 1870 I had promised to pay \$1 to Benjamin Harrison on the 12th day of May, 1892, either of these older coins would pay the debt, and it would be an honest payment in morals and in law. Is there any doubt about it? Then why may I not pay the debt with this new fresh dollar of 1892, containing exactly the same quantity of pure silver, provided always that it is the silver and not the coin that pays the debt?

Do you answer that silver bullion is lower in the market now than it was in 1870, or in 1873, or at any time prior thereto? And do you assign that as a reason for the declaration that to pay in silver coin now is dishonest and therefore repudiation? Suppose I had promised in 1870 to pay my neighbor 1 bushel of wheat on this the 12th day of May, 1892. Sixty pounds of wheat was a bushel in 1870, and the law is the same to-day; so, if I tender 60 pounds of wheat, that is sufficient. Do you insist that because a bushel of wheat was worth \$2 in 1870 and only 85 cents now, that a promise in 1870 to pay a bushel of wheat in 1892 is not kept when 60 pounds of wheat are offered to-day? Surely such an argument will not be presented; and, if not in the case of wheat, why in the case of silver?

It will be said, and very correctly, too, that money and wheat are different things, and their uses are different. But when you talk about depreciation of silver, you mean silver as bullion and not silver as money. Silver bullion has depreciated because we have decreed in our laws that it should depreciate when measured with gold. We have maintained a legal value for gold bullion, while we have thrown silver bullion on the market, and have denied it free access to our mints. But we have not depreciated money. We have made that dearer.

In 1834, by an act of Congress, the amount of gold bullion put in gold coins was reduced about 6 per cent, and the lighter coins had the same value that the heavier ones had, because the law so provided. Passing on the value of money, the Supreme Court of the United States in the Legal-tender cases (12 Wallace, 548 *et seq.*) says:

By the obligation of a contract to pay money is to pay that which the law shall recognize as money when the payment is to be made. If there is anything settled by decision it is this, and we do not understand it to be controverted. No one ever doubted that a debt of \$1,000, contracted before 1834, could be paid with one hundred eagles coined after that year, though they contained no more gold than ninety-four eagles when the contract was made, and this is not because of the intrinsic value of the coin, but because of its legal value. The eagles coined after 1834 were not money until they were authorized by law, and had they been coined before, without a law fixing their legal value, they could no more have paid a debt than uncoined bullion, or cotton, or wheat.

It is hardly correct to speak of a standard value. The Constitution does not speak of it. It contemplates a standard for that which has gravity or extension; but value is an ideal thing. The coinage acts fix its unit as a dollar, but the gold or silver thing we call a dollar is in no sense a representation of it. There might never have been a piece of money of the denomination of a dollar.

Does the court teach repudiation?

#### A COMMODITY NOT GOOD MONEY.

No commodity ought to be used as money. It is quite proper, as long as people believe it to be prudent or necessary to use a commodity as a security, or if you prefer, a basis. The reason is, when a commodity is used for money, every person must pay his debts and taxes and all pecuniary obligations in that commodity, unless he can barter his way, and that subjects all the people to the inconveniences and losses arising from changes in the market value of the thing which is used as money. It tempts men to corner the money market and thus collect in a few hands all the money in the country and then demand their own price for it.

To illustrate, let it be supposed that we enact in law that wheat

and nothing but wheat shall be money. In that case all debts must be paid in wheat. If a debtor has no wheat he must find some person who has wheat and must make terms with him as best he can. It places all the people who have no wheat at the mercy of those who do have wheat; besides that, prices of everything else would be affected from time to time by the fluctuations in the market price of wheat.

The rule applied to wheat applies in the same way and with the same effect to gold. We can not make gold serve as money with any better result than would follow the use of wheat or cotton or corn or any other marketable article for the same purpose. No man could estimate with more certainty than grain-gamblers now do what would be the price of any particular article a month or a year hence.

But gold or silver, wheat, corn, cotton, or any other imperishable article which is useful and in general demand among the people, may properly be made a basis for money, a security, just as we are now using silver bullion. The subtreasury plan of the Farmers' Alliance is a suggestion in the same line, a different application of the same principle. Wheat and cotton are quite as good security as silver; much better, indeed, for these articles are always in universal demand, because they are serviceable in sustaining life, while it would be a very poor dinner, coat, or fire that could be made of silver or gold.

