

REMONETIZATION OF SILVER.

SPEECH

OF

HON. WILLIAM V. ALLEN,
OF NEBRASKA,

IN THE

SENATE OF THE UNITED STATES,

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Saturday, October 7, 1893.

The Senate having under consideration the bill (H. R. 1) to repeal a part of an act, approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"—

Mr. ALLEN said:

Mr. PRESIDENT: The first time I appeared in the Senate I felt as though I ought to apologize for doing so. The first time I had occasion to submit some observations upon the measure now under consideration I felt that I was under an obligation to apologize to the Senate for doing so and for breaking what I understand is an unwritten rule which has been in force in this body for many years, that a new member shall listen rather than talk. I presume if any apology is due from me to-day it is not to the Senate of the United States, but to Wall street and Lombard street for delaying somewhat the passage of the measure now before the Senate.

I have no desire, Mr. President, to consume unnecessary time.

Mr. STEWART. Will the Senator from Nebraska yield that I may suggest the want of a quorum?

Mr. ALLEN. No, I do not care for a quorum.

Mr. STEWART. All right; but I think Senators would learn something if they would come here.

Mr. ALLEN. I will make them hear me whether they are here or not.

The PRESIDING OFFICER (Mr. GALLINGER in the chair). The Senator from Nebraska will proceed.

Mr. ALLEN. I have no desire now to consume unnecessary time; and while it may be believed by those who have not been engaged in the active consideration of the question now before the Senate that much time has been consumed, and perhaps uselessly, I am well convinced in my own mind that the discussion which has gone on here for two months has been productive of very great benefit not only to the members of the Senate, but to the country at large.

The question, Mr. President, is of too much importance, it is too far-reaching in its effects upon the people of this generation and future generations of our countrymen, it has too much effect upon the form and substance of our republican system of government to be considered hastily.

I had the honor on the 24th of August to submit some observations in the Senate on the amendment which I propose to offer to the pending bill, providing for the free and unlimited

coinage of silver at the ratio of 16 to 1, a return to the policy established by the Government on the 2d of April, 1792. I then discussed two propositions which it seems to me can not be controverted or successfully assailed.

The first proposition is that the Constitution of the Government under which we live recognizes silver as money, and the second proposition is that whenever a power is conferred upon any branch of the Government for the public benefit it becomes a duty enjoined upon that branch of the Government to enforce it, and power and duty under such circumstances are synonymous words. I had occasion in that speech to cite quite liberally quotations from judicial authority sustaining the several propositions then laid down. To-day, however, I propose to touch upon several other branches of this really important question. I desire to show that in the Senate of the United States false ideas of political economy are taught. Without further preliminary remarks, I now refer in a general way to the coinage legislation of this country.

On the 2d of April, 1792, the first mint of the United States was established at Philadelphia under an act of Congress passed at that time establishing a mint and regulating the coins of the United States. Under that act of Congress the dollar was declared to be the unit of value in this country. Silver and gold were admitted upon equal terms to the mint and to free coinage, and both were made full legal-tender money, and continued so from that time until the passage of the act of February 12, 1873, commonly known as the demonetizing act. Thus from the origin of the Government down to February 12, 1873, both gold and silver were money of this country. There had been no restriction upon the coinage of either of these metals, and there was no occasion at the time of the passage of the demonetizing act for any restriction.

All the marvelous growth of this country, from the days of its colonial existence to 1873, had been made under what was and is known as the double system of money, under a system admitting both gold and silver to free and equal coinage at the mints. However, on the 12th of February, 1873, the silver money of this country was stricken down by the act of Congress of that date.

It is needless for me to say that a great many of the people of this country believe that the demonetization of silver was a crime against the prosperity of the nation. I do not personally know anything about its history. Not having been a member of this body at that time, I am not able to say whether it was by procurement or not: but certainly the effect of the passage of that act has been detrimental to the prosperity and happiness of our people.

In 1878 Congress, under the compulsion of a strong public sentiment, enacted the law of February 28, 1878, commonly known as the Bland-Allison act, reestablishing the coinage of silver in a qualified way. Instead of rehabilitating silver fully and putting it upon an absolute equality with gold as it existed before 1873, the Bland-Allison act provided for the purchase of a certain quantity of silver by the Government and the coinage of a maximum or minimum sum per month, giving the Secretary of the Treasury discretionary power to coin not less than two million nor more than four million dollars' worth monthly.

July 14, 1890, the Sherman act (so called) was passed requiring the purchase monthly of four and a half million ounces of fine silver and the coinage of \$2,000,000 per month up to July 1, 1891, from the silver thus purchased, and after that time the coinage in the discretion of the Secretary of the Treasury, and the issuance of legal-tender notes in the purchase of the bullion. It is that act, which is now under consideration.

Briefly, then, the course of this nation has been in 1873 to strike down and destroy silver as the money of our people. In 1878 there was a partial reestablishment of silver as money, but so hampered and restricted by legislation as to make it almost inefficient. For instance, the Bland-Allison act contained a provision giving persons the right in a contract to discriminate against silver, something that had never been done before in the history of this country. The Sherman act retains the same provision, giving parties who make contracts the power to name the specific kind of money they will receive in liquidation of their contracts, and by that means putting it in the power of the money sharks to practically nullify silver legislation.

From 1873 to this moment silver has not occupied in the history of this nation the position the Constitution intended it should occupy and the position the requirements of the country demanded it should occupy; and because of this a disparity exists between the bullion value of silver and the coin value of gold at the present time, and it is urged that the true policy of this nation is to abandon silver until the parity, to which my friend from New Jersey [Mr. McPHERSON] occasionally refers, is established.

Our friends upon the other side have taught many political heresies, and one of the heresies taught by them in this discussion has been that chief of heresies, intrinsic value. My friend, the Senator from Oregon [Mr. DOLPH], on two separate days sent out for a dictionary, had it brought in here, and read it to us to show that there was such a thing as intrinsic value in money.

What is meant by intrinsic value? The advocates of the gold standard tell us that intrinsic value is that commercial value which resides in the money, thing, or metal, and that there must be a correspondence between that thing and the coin value, or the money is fiat money, and therefore unsound. I think I have heard my friend from New Jersey [Mr. McPHERSON] ring the changes on that question since this extraordinary session has been in existence. I have taken occasion once or twice to point out that it is the office or function performed, and not the thing which is the evidence of the money, which makes the money; it is the power or function which performs the office of exchange which makes the money, and not the commercial value of the material which is used in the performance of that function.

I know that this doctrine is met in the spirit of selfishness. I can understand how a few men, controlling the volume of gold in the world, can hire the closest financiers of this nation, and the cheap fellows of other nations to write essays, describing the beauties of the theory of intrinsic value. I can understand that, because, if once the theory of intrinsic value is overthrown, the occupation of the money changer, like the occupation of Othello, is gone.

I do not propose, however, to rest this point on my own argu-

ment or deductions. I propose to submit authorities which can not be questioned.

In February, 1877, a commission sitting in this city, consisting of Senator JONES of Nevada, as chairman, and Senators Boutwell and Bogy, and Representatives Willard and BLAND, held a session of the United States monetary commission. At that time Henri Cernuschi, a distinguished Italian scholar, appeared before the commission by invitation and gave valuable testimony, not only on the subject of the intrinsic value of money, but upon kindred subjects of vast importance. That gentleman, in answer to a question of the chairman of the commission, said:

I was an L. L. D. and a graduate at Pavia, Italy, in 1842. The political events of 1848 caused me to leave my native country, and I came to Paris, where I became a banker. In 1870 I retired from business.

This is briefly the character of the man who testifies upon this subject.

On page 7, of this little book, he says:

I will give you my definition of money—

It is true that we must have a proper definition and a proper conception of the office to be performed by money before we can consider it properly.

I will give you my definition of money: Money is a value created by law to be a scale of valuation and a valid tender for payments.

Further down on the same page he says:

Certainly every one understands that, as regards paper money, the value is created by law; but it is, perhaps, not easy for every one to admit that, with regard to metallic money also, the value is created by law. It is, however, the fact. If you suppose that gold is not money, is not legal tender—if you suppose that silver is not money, is not legal tender—the value of gold and the value of silver is lost.

On page 8 he says:

This fact that money is a value created by law is one of great importance, and I can cite you the highest authorities in proof that what I say is true.

The question was put to the witness:

Q. Supposing the gold and silver metals to have no other use than as money, would they then maintain the same value that they now maintain as money?

A. There would be a diminution of their purchasing power, because the purchasing power of money is in direct proportion to the volume of money existing. If all gold and silver are used solely as money, all the ornaments and all the jewelry will be melted and coined, and the volume of money will be increased. It will be exactly as if a new mine of money had been opened. And the volume of circulating money being made larger than before, there will be a corresponding diminution in the purchasing-power of every metallic dollar.

On page 11 of this book he says:

Mr. Chairman, the doctrine that money is a value created by law was promulgated twenty-two centuries ago. It was advanced by Aristotle, the great philosopher—is practical and so positive that I would dare call him an American philosopher. I quote from his writings:

"Money (nomisma in Greek) by itself is but a frivolity, a futility, a trifle, and has value only by law (nomos in Greek), and not by nature, so that a change of convention between those who use it is sufficient to deprive it of all its value and power to satisfy all our wants. (Politica.)"

In virtue of a voluntary convention, money (*nomisma*) has become the medium of exchange. We say "nomisma," because it is not so by nature, but by law "nomos," and because it is in our power to change it and to render it useless. (Ethica.)

After Aristotle we have the Pandects of Justinian, the great source of all modern laws.

I cite here a quotation from the Pandects of Justinian found in this book:

The origin of buying and selling began with exchange. Formerly money was unknown, and there existed no terms to differentiate merchandise and

price, but everyone, according to the wants of the time and circumstances, exchanged things useless to him against things which were useful; for it happens frequently that one is in need of what another has in excess. But as it seldom coincided that what one possessed the other wanted, and conversely, a material was "elected" whose legal and perpetual value remedied by its homogeneity the difficulties of barter. This material being officially coined, circulates and holds its power, not so much from its substance as from its quantity: since then each of the two things exchanged is no longer called merchandise, but only one, the other is called price.

So Justinian says the power of money resides not in the substance, but in the quantity. Quantity is exactly what nature produces.

I turn now to volume 1 of Macleod's *Elements of Economics*, and on page 231 I find:

This unhappy phrase "intrinsic value" meets us at every turn in economics; and yet the slightest reflection will show that to define value to be something external to a thing, and then to be constantly speaking of intrinsic value, are self-contradictory and inconsistent ideas. And it came to be held that labor is necessary to and is the cause of all value.

On page 232 of the same volume the following occurs:

The expression "intrinsic value" is so common that persons are apt to overlook its incongruity of ideas; it is, however, a plain contradiction in terms, and if we use words of similar import whose meaning has not been so corrupted, its absurdity will be apparent at once. Thus, who ever heard of intrinsic distance, or of an intrinsic ratio? The absurdity of these expressions is apparent at once, but they are in no way more absurd than intrinsic value. If we speak of the intrinsic value of money, we may just as well speak of the intrinsic distance of St. Paul's, or the intrinsic ratio of five. To say that money has intrinsic value because it is material and the produce of labor, and that a bank note or bill of exchange is only the representative of value, is just as absurd as to say that a wooden yard measure is intrinsic distance, and that the space between two points a yard apart is the representative of distance.

On page 235 of the same book occurs the following:

That unfortunate confusion of ideas between the value of a commodity being the quantity of another commodity it will purchase, and the quantity of labor embodied, as it were, in the commodity itself, which is chiefly owing to Smith and adopted by Ricardo, has not only led to that mischievous expression "intrinsic value," the source of endless confusion in economics, but also to the search for something which very slight reflection would have shown to be impossible, namely, an invariable standard of value.

From pages 230 and 231 of the same book I read the following:

There is nothing which troubles this controversy more than for want of distinguishing between value and virtue.

Value is only the price of things, and that can never be certain, because it must be there at all times and in all places of the same value; therefore nothing can have intrinsic value.

But things have an intrinsic virtue in themselves, which in all places have the same virtue—the loadstone to attract iron, and the several qualities that belong to herbs and drugs, some purgative, some diuretic, etc. But these things, though they may have great virtue, may be of small value or no price, according to the place where they are plenty or scarce; as the red nettle, though it be of excellent virtue to stop bleeding, yet here it is a weed of no value from its plenty. And so are spices and drugs in their own native soil of no value but as common shrubs and weeds, but with us of great value, and yet in both places of the same excellent intrinsic virtue.

All articles of commerce have but one value, and that is the commercial value, a value fixed by the law of supply and demand. An article may have intrinsic virtue and a commercial value at the same time. For instance, all food products have intrinsic or life-giving virtues or qualities, and at the same time they have a commercial value, and in the sense that they have life-giving and life-sustaining qualities, they may be said to possess intrinsic virtue as well as commercial value, but when you go into the domain of commerce, it is an absolute absurdity to

speak of anything, more especially money, which is the representative of all things, as having intrinsic value.

What is meant when Senators use the expression "intrinsic value?" Is it not meant that nature through some subtle process has placed in gold or silver certain qualities which are inherent, which can not be removed? Is it not an internal virtue, a thing placed there and conferred by nature, and not by man? And yet it is a common occurrence that these very articles, which are said to possess intrinsic value, fluctuate, according to the law of supply and demand—up to-day and down to-morrow.

I believe if there is any fallacy which has been taught in this country and which is far reaching in its evil consequences, it is this fallacy of intrinsic value in money.

The material of which money is coined or on which it is stamped is withdrawn from the field of commerce when being used as money. It is as dead in its effect upon the commercial value of the class of articles to which it belongs as though it were in the bowels of the earth or in the bottom of the ocean; it is taken out of circulation as an article of commerce, and is used exclusively as a medium of exchange, performing the money function and losing its place as an article of commerce.

Works on political economy of recent date are discarding this doctrine of intrinsic value in money. It is the function, the office performed by the thing called money, which gives it its money value. It is the volume, the number of units in circulation, and which are exchanged against all other things, which gives money its proper power and its proper money value. There is no more necessity for a dollar's being made of gold or silver, for that matter, than there is for a yardstick to be made of ivory or gold. You might as well say that by measuring a yard of cloth with a yardstick made of gold, you would give the cloth measured more value than it would have if it were measured with a yardstick of wood or some other inferior material. The wealth resides in the articles which are exchanged, and not in the money which effects the exchange.

Mr. President, among the Jews gold as money dates from the time of David. King Pheidon, of Argos, it is said, introduced silver money into Greece about the middle of the eighth century before Christ. The Romans struck silver money for the first time in 209 B. C., and in 207 B. C. they struck the first gold coins. Among modern nations Venice, in 1285, and Florence, seem to have been the first to have coined gold in any quantity. Henry III, of England, about 1272, coined gold, but with so little success that, for a long time after, Edward III, about 1377, was regarded as the first English monarch who had coined gold. Edward III was able, only after a voluntary circulation had continued for a long time, to prohibit anyone from refusing *rose nobles*, a peculiar sort of coin of that date, current at 6s. 8d. and stamped with the figure of a rose.

Wampum was legal tender in Massachusetts in 1640 to the amount of 12d. In 1640 the court of Massachusetts re-rated wampum at 4 of the white and 2 of the black for a penny. In 1635 musket balls were used in Massachusetts for change at a farthing apiece, legal tender for sums under 12d.

Early in the eighteenth century tobacco was adopted as currency; it was placed in warehouses and the receipts passed as currency.

Some African tribes used cowrie shells, 200 being valued at 1*d*. The Mexicans, when conquered by the Spanish adventurers, were using grains of cacao as money. When the intercourse between the Europeans and the negroes upon the river Gambia first commenced the medium of exchange was iron; next it was tobacco. The legal currency of Lacedæmonia was made of iron, and that of the early Romans of copper.

I quote, Mr. President, from Say's Political Economy, volume 1, chapter 21, section 2, page 239:

Money is a mere intermedial object of exchange between an object in possession and the object of desire. The choice of its material is of no great importance. Money is not desired as an object of food, of household use, or of personal covering, but for the purpose of re-sale, as it were, and re-exchange for some object of utility after having been originally received in exchange for one such already. Money is, therefore, not an object of consumption. It passes through the hands without sensible diminution or injury, and may perform its office equally well whether its material be gold or silver, leather or paper.

[At this point the honorable Senator yielded to Mr. PETTIGREW.]

Mr. ALLEN. In the book from which I have quoted, the work of Cernuschi, on page 8 occurs the following:

Money is a value created by law.

The doctrine that money is a value created by law was promulgated twenty-two centuries ago. It was advanced by Aristotle, the great philosopher, a pupil of Plato, and is to be found in his works of a political character. It has been advocated in one form or another from that time to the present moment by those who have given careful thought to the subject of money; and, with the exception of a few political economists of fifty years ago, the political economists and writers upon the subject of money, of recognized authority, admit that it is not at all essential in the money thing to have any especial commercial, or what is commonly called intrinsic, value.

This Italian from whom I have quoted, who was himself a distinguished man in his own country, a practical financier for years, fully educated, qualified and equipped, seems to have made a thorough study of this question. He scouts the idea advanced in this Senate that there is any such thing as intrinsic value in money.

If Senators who talk about this matter—and I have heard my friend from Oregon [Mr. DOLPH] talk about it a good deal—mean to say that the intrinsic value they refer to resides in the function or office that money performs; that the volume of money should keep pace with population and with the growth of wealth, then I fully concur with them that there must be intrinsic value in that sense. But I have heard no Senator offer a reason (and if there be a reason I pause to hear it now) why there should be any commercial value in the thing which evidences money or which is called the money thing.

Mr. PALMER rose.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. ALLEN. Certainly.

Mr. PALMER. The best reason I can give is that commercial value is essential as a means of limiting its quantity. I ask the Senator whether his Italian philosopher suggests any means of limiting the quantity of money?

Mr. ALLEN. Oh, yes.

Mr. DOLPH. Will the Senator from Nebraska yield to me for a moment?

Mr. ALLEN. Certainly.

Mr. DOLPH. So far as the definition of intrinsic value is concerned, as applied to gold and silver, I do not care to discuss it. I do not care whether the term is properly used, if it is to be critically discussed and explained, when we speak of the intrinsic value of gold and silver. All that I have ever said in the Senate is that "intrinsic value" has for over two hundred years been used by the common people and by writers as synonymous with commercial value as distinguished from the money value of metals when stamped by the Government, and I read from Webster, and from a later lexicographer, to show that I was correct. Therefore, when I speak of the intrinsic value of gold and silver as distinguished from its money value as coin, I am simply using a phrase that the whole world understands. I do not care whether some critic thinks that the phrase is correct; it has been properly used for some two hundred years by the great mass of people.

In regard to the other proposition it seems to me that the Senator from Nebraska confuses two questions. Whether intrinsic value is necessary to make good money is another question. I do not care now to go into the question as to whether the Government, by simply stamping paper, without making any promise to redeem it in gold or silver, and making it a legal tender, can make good money. We should not agree upon that proposition if the Senator contends that it can be done.

Mr. ALLEN. Let me call the attention of the Senator to the fact that in 1813 and 1814 the English, Prussian, and Russian Governments issued several million dollars of international paper money that always stood cent for cent and dollar for dollar with gold and silver.

Mr. DOLPH. I am not familiar with the matter the Senator refers to.

Mr. ALLEN. It was an international money.

Mr. DOLPH. But I will risk my reputation that there was some obligation on the part of those governments behind that paper to redeem it. If the Senator takes issue with me upon that matter, I will endeavor to look it up. The Continental Government issued money, and the Senator will remember that it depreciated until it took \$500 of that Continental paper money to equal \$1 in gold or silver.

Mr. ALLEN. The Senator from Oregon does not answer the question I put to him. The Senator makes a mistake in assuming that I take the position of an unlimited issue of irredeemable paper money.

Mr. DOLPH. Or a limited issue. The principle would be the same if it were a limited issue.

Mr. ALLEN. I defy the Senator from Oregon or any other Senator in this Chamber to point out an instance in all history where the volume of paper money was limited by a government and it was given full legal-tender quality that it was not good money.

Mr. DOLPH. I defy the Senator from Nebraska to point out an instance in all history where paper money was issued without some promise of the Government behind it to redeem it in some

way in something more valuable that it did not depreciate until it was not worth anything.

Mr. ALLEN. I am not talking about the question of irredeemability. That is a creation of the Senator's own mind. I simply say this, that there is not an instance in all the history of finance, from the time the morning stars sang together until this moment, in any government in the civilized world where the volume of paper money was qualified and limited and given a legal-tender quality that it was not good money. You can go back to the time of the Bank of Venice and come down to this moment.

Mr. DOLPH. What does the Senator say to my proposition that all good paper money has had the promise of a government back of it to redeem it in some form in something more valuable than itself? The principle is the same as if a man without property should issue his promissory notes and undertake to float them. Nobody would take them, because, while there was a promise to pay, there would not be the ability to pay. Of course, if this Government should issue a large amount of paper money, agreeing to redeem it in gold coin and make provision for its redemption in gold coin, I do not know how much it could float, but a very large amount. If, however, it did not agree to redeem it in gold or silver coin, it could not float it; it would not remain at par with gold and silver money.

Mr. ALLEN. The Senator from Oregon will stray from the text. The question of irredeemable paper money is not being discussed now. I have taken no position upon that subject whatever, nor do I think the Senator from Oregon will be able to lead me there! Paper money that has heretofore been issued and been in use in civilized countries has been a redeemable paper money. Now, let me ask the Senator if it is not true that the English Government to-day has several millions of dollars of paper money which has not a dollar of coin behind it. I think the amount is something like \$100,000,000.

Mr. DOLPH. I do not think that is correct, but I am not prepared at this moment to go into a historical statement with regard to the finances of Great Britain.

Mr. ALLEN. I mean to say that there is circulating in that Empire that amount of money that has not a dollar of gold or silver behind it. Let me ask the Senator this question: Is it not true that this Government has issued a redeemable paper money without a dollar of gold or silver behind it, which paper money has always stood at par with gold and silver, even when they were at a premium?

Mr. DOLPH. Now, the Senator from Nebraska and I may be getting pretty near together. I do not consider the amount of reserve in our Treasury as of extreme importance so long as the Secretary of the Treasury is authorized to issue bonds and sell them at an hour's notice at any time for gold coin upon the markets of the world. He can provide \$500,000,000, if that amount could be obtained, by the sale of bonds in a single day under the authority he now has for the redemption of our legal tenders and other notes which are payable in gold coin. But I undertake to say that the paper money of the Government of Great Britain which the Senator talks about has behind it the bonds of the Government, and they are redeemable by the Gov-

ernment in coin, whether the coin is actually in the Bank of England or anywhere else for that purpose or not.

Mr. PALMER. I wish to ask the Senator a question simply to ascertain his meaning.

Mr. ALLEN. Certainly.

Mr. PALMER. What does the Senator mean by having neither gold nor silver behind the paper? What does he mean by that phrase?

Mr. ALLEN. I mean to say that it is uncovered paper, in the ordinary sense of the term.

Mr. PALMER. Is that any more satisfactory than the other question? Does the Senator mean to say that there is no ultimate redeemability about it?

Mr. ALLEN. I have not said so.

Mr. PALMER. Oh!

Mr. ALLEN. I have been contending with the Senator from Oregon that he has not comprehended me. I am not discussing that question at all, but I say that the Senator from Oregon and the Senator from Illinois have not yet shown the Senate, nor can it, in my judgment, be shown that this so-called intrinsic value is at all essential to money. The Senator from Illinois says he thinks it is essential because of the ability to control its volume, if I understand him rightly.

Mr. DOLPH. Will the Senator tell me whether he uses the term "intrinsic value" as synonymous with commercial value? Does he think that good money must be either something that has commercial value or is exchangeable into something that has commercial value?

Mr. ALLEN. Now the Senator from Oregon agrees with me.

Mr. DOLPH. I will not discuss the question of the meaning of "intrinsic." We will take the term "commercial value." I repeat, I ask the Senator if he takes the position that it is not necessary that good money should be made of something that has commercial value, or that it must be money that can be exchanged into that which has commercial value?

Mr. ALLEN. Now, I want to compromise with the Senator from Oregon. I will not continue speaking of "intrinsic value," but will say commercial value. Let us then call it commercial value. Now, let me ask my friend from Oregon what office does commercial value in the money thing or the money material perform when the thing is being used as a medium of exchange? Point it out.

Mr. DOLPH. My dear sir, it makes the gold coin of the United States worth 100 cents on the dollar, not only in the United States, but in every civilized world upon the face of the globe. It is the commercial value of the gold that is in the gold coin that does that, and whenever a gold coin is taken from the United States the fact that it has upon it the stamp of the Government or the devices provided by law does not affect its value a particle. It is sold by weight and melted up and recoined in the foreign country, or sold there as bullion.

Mr. ALLEN. I have heard that argument used a great many times. We are told sometimes by gentlemen who maintain the theory the Senator from Oregon maintains, that the value of gold bullion is equivalent to the coin or money value of gold. They point to the fact that the gold bullion is equivalent to the gold coin in its value. Therefore they say it is good money, it is

sound money the world over. Now, what makes the gold bullion in the gold dollar worth its face in the coined metal?

Mr. DOLPH. The fact of the great law of supply and demand, which gives value to every product of human industry. The fact that it is valuable for ornament and for use, valuable in the arts, and valuable for money. It is not the fact that it contains the stamp of the Government upon it or is made legal tender in the United States. These, when it leaves the United States, are of no value whatever. I admit that being used for money by many nations of the earth helps to give it commercial value, if you prefer that term to intrinsic value. It has more value by reason of the fact that it is used for money in the great commercial nations of the earth than if it were used alone in the arts.