There is a great difference between gold and coin made of gold; between silver and coin made of silver. The coin may properly be used as money, but it would be fatal to industry to make the metal itself the measure of values and the means of payment. The principle was clearly stated in the bullion report of the British Parliamentary committee in 1810. I quote:

The amount of gold in the world will suffice to perform the exchanges of the world. If these be more or less, it would only affect the average level of prices the world over.—*Conclusion of Bullion Report, 1810.*

If we use coin and not bullion for money and supplement it with paper enough to supply any deficiency that may arise, using dollars and not ounces for counters, leaving property values to be regulated according to legitimate rules of trade and not by the price of gold bullion in the market, we shall have a good and satisfactory currency. In that case the price of bullion would not affect the value or the worth of money. Our silver dollars are quite as good as gold coin, though the bullion in one of them cost no more than 70 cents paid in gold coin; and the paper dollars, which have little or no intrinsic value, are as good as any of the metal dollars. That which gives power and efficacy to the words "one dollar" on a silver coin vitalizes the same words on paper dollars. It is the power of the people expressed in the fiat of law that makes money out of either of them. Surely we have property enough to make all our dollars as good as our paper bonds, and they sell at a premium in gold.

We are told every day and we will be told in all parts of the country during the pending campaign that a dollar now buys more goods, more labor, more corn and cotton than ever before, and we know the only dollar in coin is the silver dollar. This dollar which I hold in my hand, coined in the year 1892, which you say is a fraud, worth only 68 cents, and that to argue in favor of its use or to offer it in payment of a debt is repudiation, I have good authority for saying is the equal of every other dol-

lar, a full legal-tender dollar, worth a hundred cents in any of our markets, a dollar which pays for more than any other dollar did before. Here is my authority:

We approve and commend the general policy of the last Republican Congress in dealing with the silver question. We are opposed to the free coinage of silver, but favor the purchase of American silver at its market value, and the issue by the Government of Treasury notes in payment thereof. That the course of the Republican party upon this question has hitherto been wise and liberal is proven by the fact that to-day there is no scarcity of money in our country for the transaction of legitimate business or the payment of wages, and by the further fact that a silver dollar or a paper dollar is the equivalent in value of a gold dollar in the purchase of the necessaries of life.—*Pennsylvania Republican platform*, April 27, 1892.

The people must continue to look to the Republican party to maintain the good faith of the nation in all matters of finance, pledged as it is to keep any dollar bearing the stamp of the United States at par with gold, and to repel the assaults of the reckless advocates of free and unlimited coinage of silver.—*New York Republican convention*, April 28, 1892.

Every coined dollar should have the intrinsic as well as the monetary value of every other coined dollar.—*Ohio Republican convention*, April 28, 1892.

And now, Mr. President, permit me to present to the view of Senators some different varieties of coins and pieces of paper money. The first is a coin minted in the year 1795 under the provisions of the first coinage act, April 2, 1792. It contains 371½ grains of pure silver and is of the value of a Spanish milled dollar. That was its value then. That is its value now; for it has never been changed. The next coin I present is a silver dollar made in the year 1860. It likewise contains 371½ grains of pure silver, the same as the other one does, and the value of it is the same. The third coin is a dollar made in 1870; the fourth, a "trade dollar" made under act of 1873; the fifth is a dollar made in 1890; the sixth, a dollar made in 1892. These coins all contain exactly equal quantities of pure silver and they are all of equal value except the trade dollar, which is 7½ grains heavier than any of the others and has no money value at all, because it is only bullion now. It is not legal tender in payment of debts.

But let us spend a moment more along this line. A silver dollar coin made in 1873 contains silver bullion which, when it was coined, was worth more than the coin itself was worth after it was manufactured; for 371½ grains of pure silver bullion at that time, whether paid for in silver or in gold, cost more than a dollar. The rate in 1873 was \$1.03 for silver enough to make a dollar coin. The silver bullion that was made into this coin bearing date 1890 was worth at the time it was purchased about 90 cents, and the bullion of which this coin of 1892 was made was worth only about 70 cents. Here, then, we have three different coins, each of the value of \$1, though the metal out of which they were made at the time they were made had a different value, the difference amounting to 33 cents as between the coins of 1873 and 1892.