But that does not show that the stamp of the Government, or the laws of the United States that make it a legal-tender, fix its value. The United States can help to make iron, or copper, or lead, or silver more valuable by providing a bounty so that mines will be more successfully worked and there may be a larger product of those metals; but that would not be fixing the value of a metal by legislation and by the stamp of the Government. All that governments do to enhance the value of gold when they provide for its use as money is by providing a greater use for it and making more demand for the market. They do increase the value of it, but just as they could increase the value of iron or copper or coal under such legislation as I have suggested.

Mr. ALLEN. The Senator from Oregon still runs away from the text. He does not answer the question, and I put it again: When gold or any material is being used as money and as a medium of exchange what office or function in that exchange does the commercial value of the thing used as money perform?

Mr. DOLPH. When the metal out of which it is used is commercially worth as much as the face of the coin, it makes the coin worth 100 cents on the dollar in this country and everywhere.

Mr. ALLEN. I understand that, if the Senator please, but what particular function in the thing called money does the commercial value of that thing perform?

Mr. DOLPH. It gives it its value.

Mr. ALLEN. Now, then, I have got the Senator down to the point. He says it gives it its value. Mr. President, that is a most fatal admission for the Senator from Oregon to make. There is not a schoolboy of 15 years of age in the State of Nebraska or in the Senator's own State who does not know that when you give a metal unlimited and free coinage the bullion is worth the coin value in consequence of coinage laws. It is the fact that the Senator can go to the mints of the United States and have his bullion coined into dollars without expense to him that makes that bullion worth a dollar.

Mr. DOLPH. Of course that is true. With the free coinage of silver the money value of the silver dollar would be the same as the commercial value of the silver in it. That is what I have been talking here whenever I have talked on this subject; and that is the reason why free coinage is not practicable. It would be the commercial value of the silver that would give the money value to the dollar.

Mr. ALLEN. Now, let me ask my friend from Oregon one more question. Suppose there was free and unlimited coinage

of silver, would that make the silver bullion in the silver dollar worth the face of the coin?

Mr. DOLPH. The face value of the dollar?

Mr. ALLEN. Yes, the face value of the dollar?

Mr. DOLPH. No, not the par value of the dollar, but the silver dollar would be worth no more than the commercial value of the bullion it contained.

Mr. ALLEN. That is a strange doctrine. Now, the Senator from Oregon has put himself in a peculiar position.

Mr. DOLPH. With free coinage it is understood, without any undertaking by the Government to redeem it in something more valuable, either by receiving it for public dues or for any other use or as the equivalent of gold, and undertaking to maintain the gold standard or otherwise.

Mr. ALLEN. The Senator from Oregon says now with reference to gold, that the commercial value or the bullion value of the gold is equivalent to its coin value. He admits that it is equivalent to the coin value of the gold in consequence of the free and unrestricted coinage. That is the proposition the Senator makes. Suppose I go to my friend, the Senator from Oregon, who has some gold bullion in his pocket and offer him \$4.90 for it. He will not take it because he can go to the mint and have it coined into a \$5 piece and that is worth more to him, and it costs him nothing to coin it. Then it must be true that the value of the bullion in a dollar under a system of free and unlimited coinage is always equivalent in value to the coin. That the Senator from Oregon admits with reference to gold, and yet when it comes to the question of silver the Senator declares that the silver money will drop down to the bullion value of the silver in the coin.

Mr. DOLPH. Let me call the attention of the Senator to the trade dollar which contained more silver than the standard dollar, and which depreciated and was worth no more than 80 cents.

Mr. ALLEN. Yes, I understand that; and it was because the trade dollar lacked the essential of all money, and that is the legal-tender quality.

Mr. DOLPH. It was a legal tender to the amount of \$5 until 1876.

Mr. ALLEN. It was a legal tender to the amount of \$5, but that was practically striking out the legal-tender quality. It never was designed for circulation at home. It was because it was simply a token money and was restricted in its legal-tender quality that it did not possess the value of the standard dollar of 412½ grains.

Mr. DOLPH. Will the Senator yield to me again?

Mr. ALLEN. Certainly.

Mr. DOLPH. I suppose what would be the rule in the United States would be the rule in Mexico, would it not?

Mr. ALLEN. I do not care anything about Mexico.

Mr. DOLPH. The Senator knows that Mexico coins silver dollars with more silver in them than in our own dollar, and yet you can take one of our silver dollars into Mexico and get nearly two of their Mexican dollars for it.

Mr. HARRIS. Will the Senator from Nebraska yield to me for a moment?

Mr. ALLEN. Certainly.

Mr. HARRIS. I want to ask the Senator from Oregon if the legal-tender dollar, that will pay as much debt, that will buy as

much property, whether that dollar be composed of gold or silver or paper, is not within its own jurisdiction the equal of any other legal-tender dollar, and when you go beyond its own jurisdiction there is not one of your dollars that is a dollar; they go as commodities? If your gold eagle goes, it goes as bullion; if your silver dollar goes, it goes as bullion; if your paper dollar goes, it goes as a mere promise to pay; but none of them are money when they pass beyond the jurisdiction of their own country.

Mr. DOLPH. Very well: that is true, as I stated before; but the gold dollar is worth just as much if you melt it up or hammer it into a slug or a bar when it leaves the country as the gold piece is worth here.

Mr. ALLEN. I beg the Senator's pardon, it is only worth—

Mr. DOLPH. Now, the rule that will work in the United States will work in the adjoining Republic of Mexico.

Mr. ALLEN. Oh, no.

Mr. DOLPH. Oh, yes, it should do it if it is a universal rule, as the Senator says it has prevailed in all time from earliest history substantially. Then it will work as well in Mexico as it will in the United States. In Mexico to-day their silver dollars are worth only about half as much as a gold dollar and will only purchase commodities at that rate. Then how is it that the rule does not work in Mexico?

Mr. ALLEN. The Senator from Oregon is not going to get me down into Mexico. But the law of the United States giving our money full legal tender power and the difference in the civilization of the two countries account for any difference in their money.

Mr. DOLPH. A moment ago the Senator wanted to go through all time and over all the world, and now he is bound to stay within the limits of the United States.

Mr. ALLEN. We are solving the question so far as its effects in this country are concerned. I put the Senator in this position according to his own admission, and I desire to repeat it so that the country may know the position these gentlemen occupy; and that is this, that the gold bullion in a gold dollar is worth the coin, under a system of free and unlimited coinage of gold; but the bullion in the silver dollar, under a free and unlimited coinage of silver, is not worth the bullion in the coin.

Mr. DOLPH. A gold dollar.

Mr. ALLEN. Oh no, the bullion in a silver dollar is not worth the coin.

Mr. DOLPH. "The coin value of the metal?" I do not understand exactly what the Senator means.

Mr. ALLEN. I mean the 412½ grains of standard silver that are coined into a dollar.

Mr. DOLPH. Under our present system such a dollar is now the equivalent of a gold dollar, because, as I have asserted, and I do not care to go over the ground again, it is substantially redeemed by the Government in gold; but under free coinage, where everybody would carry bullion to the mints and have it converted into the standard dollar, the coin value of a silver dollar as measured in gold would be exactly what the commercial value of the silver was.

Mr. ALLEN. We have not a dollar of silver money redeemable in gold in this country, and never had.

Mr. DOLPH. That is substantially the case!

Mr. ALLEN. Our silver money is money of final payment in this country; and yet it must be patent to the Senator from Oregon, as it certainly is to the thinking people of the United States, that the free and unlimited coinage of any metal makes the bullion equivalent to the coin. It is only when you have restricted coinage, such as we had under the Bland-Allison act and such as we have under the Sherman act, where there is a great body of surplus metal that is not admitted to the mints and not coined, and the surplus is used as a commodity, that there is a disparity between the bullion value and the coin value.

Mr. DOLPH. Will the Senator yield again?

Mr. ALLEN. Certainly.

Mr. DOLPH. The Senator asserts a most remarkable proposition. Up to the time of the so-called demonetization of silver there were only a little over 8,000,000 silver dollars coined in the United States and the whole amount of silver coinage, the fractional coins and all others, I think did not exceed \$100,000,000 in eighty years of our existence. Between 1873 and 1878 we coined more silver in the United States than we had ever coined in all our history. In about four months after the passage of the Bland act we coined as many silver dollars as we had coined in eighty years. We made a market for more silver under the Bland act and the Sherman law than we ever had before and could ever hope to have under the free coinage of silver. Still, the Senator says that we are not using it all; that we have left such a surplus to go upon the markets of the world that we have depreciated the price of silver. It is a most astonishing statement.

Mr. ALLEN. The Senator from Oregon forgets the fact that this country has been growing some. Besides, the surplus always fixes the value of an article, and there being silver not admitted to the mints it becomes simply a commodity and fixes the commercial value of the silver in the silver coin.

Mr. DOLPH. It has not grown in that proportion.

Mr. ALLEN. We coined in round numbers probably of subsidiary coins and silver dollars something like \$100,000,000.

Mr. DOLPH. And on our purchases of silver by the depreciation of silver we have lost more since 1878 under the purchases of the Bland act and the Sherman act than we coined in eighty years of our existence.

Mr. ALLEN. The Senator from Oregon seems to overlook the fact that this country has developed so rapidly and its population has become so great that it requires much more money than we needed in the early history of our nation. The Senator seems to forget the fact that the development of the country, the increase of wealth and population call for much more silver money to-day than was called for at the time he mentions.

But all that, Mr. President, is foreign to the proposition. I say neither the Senator from Oregon nor any other Senator nor any human being can point out any distinction or can show that gold as money is worth any more under a system of free and unlimited coinage than silver is worth under like circumstances. It is because the bullion value is equivalent to the coin value of the dollar that fixes the bullion value of gold to-day. It is because there are no restrictions thrown around it here or in Europe, and it is because there is restriction in the form of limited coin-

age in this country that depreciates, as my friend says, the bullion value of silver.

Now, Mr. President, I was discussing the question of "intrinsic value," and I am glad my friend from Oregon has abandoned the name and comes out and agrees with me that we shall call it commercial value after this.

Mr. DOLPE. Oh, no; I did not agree to any such thing. I said the Senator could have his choice.

Mr. ALLEN. Then I will take my choice. The authorities from which I have cited are somewhat divergent from my friend from Oregon upon this important question. I desire to return to and read from page 22 of this little work by Cernuschi, heretofore cited. Says this gentleman:

Here I beg to make another quotation from an American author. I refer to a letter written by Mr. John White, who, in 1829, was treasurer of the Bank of the United States, addressed to Mr. Ingham, Secretary of the Treasury. The letter is a very interesting one. It is as follows:

[Office Bank of the United States. John White, cashier.]

BALTIMORE, November 16, 1829.

Upon a careful review, it appears to me that the following singular but instructive conclusions are evidently deducible:

Whatever degree of uncertainty may exist as to the precise quantity of the precious metals which was imported into Europe during the fifty-three years succeeding the discovery of America, the records of that time abundantly testify that gold constituted the chief part of the supply, and that, nevertheless, its great preponderance did not produce any sensible effect upon the market value in reference to silver. It is evident that the enormous importations of silver consequent upon the explorations of Potosi—which mine alone is estimated to have supplied \$150,000,000 of silver (in ten years subsequent to 1545)—did not vary the relative value of these metals by a rise in gold, as we find that Queen Elizabeth and her eminent advisors considered it expedient, in 1560, to reduce the standard proportions from 11 $\frac{1}{2}$ to a fraction under 11.

The discovery of the alluvial mines in Brazil in 1695 quadrupled the annual average amount of gold previously produced; yet in 1717, when this inundation, as it may be termed, was at its height, the value of gold remained the same as in 1650—1 to 15.

Although it appears that the explorations of new mines, but especially of Biscaïna, Sombretete, Catoreo, and Valencianna in Mexico, toward the middle and latter half of the last century, increased to enormous amount, yet the market value of silver was almost uniformly higher in England than in 1717.

These extraordinary circumstances in the history of the precious metals appear to invite and authorize the inference that it is impossible to affix with accuracy or utility the value of gold and silver by a comparison of the quantities produced.

Then this author, after quoting the letter I have read, says:

You will observe that these statements (which will be found in the Senate documents of 1830) are of the greatest importance. Yet, if the variability in the relative production of silver and gold does not affect their relative value, some reason must be found for explaining why the old ratio 1 to 10 and to 12 has risen gradually to 1 to 15, and why the gold coins relative by to the silver coins are now lighter than they were during the sixteenth and seventeenth centuries. It seems to me that the fact is due to certain mint regulations concerning the duties of seigniorage and brassage paid by individuals whose gold and silver were coined at the public mint. As these duties were levied rather with reference to the weight of the metals than to their legal value, the cost of coinage was less to the owners of gold than to the owners of silver. For coining a million of dollars of gold the cost was much less than for coining a million of dollars silver.

This difference in the cost of mintage gave certainly a preference to gold against silver. When a payment was to be made by one country to another, it was certainly more preferable to send gold than to send silver, because in melting down the gold in order to obtain a new coin in a foreign country, the coinage expenses were much less than the expenses in melting down and re-coining silver. When the country was so deprived of gold, its mint changed its ratio in favor of gold in order to induce the return of gold. Your law of 1834, raising the value of gold as against silver from 1:15 to 1:16, was enacted precisely with the aim of inviting the importation of gold, and furnishes an illustration of my meaning. When the mint of a country had so changed

the ratio between gold and silver in reducing the weight of the gold coins, the mints of the other countries followed the example; and these migrations of gold coins and reduction of their legal weight, being repeated many times, have had the effect of raising, step by step, the general mint ratio from 1:12 to 1:15½. Subsequently the rise has ceased, because of the duties of seigniorage and brassage having been considerably reduced, and then gold has lost the great advantage which the former mint regulations assured to it.

On page 27 I read:

So you see that the voyage of gold or silver is not the result of the changing productiveness of the mines, but that it is dictated by the laws alone. If you establish in India your ratio of 1834—1 to 16—and introduce in England your ratio of 1792—1 to 15—you will see all the gold of England going to India and all the silver of India going to England. The relative value in the market between gold and silver is the result of a struggle between the laws of the different countries. If a treaty was made establishing everywhere the same relative weight between gold and silver coins, with everywhere a uniform charge for the coinage of the two metals, there would be no more reason for exporting the one than for exporting the other. The globe is round. If the mint laws are the same in every nation the exportation of gold or silver leaves no profit. "No more temptation," as was remarked by Isaac Newton.

And if the relative value of gold and silver has always been determined by the conflict of the several legislations, how can we deny that, when the legislations will be everywhere and forever the same, the relative value of the metals will always remain the same?

To fix by law a relative value between sugar and coffee, between two perishable commodities, or between a legal tender and a commodity, would be a ridiculous attempt.

There is the argument of the Senator from Oregon thoroughly met and refuted.

But nothing is easier, nothing more rational and convenient, than to fix by law the relative value between two everlasting legal tenders, gold and silver. If it is admitted that law can fix the weight of the gold coins, how can we assume that law can not fix simultaneously the weight of the gold coins and of the silver coins?

Now, Mr. President, it occurs to me, as I have said before, that there can be no question about the fact that the masses of the people of this country have been misled upon the subject of the "intrinsic value" of money. Every penny-a-liner has been employed to deceive and mislead the people upon this subject. The people accustomed to attend to their own duties, to work daily in the field and in the shop, have left too long for their own benefit the determination of the question of finance to the politicians and to an interested press and the banking institutions of the country. We have been told repeatedly, and are daily told, that there is such a thing as sound money in the country and such a thing as dishonest money.

Mr. President, there is not a dollar in this nation and there never has been a dollar in the nation, with full legal-tender qualities, from its origin to this moment that was not an honest dollar and worth as much as any other dollar. It is only because the volume of gold is scarce; because it is in the grasp of the Shylocks, because they control it and, through it, control the destinies and the progress of the peoples of the earth, that we hear so much about the necessity of sound money, of honest money. This very heresy of intrinsic value is one of the things that has been seized upon to deceive and mislead the people, thus permitting a gang of aggressive money-changers to control the destinies of the people through a limited volume of money, through the control of gold.

I repeat, sir, during the interesting discussion in this Chamber, extending now over sixty days, no Senator has offered a reason (if he has I have not heard it) why any especial com-

mercial value should reside in silver or gold or paper used as money.

Mr. PEFFER. It has not been discussed.

Mr. ALLEN. My friend from Kansas says it has not been discussed, and that is my recollection. It seems to have been passed over. It seems to have been assumed here that we must have gold or we must get some other metal equivalent to gold and of limited output before we can have such a thing as sound money.

And why so? It is simply to give the money lords control of the volume of money and afford them the power to reach out into the mines of the West, into the great fields of the West and South, and into the factories of the country and control the price of labor and the price of the property of the common people. It is based upon selfishness, and is unsound. If you adopt silver as money, it is too plentiful. The occupation of these men will be gone; they can not control it; the money will get out among the common people and they will become prosperous, getting fair wages and good prices for their products. There is the trouble; and this very doctrine of "intrinsic value" has been seized upon as one of the things by which the people have been led to believe that we must have money of a particular commercial value.

Now, Mr. President, I again make the challenge to the Senators representing the other view of this question. I repeat, what function does the commercial value of the money material perform in exchange? Why is it needed? Why is it needed, when it is simply the office of money to exchange one thing for another or to liquidate contracts? Why is there a necessity for commercial value in the money thing of, say, 90 or 100 per cent, as against 10, or 20, or 30, or 50 per cent?

Mr. ALLISON. I do not like to disturb the Senator, but he is now arguing a very interesting point as respects money, and I should like to ask him, in view of the letter he has just read from Mr. John White, whether money does not perform the double function of exchange and the measuring of values? If we measure values in silver, for example, the value depends upon the silver which measures it. I agree with the Senator from Nebraska that if we have free and unlimited coinage—I want to occupy but a moment—

Mr. ALLEN. All right; go ahead.

Mr. ALLISON. If we have free and unlimited coinage of silver in the United States, I agree with the Senator that silver bullion and the gold dollar will represent the same thing. There is no doubt about that in the United States, and that will be our measure of value because the unit of value in the United States is a dollar; and if we say that 412½ grains of silver are a dollar that will be the measure of value in this country. But, as the Senator quoted from Mr. White a moment ago in that letter, if we undertake to use both gold and silver as a measure of value, then we raise a new question of ratio between them; and as he truly stated, as was just quoted by the Senator, if there is a ratio of 15 to 1 in England and another ratio of 16 to 1 in India, all the gold will go to one country and all the silver to the other, because one metal is over-valued in one country and the other metal is over-valued in the other country, as respects the two metals.

Mr. ALLEN. That has been our own experience.

Mr. ALLISON. Now, the contention here, at least my contention, has been that with this disparity in the bullion value or commercial value, if you please, of these two metals, if we open our mints to the free coinage of silver, the silver will be the dollar in use here and the gold will be expelled; I do not mean immediately, but in time. Now, why? Because gold will have more value elsewhere as a measure of value than it has here.

Now, that is all there is in this question. It is a question of ratio. I do not dispute that if we have the free and unlimited coinage of silver in this country the man who owns silver bullion and carries it to the mint will get a dollar's worth of silver, and his bullion here will be equivalent to a dollar; but the measure will be a measure far below the measure we have now. Therefore I have argued that it is unjust to change that measure from gold to silver at this time. That is what I regard as the kernel of this question.

Now, when we come to the commercial value—if I may interrupt the Senator one moment further—why is it that silver and gold have a commercial value? It is because their chief use is money; and gold now being used chiefly by what we call the commercial world, it has a wider demand than silver has at this moment, and therefore it has, as between the bullion in the silver dollar and the bullion in the gold dollar, a greater value than the silver dollar; and its commercial value depends upon its use. That is true of both gold and silver. I believe that if we would follow the suggestions of Mr. White in that letter and the commercial governments of the world would agree upon a common ratio which he there proposed in 1829, then there would be use for both gold and silver, and there would be no object in exporting one and importing the other.

Mr. WHITE of Louisiana. May I interrupt the Senator from Nebraska one moment?

Mr. ALLEN. Certainly.

Mr. WHITE of Louisiana. If I understand the object of the Senator's argument as to intrinsic value it would be to demonstrate that the question of the value of bullion has nothing to do with the question of coinage, because the value to be attributed to the coin results from the stamp of the Government and the legal-tender power given to the dollar. That is the position the Senator has taken, as I understand him?

Mr. ALLEN. With some qualifications, that is correct.

Mr. WHITE of Louisiana. That is correct?

Mr. ALLEN. Yes, sir.

Mr. WHITE of Louisiana. Then the Senator comes to this position. As I understand his position it is that the question of the intrinsic value of the silver dollar has nothing to do with this discussion whatever. The position of the Senator is that the promise of the Government will make it good whether it is good or not, and therefore we ought to do it. Now, I ask the Senator, if that be his position, why is he voting for a bill for silver coinage when an issue of paper money would answer his purpose more completely than silver coinage?

In other words, let me put this question to the Senator: If the Government wants to issue paper how would it issue it? It would issue it for something, would it not? The Government would do as was suggested by the Senator from Kansas [Mr.

PEFFER] some time ago, send a man with a carpetsack full of money to the capital of each State and provide for its ratable distribution.

Mr. PEFFER. The Senator does not mean to say that I used such language?

Mr. WHITE of Louisiana. That is the result I understand of the Senator's argument. Now, if the Government issues paper it gets a *quid pro quo* for it, does it not?

Mr. ALLEN. It ought to.

Mr. WHITE of Louisiana. It ought to do so. It could not issue it otherwise.

Mr. ALLEN. Not necessarily.

Mr. WHITE of Louisiana. What would it issue it for? Would it give it away?

Mr. ALLEN. Certainly not.

Mr. WHITE of Louisiana. It would not give it away. Therefore, when the Government issued paper it would get a *quid pro quo*.

Mr. ALLEN. It ought to do it.

Mr. WHITE of Louisiana. But when the mints are opened to free coinage and the bullion man steps up with his bullion and presents 57 cents of bullion and gets the stamp of the Government, the Senator says it is the promise of the Government that makes it worth a dollar. He gets the promise of the Government that that shall be a dollar. What does he give to the Government? What does the Government get for the difference between 57 cents and the dollar which the Senator says it becomes worth by virtue of the promise of the Government?

Mr. ALLISON. The people?

Mr. WHITE of Louisiana. What do the people get? The people have promised this silver man. They say to this silver man, "You have given me 57 cents of bullion. I have handed you back," according to the argument of the Senator, "100 cents, my promise, of value." Now, I ask the Senator, in that case what does the Government get as an equivalent in consideration of the promise? It would be a great deal better I think to issue paper, for the Government to print our money and issue it for all, so that all the people of the United States can have something for the promise.

Mr. ALLEN. I take very great pleasure in answering the questions of both my friend from Iowa and my friend from Louisiana as far as I can. They have, however, embraced enough in their questions to require a day or two of discussion.

I desire to say that the question of the Senator from Louisiana reminds me of the old mathematical problem of putting eleven men in ten beds and having on y one man in each bed at a time. The Senator from Louisiana assumes that there are only 60 or 70 cents' worth of silver in a dollar. Now, let us look at that for a moment. The Senator estimates silver bullion, uncoined silver, from a coined gold standpoint. That is not the proper way to estimate it at all. Here is gold appreciated and given an unusual power in consequence of its free and unlimited coinage and the restricted coinage of silver; and from that standpoint, from the heights of gold coined, the Senator from Louisiana wants to look down on restricted and demonetized silver and estimate it from that standpoint.

The truth is that gold, in fact money, is not a proper point to

start from in estimating the value of anything. You can not take a metal like gold, that is circumscribed in its volume, that is constantly appreciating, and say that it is a proper standpoint from which to view labor or the products of labor, or silver or anything that is crippled by restrictive legislation. That will not do. Remove the restriction of limited coinage of silver and give gold and silver an equal opportunity before the law in performing the office of money, and they will readjust themselves and stand where they stood in 1873 and before that time.

Mr. WHITE of Louisiana. May I interrupt the Senator again?

Mr. ALLEN. Certainly.

Mr. WHITE of Louisiana. Does the Senator think that the divergence between the value is the result of the demonetization of silver?

Mr. ALLEN. I have no doubt of it.

Mr. WHITE of Louisiana. Then the proposition of the Senator is that governmental action since 1873 has had the effect of reducing the value of silver?

Mr. ALLEN. I think so.

Mr. WHITE of Louisiana. Then, if governmental action has had the result of reducing the value, and that governmental action is coterminous with and is as wide as civilized mankind, and the Senator is legislating for only a part of civilized mankind, I ask the Senator how he expects to destroy that universal effect by partial legislation when the evil comes from universality and not from partiality?

Mr. ALLEN. I will answer the question of the Senator.

Mr. PEPPER. In regard to that point and in connection with it, I wish to ask the Senator from Nebraska—for I think it will be helpful to the discussion, and I call the attention of the Senator from Louisiana especially to it—whether it is not a fact that the dollar value, as originally established in the act of 1792, was 371½ grains of pure silver; second, whether at any time in this country or in any other there has been a statute requiring that the bullion used in making coin shall have any specific value; and, third, whether the present value of the dollar is not 371½ grains of silver, independently of any commercial value that silver bullion as a commodity may have in the open market; in other words, simmering it down to one question, whether it is not a fact in law that 371½ grains of pure silver arranged under the law in a coin named a dollar, is a dollar to-day independently of the commercial value of either gold or silver, or cotton, or wheat, or any other commodity?

Mr. ALLEN. The question of the Senator from Kansas, in my judgment, must be answered in the affirmative.

To come back to the Senator from Louisiana for a moment: I made the assertion that you can not look at demonetized silver from the standpoint of unlimited and free gold coinage. The truth is that money of any kind is not the proper point to start from in estimating values. That is another fallacy which has been put forth to deceive and mislead the people of this country. The only proper point to start from in estimating value is that sea-level of prices fixed by standard articles of consumption throughout the world. Starting from that point silver stands to-day, crippled and uncoined as it is, nearer the true value of such articles than gold.