The metal out of which these old coins were made was paid for in coin of the same metal; for then we had free and unlimited coinage of both gold and silver. But the metal in which these later coins—these of 1890 and 1892—was paid for with paper money, and one dollar of paper in 1890 paid for silver enough to make a dollar and ten cents when coined, and the paper dollar in 1892 paid for silver enough to make a dollar and thirty cents when coined. Let us now put the silver dollars and the paper dollars of the two years, 1890 and 1892, together. Here are the dollars of 1890, one silver, made out of 90 cents' worth of metal, the other

paper made of material of value not to exceed 1 cent, yet both are of the value of \$1, and will go as far as gold coin will go in any place in this country where money passes current.

Here are the two dollars of 1892—one made of silver bullion, the other made of paper. The silver coin was made of metal that was worth 70 cents and paid for with this paper dollar. The paper piece was made of material that was worth not to exceed 1 cent; yet both pieces, the silver piece and the paper piece, have exactly the same value as money in the market, and Republican authority says they are all as valuable as the best dollar made of gold.

But here are two other varieties of coin made of metal—nickel and copper. Twenty of these nickel pieces are of the value of \$1, though the metal in them did not cost more than 12 cents. One hundred of these copper coins are of the value of \$1, though the metal in them did not cost more than 5 or 6 cents.

This sort of demonstration disposes of the fiat argument, for it demonstrates beyond question that all money is fiat money, no matter what it is made of. The inscription upon this silver coin, namely, "one dollar," is simply the fiat of the law. It is one dollar, because the law says so, not from any other reason, and the party platform says the same.

#### THE TURNING POINT.

Another reason why we should have free coinage, and one which I regard as of importance great beyond estimate, is that it will be a turning point in the financial methods of the world; a pivot on which shall be made to turn the most important interests of men. Among economists of all schools and, so far as my knowledge extends, of all ages, there is an agreement of opinion that money is a vitalizing agency in trade, a necessary instrument of commerce, a potent factor in civilization. Adam Smith, more than a hundred years ago, compared the circulation of money among the people to the movement of property on the public highway. The United States Monetary Commission in 1876 spoke of money as the great instrument of association, the very fiber of social organism, the vitalizing force of industry, the protoplasm of civilization, and as essential to its existence as oxygen is to animal life. "Without money," said the Commission, "civilization could not have had a beginning. With a diminishing supply it must languish, and unless relieved finally perish."

Mr. Del Mar, in his excellent work on money, speaks of this great power as "unheard, unfelt, almost unseen. It has the power to so distribute the burdens, gratifications, and opportunities of life that each individual shall enjoy that share of them to which his merits entitle him, or to dispense them with so partial a hand as to violate every principle of justice and perpetuate a system of social slavery to the end of time." Sir Archibald Alison speaks of money as "this mighty agent in human affairs." It is conceded on all hands to be one of the vitalizing forces in civilization; and that fact, as I believe, makes it necessary that we should have a complete change in our system of finance; that the interests of civilization require it, and I believe that the free coinage of silver being restored in the United States will be the turning point upon which this great revolution will be effected. It is the pivotal point.

There is widespread unrest among the people in all parts of the country. Mutterings of discontent reach our ears from the large cities in the Old World, and it is no better among ourselves. Our census reports show a deplorable condition of affairs. One-third of our farmers are tilling lands owned by other men. Nearly or quite one-half the farm lands which are occupied by legal owners are mortgaged for one-half their value. Of families living in cities 75 per cent occupy rented houses. Wealth is accumulating at unprecedented rates in the manufacturing States, and at the trade centers and the money centers, while agriculture languishes; large numbers of men are idle, and the burdens of the poor are yearly growing more numerous and more burdensome. The sale of a mortgaged home by order of a court for borrowed money was so rare fifty years ago, and was regarded as such conclusive evidence of poor management on the part of the owner, that it had the effect of disgracing him among his neighbors, and the sin of the father was visited on the children.

When the great war began, half our territory was virgin soil. Now homes are so greatly in demand that even women risk their lives to secure a little land when an Indian reservation is opened for white settlement.