Mr. WHITE of Louisiana. The Senator started with the state-

ment—I hope he will not beg the question—that the depreciation of silver resulted from legislation. That was his proposition. He followed that by the further proposition that the re-monetization of silver would lead to the increment of value, restore value. I asked the Senator the question if he considered that legislation had the result of depreciating silver, and he said yes. Now, if this legislation was world-wide and had taken place since 1873 in every great commercial country of the world, and that was the cause of the depreciation, which he admitted, I asked how he expected to cure that evil by a partial application of a remedy, by legislation in this country alone?

Mr. ALLEN. I desire to answer the Senator from Louisiana in all candor and fairness. In the first place, the Senator's premises are incorrect. He assumes that silver is not worth to exceed 57 cents; that is, that the bullion value of the metal in a dollar of silver is worth but 57 cents. That is an incorrect assumption.

Mr. WHITE of Louisiana. I beg the Senator's pardon. I started with no such premise; but for the purposes of this question I am not considering the value of silver at all. The Senator admitted that silver had depreciated.

Mr. ALLEN. Oh, no; only as viewed from a gold standpoint.

Mr. WHITE of Louisiana. And he said that that depreciation came from legislation. Then I wanted to know from him if that legislation was general, how he expected to cure the general evil by particular local legislation? That can not be escaped by discussing the question of the value of silver. Whatever may be the value of silver the premise is that it is depreciated, and that the efficient cause of the depreciation is legislation. Now, if legislation has been the cause of the depreciation, how are you going to restore the appreciation without removing the legislation which has been general throughout the commercial world?

Mr. ALLEN. I think I shall be able to answer the Senator from Louisiana very successfully. He must not assume that I admit that there is a depreciation of silver in the comprehensive and broad sense of that term. There is a disparity between coined gold and silver bullion; and, viewed from the standpoint of gold coined, there is a depreciation of silver; but I shall come to that in a moment.

I say that the United States produces pretty nearly 46 per cent of the total silver output of the world. Release the binding power of limited coinage in this country, come back and wipe out the act of 1873, cut silver loose from its restrictions, place it where the framers of the Constitution placed it, where it stood when at a premium in 1873, and that moment silver and gold throughout the world will reestablish themselves, and the one will be worth as much as the other. That is the determination of the whole question.

Mr. WHITE of Louisiana. May I state to the Senator further, that after we demonetized this metal in 1873, there was a depreciation in silver. That depreciation reached its level here probably not long ago when India demonetized silver. Nobody questions that.

Mr. ALLEN. India did not demonetize silver.

Mr. WHITE of Louisiana. India demonetized silver, and went to a gold basis; at any rate India acted. Let us not stop

to quibble about words. She certainly acted, whatever that action was. The result of that action was unquestionably in the markets of the world to depreciate silver and drop the value of silver bullion all over the world. There is no question about that.

Mr. ALLEN. It dropped the gold value of silver.

Mr. WHITE of Louisiana. It dropped the value of silver bullion all over the world.

Mr. ALLEN. The gold value.

Mr. WHITE of Louisiana. It dropped the value of silver for every purpose all over the world. Then, does the Senator propose to restore by remonetization here, that which was lost by the action of India, when we can not repeal the action of India?

Mr. ALLEN. The premises of the Senator from Louisiana are wrong again. There is the trouble with him. He still wants to stand upon the mountain heights of unlimited gold coinage, and look down on discredited silver and estimate it in its stricken and prostrate condition.

Suppose, Mr. President, two men were put out here to run a race, and they were almost equal in their fleetness, it would be a question under such circumstances if each was unhampered which would succeed; but about the time the race is to be run you take one man and cut off one of his legs, then it might be said, "Why that fellow can not run; he is not as valuable, not as swift as the other man; he has not the intrinsic value for racing, as is suggested to me by my friend from Kansas [Mr. PEPPER], because one of his legs has been cut off. I say that is a fair illustration of this proposition of the Senator from Louisiana. Now, here is gold which is pampered and favored, and silver stricken down and the life almost beaten out of it, and Senators say silver has not the value of gold; is not worth as much. Release it from bondage and it will re-establish itself fully.

That is the position these gentlemen constantly take here and before the country, that necessarily there is a difference between the value of gold and silver, and, therefore, the commercial theorist wants something, as my friend from New Jersey [Mr. MCPHERSON] says, to establish the parity.

Let us take this matter up and put silver upon the same basis with gold; let us put these two metals before the world, so far as position is concerned, unrestricted and unhampered by adverse legislation, and the moment the United States of America cuts the leading strings which bind silver, that moment throughout the civilized world you will find that silver will re-establish itself with gold, that the price of one will be the price of the other where the coinage is unrestricted. Certainly if this Government puts the two metals upon an equality and gives to them free and unlimited coinage, the man who owns bullion in some other country will not sell it at the present price, because it will be worth its coin value, as the Senator from Iowa [Mr. ALLISON] admitted.

But there is another thing—and that is one of the surprising things to me—Senators tell us in effect that we must bring our laborers, the workmen of this country, down to the level of the workmen of Europe. They say you must first get Europe, or the commercial nations of the earth, to agree to the coinage of silver; you must have some kind of an agreement with those

countries. It is a mere subterfuge. Four times in thirty years this nation has had a monetary conference, and four times that monetary conference has eventuated in nothing. There is no intention to reestablish these metals.

Every monetary conference which has been held with reference to this subject has been organized, I was about to say, for the purpose of destroying silver, for the purpose of making dearer money throughout the civilized world, for the purpose of reducing the value of the property of the common man, for the purpose of reducing the value of the wages of the laboring man. Through the constant shrinkage of the volume of money and the value of the property of the people of this country and of the people of civilized Europe, the right of the free coinage of silver is to be taken from them. So there is nothing to be expected, nothing to be gained from a monetary conference.

The Senator from Louisiana gives us to understand that the people of this country are in this position, that, if we can not go to England or Germany or some other of these nations and get them to agree on the coinage of silver so that our country may be prosperous, then we must suffer our present condition.

Mr. President, what a monstrous proposition! This great nation made its struggle for liberty, its struggle against the political institutions of Europe, its struggle for the establishment of a republic in the New World, and established it, based upon different political principles and different social conditions, based upon the equality of every man, woman, and child before the law; and yet before one hundred and thirty years of our national existence have gone by, we are told in the Senate of the United States that the prosperity of our people is dependent upon the consent of the monarchical governments of Europe!

[At this point the honorable Senator yielded for an adjournment.]

Wednesday, October 11, 1893.

Mr. ALLEN. Mr. President, when taken from the floor on last Saturday I had not finished my discussion of the question of the intrinsic value of money. I was at that time engaged in a running debate with the Senator from Louisiana [Mr. WHITE], the Senator from Oregon [Mr. DOLPH], and the Senator from Iowa [Mr. ALLISON]. I answered the questions put to me at that time by them, but I now desire to give a more specific and concise answer than I then gave.

Turning my attention, then, to the questions of the Senator from Louisiana, I desire to say:

If silver was demonetized or reduced in value by law, can it be remonetized or increased to par value by remonetizing silver?

England stopped coining silver in 1816; Germany in 1871. The United States demonetized silver in 1873, and India ceased coining it in 1893. If the United States goes back to free coinage, it carries up the price of silver, which was in good condition until the United States demonetized it in 1873.

Did not France limit the coinage of silver because the United States, the greatest silver-producing nation, refused to stand by it? Did not England suspend the coinage of silver in India,

believing that the United States was going to take unfavorable action?

Although Germany ceased coining silver in 1871, and England had not coined silver since 1816, silver held its own until it was demonetized in 1873 by the United States. If it is remonetized by the United States, is it not reasonable to suppose that it will gradually go back to the position it occupied before 1873? In other words, will not the same privileges and laws produce the same effects now as they did prior to 1873?

Turning my attention to the Senator from Oregon, who spoke of the coinage of \$8,000,000 in silver prior to 1873, I have this to say: The reason only \$8,000,000 in silver was coined from 1792 to 1873 is that in 1794 and 1795 the ratio established by the United States was 15 to 1, when the true ratio was more than 15 to 1. This caused gold to go to countries where it could buy more than silver. In other words, gold was at a slight premium. United States bank notes circulated from 1791 to 1811 and from 1817 to 1833, when the deposits were removed.

Gold was undervalued until 1834. It was then over-valued by the ratio being increased to 16 to 1. From 1834 to 1873 it was more profitable to ship the silver and sell it as bullion than to coin it. There was, after 1853, less silver in the subsidiary coin in proportion than there was in the dollar, and consequently subsidiary silver was coined extensively.

From 1792 to 1853 there was a little over \$87,000,000 of silver coined, principally subsidiary. The total coinage of gold from 1792 to 1847 was \$13,000,000.

We made an error in 1792 by over-rating silver. We made another error in 1834 by underrating it. We made the arch-error in 1873 by demonetizing it when we had not a dollar of silver in circulation. There was no silver then circulating. Why, then, should we have demonetized it?

The legislation in respect to silver in this country has been a series of gigantic blunders.

Turning my attention, Mr. President, to the question put by the Senator from Iowa, which was certainly a very adroit and skillfully put question, I desire to say that we now find the Senator reduced to that point where it becomes necessary to defend the fallacy of intrinsic value by relying upon and bringing forward another fallacy, viz, that gold and silver, or that money is a perfect measure or standard of value, all of which I deny in toto.

In 1834 the gold eagle of the United States was reduced in weight from 270 to 258 grains, and the alloy increased from 1 part in 12, to 1 part in 10, yet the coins bore the same name as before.

The original so-called measure of value in France, England, and Scotland was the pound weight of silver. No coin of that weight was ever struck; but a pound of silver was cut into 240 coins, called pence. Twelve of these pence were called a solidus, or shilling. Thus, as applied to silver, the "1b." weight and the "£" denoted equivalent weights, the former of uncoined metal, the latter of coined metal. But in course of time more than 240 pence, so called, and at last in Elizabeth's reign, 744 pence came to be coined out of a pound of silver. Yet all the while 240 of these pence were called a "£;" £ and pound, both a contraction of the Latin libra, were no longer equivalent. The

pound of weight continued stable; the £ of money had dwindled to less than one-third, yet the name pound continued to attach to 240 pence, although the pence embodied a less and less quantity of silver to the measure—that is to say, the denomination represented a less quantity of silver. It is therefore clear that money is not a perfect measure of value.

The French have a perfect system of weights and measures. Their mathematicians measured an arc of the earth's circumference, and thus determined the absolute length of a degree of latitude; three hundred and sixty times this length makes up the length of the earth's circumference, an invariable measure, recoverable again if it should be once lost. This measure divided by 40,000,000 gave the French nation their meter, which is a perfect unit for the measure of length. A tenth part of the meter cubed gave them their liter, which is a perfect unit for their measure of capacity. The weight of a hundredth part of a meter cubed of distilled water at the temperature of maximum density, is the gram, an invariable unit of weight. A linear unit of 10 meters squared gives the are, the unit of surface.

A perfect measure of anything demands for its starting point something absolute and invariable; in value there is nothing absolute. We begin with a relation and therefore an unchangeable measure is not to be looked for. (Perry's Political Economy, pages 219-225.)

Now we come to the main point.

Labor is the real measure and standard of values. Man's labor, assisted by nature, acting and exercised upon the soil, brings forth grain and fruit, vegetables and crops; exercised upon the mine, brings forth the coal and iron, the base and precious metals therefrom; this same labor acting upon the sea, brings forth its products, and man's labor acting upon the raw material, produced by man's labor, brings forth the finished product of manufacture.

This labor may cause greater or less results according to circumstances, surroundings, machinery used, etc., but the result of this labor is production, and the amount of production depends upon the amount of labor sensibly employed; the result of production is the various products which fill the markets of the world; these products are wealth, and labor is the measure and standard of this production; of these products, this wealth, these values. As the labor decreases, the amount of product decreases, and vice versa. Money is simply a medium of exchange of different denominations and not a measure of values; it is useful to facilitate the exchange of these values created by labor and discharge pecuniary obligations. "Labor is the ultimate price that is paid for everything" (Ricardo).

The law of supply and demand is measured and regulated by labor: that is, labor regulates the supply of commodities as well as the demand, and it is admitted by all economists that supply and demand regulate the price, fix and measure the value of commodities. Let us cease to "muzzle the ox that treadeth out the corn," give honor to whom honor is due and credit to whom credit is due. Let us now cease to worship the golden calf of money as a measure of value and give the praise and credit to labor where it justly belongs. Labor, and the law of supply and demand, a child of labor, measure values.

There should be a sufficient volume of the medium of exchange to effect or carry on the trade or exchanges of the people.

Directing attention again, Mr. President, to the question I was then discussing, I desire to read from a little book entitled *Labor and Capital*, by Edward Kellogg. I read first from page 41:

Value consists in use; it is that property, or those properties which render anything useful. A house that could not be occupied would be worthless unless its materials could be employed for some other purpose. A horse is valued for his useful qualities; if he becomes disabled he is worthless, for his use is destroyed. So of everything necessary to the support and comfort of man, it is valuable because it is useful.

The same is true of ornaments. They are valuable because they are useful for ornamental purposes. If diamonds were deprived of their beauty, their use and therefore their value as ornaments would cease to exist. A valuable portrait might be rendered worthless by erasing the features. The canvas and the paint, the material of the picture, would remain, but its use would be destroyed.

The value of all property is estimated by its usefulness. For instance, the income that a city lot can be made to produce determines its value. The interest on the money that its improvements will cost must be first deducted, together with the taxes, insurance, and repairs necessary to keep the improvement permanently good. The surplus it will yield after making these deductions determines the true value of the lot.

There are two kinds of value—actual value and legal value. Actual value belongs to anything that inherently possesses the means of affording food or which can be employed for clothing, shelter, or some other useful purpose, ornamental or otherwise.

Legal value belongs to anything which represents actual value or capital. Its existence depends upon actual value. The worth of things of legal value depends upon their capability to be exchanged for things of actual value.

The author, Mr. President, here gives an example of this doctrine and shows the distinction between actual and legal value:

The following illustration shows the distinction between actual and legal value, and the dependence of the latter upon the former. The national debt of England exceeds £800,000,000 sterling, say \$1,000,000,000.

This book was written in 1846, I think.

It bears interest at about an average of 3 per cent per annum, amounting to an annual sum of \$120,000,000. A hundred and twenty millions of dollars' worth of the products of labor of actual value must be sold annually to pay the interest; to pay the principal would require a large proportion of the wealth of the country.

If the paper, the legal value which represents and secures the debt and interest, were collected and burned, it would not diminish the real wealth of the nation. It would merely cause a change in the individual ownership of property. But after the circumstances, and suppose a similar amount of actual value to be consumed, houses, manufactories, machinery, fences, grain, etc., to the amount of \$1,000,000,000, and nearly every improvement would be swept from the British Islands. Destroy merely the 3 per cent interest of actual value or the debt for one year—*i. e.*, products to the amount of \$120,000,000, and a famine would ensue; for actual value, the products of labor, would be destroyed instead of a legal representative, as in the case of the conflagration of the paper securing the interest.

Again, this author says, on page 43:

The power of money, like the power of a bond and mortgage, is legal.

On the same page:

The value of notes of hand, bonds and mortgages, book accounts, and money, depends upon their capability of being exchanged for property. Their power to accumulate is given by law, and they accumulate a mere legal representative; that is, interest in money which is valuable only because like the principal it can be exchanged for a certain amount of actual value. Hence, the value is in the property, and not in the money or in the obligations. Money and all obligations are mere representatives, and depend upon property for their value.

I read now from page 71:

The natural powers of any material do not make it money. Its powers and agency as money are delegated to it by law, in addition to its natural capabilities. When gold is used the powers conferred upon it make it an equivalent for every species of property. If gold had not been selected for the material of money, and a legal power given to it to exchange prop-

erty, and to accumulate interest for its use, a man would have as little occasion for more gold than he needs for utensils and ornaments, as for more clothes than he can wear, or more tools than he can use. It would have been subjected to the same laws of trade as other merchandise, and must have waited a demand for consumption before it could have been sold. It is clear that gold possesses no peculiar or inherent excellence to endow it with power to determine the value and control the use of all other things. But when it is made the agent of these legal powers, it becomes necessary to acquire the gold in order to discharge debts; and the quantity of the metal being limited, its owners are enabled to extort from the necessitous a very high price for its use. If gold were not used as the material of the currency, its abundance would cause no inflation of business, nor would its scarcity produce distress, because, compared with other metals, its use is very limited.

In that quotation the author foresaw quite fifty years ago the fact we realize to-day, that the chief value in gold is a selfish value that can control and depreciate the purchasing power of labor and property. That is the very thing we are contending with to-day—that is, a limited volume of gold that is to be exchanged against all the property and all the labor of the civilized world.

The author proceeds:

The following statement will show the different effects upon our own people of the use of the precious metals as utensils and their use as the material of money. All will probably admit that there were, in 1846, twelve thousand families in the city of New York owning, on an average, \$800 worth of gold and silver ware, such as tea, coffee, and dinner services, vases, ornaments, etc. Including jewelry, the amount of the metals probably far exceeded the sum named. But calculating the twelve thousand families to have owned \$800 worth each, they owned, in the aggregate, \$9,600,000; while, according to the bank reports, the specie in all the banks in the State of New York on the 1st day of November, 1846, amounted to but \$8,048,318.

Suppose the twelve thousand families owning these silver and gold utensils and ornaments had in one week collected them together and shipped them to England. The shipping of these wares would have had no more effect upon the monetary affairs of the State or nation nor upon business than the shipping of the same amount in cotton and tobacco, but had the people drained the \$8,048,348 of coins from the banks, and shipped them abroad, the banks throughout the State and throughout the United States would have been compelled to suspend specie payments, and hundreds of thousands of our people would have been bankrupted or thrown out of employment. Yet by shipping the gold and silver wares more than one million and a half more of the precious metals would have left the country than by shipping the coin.

The shipment of the smaller amount would have shaken the country to its center, while the shipment of the larger amount could not have unfavorably affected business. And yet our gold and silver utensils and ornaments are more in use than our coins, for the coins are mostly in kegs and boxes in the vaults of banks, and if they are moved at all it is usually from one bank vault to another without even emptying them from the kegs. If money is merchandise, why should not the shipment of our gold and silver utensils affect the business of the nation as much as the shipment of our coins? The same twelve thousand families were doubtless the owners of a much larger amount of the capital stocks of the banks than the \$9,600,000, and could at any time have sold stock enough to draw all the specie from the banks, and thus have caused a suspension of payments and distressed producers even without shipping the specie.

On page 270 of the same book I read:

Governments have falsely assumed that the value of money consists in the inherent worth of the gold, silver, and copper materials out of which it has been coined. This is not only palpably a false assumption, but the laws of nations prove it to be so; for in nearly every civilized nation the governments have authorized paper money (when secured by state and national stocks, bonds, and mortgages, etc.) to be issued in the form of bank notes and to circulate as money. England has made paper money a tender in payment of debts.

Bank notes are called money, although the laws do not make them a tender for debts. Banks are, however, chartered by law, and, therefore, the bank notes issued by them are generally considered as money, and answer all its purposes. They are founded, or based, on a promise to pay specie on demand. Let us see, however, if they are not practically money, instead of being merely representatives of gold and silver coins. A man

exchanges at a bank in New York a hundred dollars in specie for a one-hundred-dollar bank note, and takes it to the Western country to buy land.

The note is thus put in circulation there, is loaned and reloaned on interest, and is used in the purchase of property and products. It is continually active; while the silver for which the bank note was taken in lieu lies dead in the vault of the bank, and is neither used to purchase property or products, nor to fulfill contracts, nor to produce an income.

The bank note has performed all while the specie has performed none of the functions of money. If the former should circulate for any number of years, and should be loaned for an income, and used to purchase property thousands of times, and when it was returned to New York there should be no specie in the vault of the bank to redeem it, still every purchase made by the bank note would be valid, and every mortgage for which it had been received would be a binding lien upon the property of its drawer for the payment of specie both for the principal and the interest.

Coins and bank notes have a legal power to accumulate, not natural to either of them. Both are generally received in tender for debts, so that one is practically as much money as the other. In fact, if either is to be despoiled of its character as money it must be the specie, for this is mostly deposited in the vaults of the banks, and while so deposited is not practically money; but the bank notes, which perform more than ninety-five hundredths of the exchanges, are really the money of the country, and fulfill all its uses with greater convenience and celerity than could gold and silver. Paper made to represent landed property instead of specie, and endowed with legal power to accumulate, measure, and exchange property, would answer every purpose of money, and would be money.

I read now from page 4 of Bryant on Money:

When one has brought himself to fully and thoroughly know what it is that makes the value or purchasing power of money—

Using "value" and "purchasing power" as synonymous—he has obtained the key that unlocks all other mysteries of money, and has possessed himself of the knowledge that will enable him to defeat and overthrow the most adroit and insidious argument that the advocates of hard money can possibly concoct. You have possessed yourself of the lamp of truth, whose light will penetrate and reveal the schemes of these people, no matter how cunningly they may strive to conceal them with sophistry and insidious arguments.

I am endeavoring to leave out some epithets in the text which I think ought not to go in the RECORD.

What is it, then, that gives money its value or purchasing power in the markets? In finding the answer to that question we shall discover that the principle that gives money its value or purchasing power is the same principle, identically, unqualifiedly, and absolutely, the same principle that gives anything whatsoever its value or purchasing power in the market, namely, the principle of quantity relatively to the uses—the law of supply and demand.

But this unquestioned and unquestionable truth is greatly obscured and mystified by the operations of law—the national legislation of a people—which steps in to interfere with money, as it does not do with anything else, and can not do. For instance, law can make that money which costs little to produce it immensely more valuable than that which was produced at a great outlay of labor. Law can give a paper dollar ten or a hundred thousand times greater value, or purchasing power, than a gold or any other kind of a dollar, in despite of the fact that the gold dollar costs perhaps a hundred times as much as the paper dollar.

One might term this the miracle of law and of money, since the same is not true of anything else produced by man. This truth arises from the fact that it is entirely practicable to regulate the quantity of the money issued or permitted to circulate; and from the further fact that the quality of any one or several kinds of money is utterly the creature of law, the law which makes it a full or a restricted legal tender, or not a legal tender at all.

We can illustrate this fact regarding the principles of money by supposing that the United States were to issue, say, fifty millions of paper dollars and make them the only legal money to pay any tax or debt due to the Government; and, say, five hundred millions of silver dollars, and make them the only legal money to pay any private debt due from one person to another; and, say, one hundred millions of gold dollars which were not legal money for any purpose whatever, leaving the people free to accept or reject them, just as they pleased.

What would be the result from that action of our Government? Simply this: The law of "supply and demand" would at once assert itself, and work in combination with what the law had decreed regarding the money, whereby there has been created three kinds and three qualities. Whereas if the law

regarding each had been the same there would have been but one kind and one quality, even if it were made of a hundred different materials. Asevery tax or debt due to the Government would have to be paid in the paper dollars, thereby creating an enormous demand which could only be met by the small supply of fifty millions, the paper dollars would command a very high premium over the silver or gold dollars.

I think, Mr. President, that Senators who on Saturday undertook to answer the position which I stated, namely, that there is no necessity for any commercial value or any specific amount of commercial value in the money thing, have wholly failed to make it appear that that quality is essential. I again assert if there is any reason to be offered by Senators upon the other side of this question why there should be any specific amount of commercial value in the thing called money, I pause now and here to hear it. [A pause.] There is no necessity for it.

It is simply one of those fallacies which has been advocated so constantly and so frequently by politicians, through the newspapers, and by a certain class of political economists, that perhaps the great mass of the people of the United States have come to the conclusion that there is a necessity for some commercial value in the money thing or the money material, whereas the truth is that the only office of money is simply to exchange articles of property and labor as a matter of convenience in the transaction of business. Whenever anything is taken from the domain of commerce and coined into money, its commercial value is lost as effectually to the commercial world as though it were at the bottom of the ocean or as if it had never existed, and it ceases to perform any office in the commercial world and to influence the market value of the species to which it belongs.

Now, I desire to direct the attention of the Senate briefly to another fallacy which has passed current here, and which has gone uncontradicted, it seemingly being tacitly admitted that it is a truism in political economy, and that is the so-called double standard. Ever since I came into the Senate on the 7th of August, in almost every speech which has been delivered here, I have heard it iterated and reiterated that we have a double standard of money, some contending that we must maintain a double standard, others contending that we must go on to a single gold standard; but throughout the entire discussion it has been assumed that we have a double standard of money.

Mr. President, if my position is the correct one—and I think it is, and believe it to be capable of demonstration—that money is the function performed by the thing and not the material which is evidence of that function, then it is true that there can be no such thing as a double standard of money, unless you give to one part of that money full legal-tender quality and a restricted legal-tender quality to the other.

It is true that we use both gold and silver, but we use them simply as evidence of the money thing, the money function. Whether we use gold, or silver, or paper, or any other article, if these things are declared by law to represent 10 cents in exchange, then they are money, they are all based upon the law, and there is not a double, but a single standard if the full legal-tender power is given. As well might we say that a wagon which is composed of iron and wood is a double wagon or two wagons. It takes the wood and the iron to constitute the thing called a wagon; and when it is completed and fashioned by the labor and skill of man, it is a wagon, and not two wagons.

As well might we say that the brass, steel and gold in a watch constitute a triple watch; it would be as sensible to say that, when the truth is that it takes all three of these different materials to constitute the thing we call a watch. So we might go on with illustrations where two or three different materials enter into the construction of anything, and we might speak of those different materials as constituting two or three different things of their particular class.