And the vast region between the Mississippi River and the Sierra Nevada Mountains, and between Texas and British America, is mortgaged by railroad debts, county debts, township, school district and individual debts to an aggregate amount quite equal, if it does not exceed, the cash value of all the land with the improvements thereon, and the rates of interest equal twice as much as the average rate of increase in the permanent wealth of the people, exclusive of the rise in value of new lands.

Information collected by our consular agents abroad, and published October and November, 1889, show the financial condition of the people in other countries is worse than that of our own people, as we should expect it to be, without specific information.

We levied taxes upon our manufacturers during the war and gave them compensatory duties on foreign goods to save them against the burden of the levy; then we authorized them to import foreign labor. We gave millions of acres of good lands to railroad corporations and compelled settlers to pay \$400 to \$500 of 10 per cent money for a quarter section of land which could have been obtained for 10 cents an acre under the homestead law. Farmers have to sell their crops in market five hundred or a thousand miles distant where there is no competition; where packing-houses and grain elevators, with millions of dollars invested in immense buildings on high-priced lands, control prices in their own interests. Cattle, grain, and cotton, all marketable farm products, are sold in the great market towns long before they are mature on the farm, and a system of insurance and "option" and "future" dealing draws from the farmers money enough to keep in luxury and affluence an army of most useless and desperately wicked middle men.

Men of wealth buy up immense areas of low-priced land and open "bonanza" farms, raising wheat in competition with the small farmers in other parts of the country; syndicates of cattle men combine to lease lands on Indian reservations at a nominal rental and put cattle on the market in competition with the small farmers who do their own work and pay a crop rental or pay high taxes and interest on their little farms. Mechanics are

massed in large bodies working under management of one man or a company composed of a few men. Railroad corporations control systems including 2,000 to 5,000 miles of way, employing an army of men and having control of an immeasurable commerce. Banks and brokers control the money and business interests of the people. In all the great cities lines between the rich and the poor are visible in the difference between the appearance of the places where the two classes live. Voters are looked after in "blocks of five," and professional assassins are employed to protect the property of corporations against the very men who made the property.

That these conditions are good and healthy none but the money changers pretend to believe. That they have resulted from mistakes, errors, and crimes in our financial methods and in our financial legislation the people are fast coming to believe. That these methods ought to be changed large numbers of the people have determined, and they have unanimously agreed that the first move to make in that direction is to restore silver to its old and proper place by the side of gold in our coinage laws. The money power, recognizing the force of this proposition, has combined its multitudinous agencies to defeat this first movement.

The men who "move the money that controls the affairs of the world" are wise men. They have their hands on the business and the property of the country. They have pipe lines to every community drawing away the earnings of the people. Not a farmer in all the land that does not in one way or another, either directly by interest or indirectly by taxes, pay tribute to this "mighty power." The same is true of the toiler in every department of work, from the poor needle woman in her cheerless apartment, to the skilled mechanic who has an account in the savings bank. Briefly, the money power is supreme here as elsewhere; and the people are now studying the question whether, as a necessary means of ending this dangerous rule, we must not have, first, free and unlimited coinage of silver. Every prop removed from the structure weakens its support to that extent.

On the 13th day of January, 1891, the Senator from Ohio closed an elaborate and able speech in this Chamber with the following words of warning:

For one, whatever may be its fate, I shall stand by the legal standards of value upon which the public and private contracts of the people of the United States have been based, and I shall fulfill them to the uttermost farthing, cost it gold or silver or whatever it may be.

In answer, I say to the Senator that I stand by the money of the people. What they demand of me I will give, even "to the uttermost farthing," and that "cost it gold or silver or whatever it may be." And further answering, I say to the Senator the people will secure unlimited coinage of silver equally with gold or they will send men up here who will demonetize gold.

"Gold is the money of monarchs," said Senator Ingalls:

No enduring fabric of national prosperity can be builded on gold. Gold is the money of monarchs; kings covet it; the exchanges of nations are affected by it. Its tendency is to accumulate in vast masses in the commercial centers, and to move from kingdom to kingdom in such volumes as to unsettle values and disturb the finances of the world. It is the instrument of gamblers and speculators and the idol of the miser and thief. Being the object of so much adoration, it becomes haughty and sensitive and whenever it is needed it disappears. At the slightest alarm it begins to look for a refuge. It flies from the nation at war to the nation in peace. War makes it a fugitive. No people in a great emergency ever found a faithful ally in gold. It

is the most cowardly and treacherous of metals. It makes no treaty that it does not break. It has no friends that it does not sooner or later betray. Armies and navies are not maintained by gold. In times of panic and calamity, shipwreck and disaster, it becomes the chief agent and minister of ruin.