So I say when the law of this nation fixes the volume of money, when it says that so many dollars shall be issued, that they shall have full legal-tender power and be received by the people in the liquidation of their debts, in the payment of their taxes, in the discharge of obligations, public and private—if the full legal-tender power is given to that thing called money, then it is a single standard, regardless of whether it be represented by gold, silver, copper, or paper, or all of them.

Mr. HOAR. May I ask the Senator a question?

Mr. ALLEN. I yield with pleasure.

Mr. HOAR. The Senator is making a very interesting and clear statement of his doctrine; and I wish to ask him whether he goes to the length of considering that the use of the costly materials of gold and silver by mankind for the purposes of money or for the manufacture of valuable articles is a sheer waste of so much value?

Mr. ALLEN. I may get to that at length, Mr. President, but I have not reached it yet.

Mr. HOAR. I understood the Senator to say that the intrinsic value of the thing used for money, to use that convenient phrase, did not in the least make it any more valuable for money purposes, but that it derives its whole value from law giving it the legal-tender and exchangeable quality. If that be true, would not the use of \$10,000,000,000 worth, or whatever it may be, of gold and silver in the money furnished for mankind be, in the Senator's judgment, a sheer waste?

Mr. ALLEN. For domestic purposes that is true, but to answer the demands of the world, to pay the balance due the world, if we owe them anything, I am perfectly willing to use the Senator's kind of metal. For domestic purposes, however—

Mr. HOAR. That was not my question. I did not ask whether the Senator was willing to use it or not, but whether the Senator marches fully up to what seems to me the logic of his position. He says that the use of gold and silver, which have a certain intrinsic value in the estimation of mankind, other than the value which they get on account of being used as money and the demand for that purpose is of no sort of importance, that we might just as well take an entirely valueless substance and make it money by law, and it would answer every purpose and function. If that be true, does it not clearly follow, in the judgment of the Senator, that from the beginning of mankind the nations of the world have been guilty of an enormous and inexcusable waste in using these valuable substances for the purposes of money?

Mr. ALLEN. Well, Mr. President, I shall hardly be drawn by the question of the Senator from Massachusetts into passing judgment upon the entire world in all of its past history.

[At this point the honorable Senator yielded to Mr. DUBOIS.]

Mr. ALLEN. Mr. President, to resume the course of my ar-

gument when interrupted, the Senator from Massachusetts [Mr. HOAR] asked me a question the tendency of which was to lead me into a discussion of the question of irredeemable paper money. I declined to discuss that question on Saturday last. I decline to discuss it now.

I have taken no position in favor of irredeemable paper money, nor do I propose to take any position in favor of it. I will not be led upon grounds of that kind in this discussion, and the Senator from Massachusetts and other Senators may as well understand it now as at any other time. I do take the position, as I asserted awhile ago, that one of the rankest heresies that has been taught in the Senate Chamber, one of the rankest heresies that has found expression in the metropolitan press, one of the rankest heresies that has emanated from the closet financiers of this country who are undertaking to formulate public sentiment upon this question is the rank heresy of a double standard.

Money, as I have said, consists in the function performed and not in the metal or paper that is evidence of that function. The power of money is controlled by the quantity that is in circulation against the quantity of business and property in the country. It is the quantity with full legal-tender power that gives it its purchasing power and its debt-paying power, and therefore its value. The theory of a double standard is one of the arguments that has been used to lead the public mind of this country astray and to make the people believe that there are three or four different kinds of money in this country, when the truth is there is but one kind of money, evidenced by three or four different kinds of material.

Another heresy that has been taught here, and I desire to say that these are matters that I have not myself heard fully discussed in the Senate, they seem to have been taken for granted: another of the fallacies taught is that there is no such thing as a contraction of the volume of money by going upon what is called the single gold standard. I think I heard my distinguished friend from Delaware [Mr. GRAY] assert repeatedly here that the fact that we went upon a gold basis did not have any influence or effect upon the price of property or labor; that labor and property brought as much, exchanged for as much, were as valuable in the market under a single gold standard and a contracted gold standard as they would be and were under a larger volume of money.

It is a little singular that when you come to the discussion of this gold question Senators should say that a contraction of the volume of money has no effect upon the price of property or labor, and just the moment you speak of enlarging the volume of money, making it greater, they begin to fear the effect of what they call the inflation of money. Inflation will affect prices, so they say and so we know, but they tell us that contraction, which is the other extreme, will not affect them.

Mr. President, if it be true that inflation will affect prices of property and labor, then it is equally true that the other extreme, which is contraction, will affect the prices of property and labor and shrink the prices of those things. If you touch a pendulum that hangs at a perpendicular and swing it out to the left, will not the return action of that pendulum be within a hairbreadth as far to the right of the perpendicular line as it went to the left? So if you start at a given point in the volume of money

and inflate that money, will it not have an effect upon prices; and if then you go like the pendulum to the other extreme, does it not equally affect the price of property and labor?

This country is suffering to-day by reason of a contracted volume of money. The lockouts, the strikes, the difficulties that we hear of going on throughout this country are due, in my judgment, in a large measure to a contracted and constantly shrinking volume of money.

I propose to go into the discussion of the question somewhat fully to see if this fallacy can not be thoroughly exposed. Its effect upon the country has not been fully discussed here, and it occurs to me that it is of such importance that it ought to be fully considered.

Mr. President, this question of contraction has occasioned more evil in this country in the last twenty-five years, in my judgment, than all other questions combined. It is a question that has been deftly and skillfully kept from the people. It has been persistently directed at the prosperity of the business and the homes of the people of this nation, and has been prolific of evil consequences. I direct your attention for a moment to some expressions upon this question to be found in the report of the Brussels monetary conference in 1892. I turn to page 90 of that report and read from the remarks of Mr. Allard, the honorable delegate of Belgium:

I do not think that the proposal of Mr. de Rothschild—

Speaking of the proposal that Mr. de Rothschild had made that this country should continue the purchase of 4,500,000 ounces of fine silver monthly against £5,000,000 annually on the part of Europe. Says Mr. Allard:

I do not think that the proposal of Mr. de Rothschild is a sufficiently efficacious remedy for the evils from which the nations are now suffering and from which they have suffered during the last twenty years. The crisis which oppresses us is no birth of yesterday. It dates from 1873, the moment when free coinage of silver was suspended in Europe. The true remedy, which would be at the same time efficacious and thorough, would be the re-establishment of free coinage.

On page 92 of the same book I read from Mr. Allard:

Unfortunately Mr. de Rothschild is not troubled by the fall in prices. He is disposed to think "that wheat at 30s. a quarter, instead of 45s., is rather a blessing than otherwise." But, I ask him, what do the British farmers think of it? In Belgium, I can assert, agriculture is suffering from this deep evil.

Speaking of the question of a congestion of prices of produce—

In Belgium, I can assert, agriculture is suffering from this deep evil: and as for England, I do not think that Mr. de Rothschild's views are shared by Mr. Chaplin, formerly minister of agriculture, who has traversed the whole of England in the search for remedies to be applied to these evils. It appears, too, from the reports contained in the English newspapers a week ago, that Monsignor Walsh, the archbishop of Dublin, is concerning himself with the monetary question, on account of the disasters which are befalling Ireland. When giving evidence before an English commission on the subject of Irish evictions, he spoke in an absolutely bimetallic sense. He pointed out the evils which had been produced in England by the scarcity and the appreciation of gold, and also the extremely difficult, embarrassing, and disastrous position in which the Irish farmers were placed by the same cause.

Mr. de Rothschild does not appear to be much disturbed by this fall in prices, which, nevertheless, affects all the interests of his country. In view of this, it is a remarkable fact that he does not deny scarcity of gold, but, on the contrary, himself states that that scarcity exists.

In this connection I desire to read the expression of de Roths-

child's which called forth this criticism upon the part of Mr. Alard. I read from page 69 of this book:

Advocates of bimetalism maintain that the fall in the price of silver has brought about a corresponding fall in the prices of various commodities.

Proceeding upon the line of reasoning employed on the question of the contraction of the currency:

This may or may not be the case: but, supposing the former hypothesis to be correct, I am not prepared to say that it would be a misfortune for England or the world in general.

Mr. de Rothschild, the great money monarch of this world, who is at the head and front of this movement to dethrone silver, is not prepared to say that it would not be a blessing to have a shrinkage in the prices of farm produce and labor throughout the civilized world. He continues:

Nor do I share the opinion of certain distinguished exponents of that theory who deplore the fact of the Indian exporter being able to send wheat remuneratively to England, thus interfering seriously with the interests of the British farmer; but I hold that wheat at 30s. a quarter, instead of 45s., is rather a blessing than otherwise.

That wheat at 30 shillings a quarter, rather than 45 shillings, is a blessing to Mr. de Rothschild and his class of people, rather than otherwise. What does that mean? It means wheat in Liverpool at 90 cents a bushel as against \$1.35 a bushel, or relatively so; it means that the great wheat fields of this country, the great farms of America, are to be made less and less productive to the tillers of the soil, to the masses of the people, in consequence of this system of shrinking the volume of money. When Mr. de Rothschild looks into the New World, and looks throughout the civilized world where agriculture is being conducted, and sees constantly falling prices of farm produce and less and less compensation to the farmer and the laborer, when he sees stealing over the people of this country, and over the people of civilized Europe, a condition of serfdom, then Mr. de Rothschild sees a condition arising in the financial affairs of this nation that is to be regarded as a blessing, rather than a curse!

Mr. President, the American Senate is asked to join in this raid upon the rights of the people of their own country, to shrink the values of property, to join De Rothschild and his gang of Shylocks in a raid upon the rights of the great common people of this nation, of his own nation, and of every nation which encourages agriculture, and that is to be done by means of a contracted volume of money.

I read now from page 325 of this book, as follows:

To render money more scarce or more abundant is to make all prices rise or fall. An increase of money, as in 1850, corresponds to the growth, the progress, the life of society: monetary contraction will always lead to an anemia, sickness, and crisis.

If you diminish the quantity of blood in the human body will it not bring about anæmia? Diminish the amount of money in the social body and that diminution will bring about a crisis.

The author of these remarks was a prophet when he said that if you diminish the volume of money to a certain point it will bring about a crisis. With what are we contending to-day? We are contending with a monetary crisis brought about by the fact that the volume of money in this country is so small that eight or ten thousand men can control it as against nearly seventy million people. It is because a comparatively insignificant portion of the people of this country have the volume of money under their control that this crisis is precipitated upon the country;

and the cry is set up by these fellows, by the newspapers, and the gangs which they represent, that this crisis is produced by the Sherman act, when the Sherman act was simply seized upon as a subterfuge or an excuse to precipitate the panic, the great ulterior purpose being to still further contract the volume of the currency, to make the volume of money still smaller and smaller, so that labor and labor's product will be lower and lower and the people be brought eventually into subjection to the will of this class of men.

Strange as it may seem, Mr. President, there appear to be men high in office in this country, occupying responsible positions, holding within their grasp, as it were, the destiny of the people of this country, who are influenced by considerations of this character, who seem to be lashed into the support of this infamous measure contrary to their wishes. They do not seem to be strong enough to resist the demands and the threats of the taskmaster.

What we demand is that the blood taken from us twenty years ago be given back. History proves that we are right. When America was discovered, towards 1500, all prices rose in Europe in the exact measure of the quantity of money which arrived from the New World.

A chicken worth 4 sous in 1500 was worth 15 in 1600. Forty-eight years after the discovery of America, rents in England had risen 400 per cent. The immense discoveries acted upon this growing society with a power which the same discoveries would not exercise in our days. In 1548 Bishop Latimer, at the court of Edward VI, claimed that the landlords ground down the farmer—it was then as to-day the subtle action of money which disturbed social relations in England. Europe has recently contracted its circulation; prices have fallen just as they rose in the sixteenth century.

What did we see from 1851 to 1873? That is modern history, familiar to everybody. Prices increased 15 per cent. You may see it in my diagrams; California and Australia poured out their floods of gold upon our civilization.

It would be difficult, without doubt, to estimate the immense benefit which resulted for all the nations of the universe, the chief of which are here represented, but I can give you a point of comparison.

In France land which was valued on the average at 1,292 francs the hectare in 1851 rose to 2,000 francs in 1874. According to the statistics of Mr. Alfred Neymarck, the total value of cultivated land in France increased from 67,000,000,000 to 120,000,000,000, a rise of 53,000,000,000 in twenty-three years in France alone. I leave you to calculate the benefits which, following the same in those proportions, the whole world must have experienced. According to Mulhall, there was four times as much business done in 1880 as in 1850; that was the glory and climax of the commercial, industrial, and agricultural world.

It was too good. It could not last forever. "Peoples, like individuals, enjoy dangers," says Joubert; "when they are lacking, they create them." That is what they did in 1873; they demonetized silver, and the danger was born.

Gold became rare, as was natural, as was certain, and as had been predicted: the duty was put upon it of replacing silver.