No nation ever fought a great war by the aid of gold. On the contrary, in the crisis of greatest peril it becomes an enemy more potent than the foe in the field; but when the battle is won and peace has been secured, gold reappears and claims the fruits of victory. In our own civil war it is doubtful if the gold of New York and London did not work us greater injury than the powder and lead and iron of the rebels. It was the most invincible enemy of the public credit. Gold paid no soldier or sailor. It refused the national obligations. It was worth most when our fortunes were lowest. Every defeat gave it increased value. It was in open alliance with our enemies the world over, and all its energies were evoked for our destruction. But, as usual, when danger has been averted and victory secured, gold swaggers to the front and asserts the supremacy. But silver is the money of the people. It is the money of wages and retail. Its tendency is toward diffusion and dissemination. It enters into the minute concerns of traffic, and is exchanged day by day for our daily bread.—*Extract from speech of Senator In-galls in the United States Senate, February 14, 1878.*

I am not authorized to speak for anyone except myself in what I am now about to say. It is my deliberate opinion that if the voters of the country who favor free silver coinage and who regard it as a vital matter would unite in a campaign to secure that result they would surely be successful. They could easily secure a House of Representatives whose members would have the courage of their convictions; they could easily secure a Senate whose members would not forget the honorable record of this body on the silver question when it was first presented in 1890, and they could secure the election of a President who would not threaten a veto in advance of Congressional action.

Voters believing that way could unite on a platform declaring that the money of the people should consist of gold and silver coin and Government paper interchangeable with coin, demanding coinage of both gold and silver on exactly equal terms, and that the rest of an abundant circulating medium required in the business affairs of the people shall be supplied by Government paper receivable and payable as full legal-tender money in payment of all debts of whatsoever nature, public and private, and denouncing all discrimination in favor of or against one particular sort or kind of money. That platform is broad enough to fight a battle on. It is strong enough to build a party on. If success can not be obtained on the single issue of silver coinage in connection with Government paper money to supply the need of a plentiful currency, other needed reforms are hopelessly lost.

In our treatment of the public lands, public transportation of property, and our communication with one another in the way of news and private correspondence, our coal mines and other sources of fuel; indeed, in all matters necessarily involving the common interests of the people improvements are urgently needed. But all these matters can be discussed on a money platform, for all of them to some extent are necessarily related to and involved in a good system of finance. Indorsing such a platform, no man need forswear his old party principles if it be true that it is his party and not he that has departed from its ancient doctrine—good money—gold and silver coin and paper.

Mr. President, standing as we do in the evening of the most fruitful century of human progress, looking backward over achievements grand in their scope, astounding in their numbers, and bewildering in their effects—discovery, invention, development in all departments of effort, change and improvement everywhere; and looking forward toward the dawn of a higher

and broader civilization, with fresh discoveries of genius, and nobler reaches of mind, when we shall have happier conditions, with larger liberty, purer pleasures, and the enjoyment of more abundant leisure, strange it is that we are just beginning to study one of the most subtle and cunning agencies of human activity, operating in men's affairs as the alchemy of spring sets the forces of nature at work to bring forth verdure and flowers and move vegetation on towards the harvest time; a necessity that has grown with the centuries, a stimulus to action, an aid to toil, a minister of comfort, a companion of ease; or, it may be, an engine of wrong, oppression, fraud, and plunder; a power for good or for evil incomparably great.

How strange that this should be true. That while we have changed our methods in all departments of industry and are now searching for new and better ways along every avenue of growth, we hold with an almost desperate grip to a money system that descended to us from the barbarism of the past. The time is at hand when we need improvement in our methods of providing and distributing this most convenient repository of values. The things which are bound up in the one word "money" are an innumerable host that no man can number, involving endless development of mind and thought and energy, perpetual progress and growth. Like the rod of Moses, money brings forth water from nature's rock. As healthy blood imparts vigor and strength to the human body, so money in active circulation quickens the pulses of trade, encourages the toiling poor, gives employment to willing hands, and brings prosperity and peace to the people.