Mr. Currie and Mr. Weber, our honorable colleagues, will not agree. We have white grapes and red grapes for making wine. If we discarded the white, would not the red grapes certainly rise in value? We eat beef and mutton. Can it be admitted that if beef were prohibited the price of mutton would not rise?

Mr. President, how true that statement is. Suppose in this country a law were passed prohibiting the consumption of one class of meat products, does not every citizen know that the prices of other classes which were not prohibited would be doubled in value? The demand would be doubled for them, and that is what increases prices. If the Government should, for instance, strike down wheat, if it should be decreed that the people should not eat wheat bread, would it not create a greater demand for corn, oats, and other kindred products? It certainly would, because the functions performed by wheat would be trans-

ferred to other products. So it is with silver. Whenever the Government strikes down silver, and says that it shall not be used for money purposes, and puts the entire basis of the currency upon gold, that increases the value of gold and gives it a greater purchasing power than it would otherwise possess. That is contraction.

It was for the same reason—

Says this author—

that gold appreciated, that it bought more and more commodities, and prices fell in consequence. This is a great revolution in which all take part, and which prevails in England more than anywhere else.

Have we not been witnessing the consequences of contraction in England within the last few years? In fact there is a tremendous strike involving hundreds and thousands of men going on there to-day. Strikes and lockouts have been the watch-words in England for the last twenty years. A great army of men, led by a former secretary of agriculture there, is introducing a social revolution in that country by reason of the shrinkage in the value of property and the fall in the wages of labor. Less than thirty thousand men in the British Empire own its soil. Not one man or woman out of a hundred—I might say out of a thousand and be within the bounds of truth—ever own a foot of soil upon which their feet stand. They are born in a country where they own no part of its soil; they live and die and own no portion of it except in the potter's field, that portion necessarily dedicated to them as a last resting place by the public; and yet the example of this pirate of the high seas, the example of this country, which is constantly degrading her own people, is held up to us as an example worthy of our emulation!

The only object—

The author continues—

with which a man works is that he may sell his products for more than they cost.

When a fall of prices takes place in the interval, personal interest ceases to act, and what Bastiat called so aptly the mainspring of humanity ceases to operate.

Hence, the crisis under which industry suffers, and the alarming figures published by Mr. Giffen, for the board of trade, which note since 1886 a growing depression in England.

Hence, the contraction of English industry, the closing of workshops, and labor crises.

But why, one asks, was silver demonetized? The story would be amusing if it had not had such fatal consequences. Gold and silver had been in circulation more than two hundred years in a legal proportion of 15 $\frac{1}{2}$ of silver to 1 of gold, and that legal proportion had given rise to a scandal: there were variations of value between the two metals.

During two hundred years variations were noted from a maximum of 15.92 to a minimum of 14.14; that is, a deviation of as much as 1.8. It was horrible! It was necessary to stop at once such an abuse. How was it done? Silver was deprived of the right of conversion into coin.

The variations went from a maximum of 24 to a minimum of 15.92; that is, a variation of 8 points, or more than four times as much as what was formerly complained of. The means employed recalls the famous Gribouille, who threw himself into the water to avoid being wet by the rain.

Adam Smith, the father of political economy, says, page 205:

From the high or low money price either of goods in general, or of corn in particular, we can infer only that the mines which at that time happened to supply the commercial world with gold and silver were fertile or barren.

Any rise in the money price of goods which proceeded altogether from the degradation of the value of silver would affect all sorts of goods equally, and raise their prices universally a third, or a fourth, or a fifth part higher, according as silver happened to lose a third, or a fourth, or a fifth part of its former value.

John Stuart Mill, in *Principles of Political Economy*, says, page 301:

The proposition which we have laid down respecting the dependence of general prices upon the quantity of money in circulation—

The author uses the word "quantity" rather than "quality"—

must be understood as applying only to a state of things in which money—that is, gold or silver—is the exclusive instrument of exchange, and actually passes from hand to hand at every purchase, credit, in any of its shapes, being unknown. When credit comes into play as a means of purchasing, distinct from money in hand, we shall hereafter find that the connection between prices and the amount of the circulating medium is much less direct and intimate, and that such connection as does exist no longer admits of so simple a mode of expression. But on a subject so full of complexity as that of currency and prices, it is necessary to lay the foundation of our theory in a thorough understanding of the most simple cases, which we shall always find lying as a groundwork or substratum under those which arise in practice. That an increase of the quantity of money raises prices, and a diminution lowers them, is the most elementary proposition in the theory of currency, and without it we should have no key to any other.

So, Mr. President, here is laid down a proposition, in direct contradiction of the argument made in this Senate Chamber that the contraction of the volume of money and putting a country upon a gold basis, will not have any effect upon the prices of property and labor. Again, he says:

If the whole money in circulation was doubled prices would double. If it was only increased one-fourth prices would rise one-fourth. The very same effect would be produced on prices if we suppose the goods (the uses for money) diminished instead of the money increased; and the contrary effect if the goods were increased or the money diminished. So that the value of money—all other things remaining the same—varies inversely as its quantity; every increase in quantity lowering its value and every diminution raising it in a ratio exactly equivalent.

Ricardo plainly says in regard to this question:

That commodities would rise and fall in price in proportion to the increase or diminution of money, I assume as a fact that is incontrovertible. That such would be the case, the most celebrated writers on political economy are agreed. * * * The value of money does not wholly depend upon its absolute quantity, but on its quantity relative to the payments it has to accomplish, and the same effect would follow either of two causes, from increasing the uses for money one-tenth, or from diminishing its quantity one-tenth; for, in either case, its value would rise one-tenth.

William Stanley Jevons, professor of political economy and logic in Owen University, England, says:

I can not but agree with Mr. Macculloch, that, putting out of sight individual cases of hardship if such exist, a fall in the value of gold (increasing the quantity of money) must have, and, as I should say, has already a most powerful, beneficial effect. It loosens the country from the old bonds of debt and habit, as nothing else could. It throws increased rewards before all who are making and acquiring wealth, somewhat at the expense of those who are enjoying acquired wealth. It excites the active and skillful classes of the community to new exertions, and is, to some extent, like a discharge of his debts is to the bankrupt and insolvent long struggling against his burdens. All this is effected without the break of national good faith, which nothing could compensate.

In his work on *Money and the Mechanism of Exchange*, Prof. Jevons says, on page 338:

To decide how much money is needed by a nation, we must first determine the quantity of work which money has to do. This will be proportional, *ceteris paribus*, to the number of the population. Twice the number of people, if equally active in trade and performing it in the same way, will clearly want twice as much money. It will be proportional, again, to the activity of industry and to the complexity of its organization. The more goods are bought and sold, and the more often they pass from hand to hand, the more currency will be needed to move them. It will be proportional, again, to the prices of goods, and if gold falls in value and prices are raised, more money will be needed to pay the debts increased in normal amount.

Prof. Thompson, in his *Political Economy*, quotes from many eminent authors, as follows:

Mr. Ricardo (following Say and Torrens) also elaborated the theory of international exchanges, in connection with the notion that money is a purely passing instrument of exchanges, changing its purchasing power according to the amount of it that a country possesses. From this it was an inference that a drain of money from a country would either have no effect or would correct itself by so increasing the purchasing power of money in comparison with commodities as to make the country a bad place to sell in, but a good place to buy in.

Quoting Thomas Tooke, he says:

Hence new uses will be found for it when it is abundant, new avenues of commerce will be opened, new branches of industries will be essayed, until increased production finds employment for the increase of money. If money has increased, industry and trade are increased, and thus the tendency to depreciation is met and strongly counteracted.

Prof. Chevalier, of France, than whom no greater authority on money has ever lived, in speaking of the increase of money, says:

Such a change will benefit those who live by current labor and enterprise: it will injure those who live upon the fruits of past labor. In this respect it will work in the same direction with most of the developments which are brought about by that great law of civilization to which we give the noble name of progress. * * * It has been wisely said that there is no machine which economizes labor like money, and its adoption has been likened to the discovery of letters.

Prof. A. L. Perry, in his work on *Political Economy*, page 66, says:

Price is indeed only a case under the class values, but practically it becomes a very important thing in political economy, because the value of almost all exchangeable things is determined through price. So far as commodities, personal services, and claims are exchanged against each other directly without the intervention of money or the use of the denominations of money price plays no part though value does, but these cases are few and insignificant as compared with the whole. It is hardly necessary to add that price, though relative, is specific and not general, and consequently that there may be a general rise or fall of prices. If the money of a country becomes relatively more abundant than before, general prices will rise in that country for reasons already made apparent; and when money becomes less abundant prices will fall for corresponding reasons.

Mr. Fawcett, in his *Hand Book of Finance*, pages 146 to 148, says:

The decline of prices since 1872-'73 is explained by the increased value of gold. The first effect was to cause a collapse in "speculative securities"—viz, bonds of railroads, etc., which were based on the expectations of a continuance of high prices for commodities, or, in other words, a low value for gold. The losses which followed caused panic and a decrease in manufacturing industry and improvement enterprises. This diminished employment for labor and necessarily decreased the consumptive demand for all commodities. Theorists have been jangling for three years about the cause of the reaction which began in 1872-'73, and the decline of prices which has continued almost without interruption since. These causes are, however, not obscure. The progress of the physical sciences and of labor-saving inventions has undoubtedly had an important tendency to reduce the prices of nearly all manufactured articles and to a small extent also the value of raw materials. But the increased burden of debt, the increase of traffic (thus requiring a larger volume of the circulating medium), and the demonetization of silver have all contributed to increase the value of gold beyond its equitable value as a measure for values of commodities.

The era of golden debt, like the era of gold, has had its culmination, and the causes at work are now preparing the way for some new era in financial affairs which will, in all probability, be as unique as either of the two which have preceded it. No man can yet foresee what it is to be. It is, however, not difficult to distinguish a few tendencies that must operate toward the new development. The first of these is the decline in the rates of interest for money in order to reduce the burden of funded and mortgaged debt everywhere. This will be accomplished partly by the repudiation and complete loss of a very large portion of the existing volume of funded debts, and partly by the concentration of capital (seeking safety rather than high rates

of interest), on a smaller amount of the debt. Another tendency that must continue is the necessity for supplementing the stock of gold in the world with the stock of silver, and a universal recognition of both metals as money at about the same relative values they maintained prior to the era of gold. Until these things are accomplished "prices" will continue to decline, and the commercial world will be in distress.

I read now from Alison's History of Europe. In speaking of a shrinkage of the volume of money, he says:

The evils complained of arose from the unavoidable result of a stationary currency, coexisting with a rapid increase in the numbers and transactions of mankind, and these were only aggravated by every addition made to the energies and productive powers of society. * * * But if an increase in the numbers and investings of men coexists with a diminution in the circulating medium by which their transactions are carried on, the most serious evils await society, and the whole relations of its different classes to each other will be speedily changed; and it is in that state of things that the saying proves true, that "the rich are every day growing richer and the poor poorer."

[At this point the honorable Senator yielded to Mr. DUBOIS.]

Mr. ALLEN. Mr. President, Henry Clay, during the debates on the subtreasury in 1840, made the following eloquent, truthful, and logical speech. It shows clearly that his great mind had grasped the idea that price, not only of products but of labor, depended upon the quantity of money in circulation:

The proposed substitution of an exclusive metallic currency to the mixed medium with which we have been so long familiar, is forbidden by the principles of eternal justice. Assuming the currency of the country to consist of two-thirds of paper and one of specie, and assuming also, that the money of a country, whatever may be its component parts, regulates all values, and expresses the true amount which the debtor has to pay his creditor, the effect of the change upon that relation and upon the property of the country would be most ruinous.

All property would be reduced in value to one-third of its present nominal amount, and every debtor would, in effect, have to pay three times as much as he had contracted for. The pressure of our foreign debt would be three times as great as it is, while the six hundred millions, which is about the sum now probably due to the banks from the people, would be multiplied into eighteen hundred millions! * * * Have gentlemen reflected upon the consequences of their system of depletion? I have already stated that the country is borne down by a weight of debt. If the currency be greatly diminished, as beyond all example it has been, how is this debt to be extinguished?

Right here, Mr. President, it is pertinent for us to inquire how it will be possible for us through a shrinking and falling volume of money to be able to discharge our obligations if this country goes upon a single gold basis, our volume of money is contracted, and debts made payable in gold?

Mr. Clay further said:

Property, the resource on which the debtor relied for his payment, will decline in value, and it may happen that a man who honestly contracted a debt, on the faith of property which had a value at the time fully adequate to warrant the debt, will find himself stripped of all his property, and his debt remain unextinguished.

Debts contracted, payable in lawful money, when gold and silver have been money from the organization of the Government down to the present moment, followed by a contraction of the currency—debts, I say, contracted under these circumstances, if they become eventually payable in gold, or gold equivalent, under a complete demonetization of silver, will produce the fall in prices and the ruin so vividly portrayed by Mr. Clay of Kentucky in this speech.

Certainly that is a condition of affairs among the people of this nation that any high-minded, patriotic man does not care to see. It is to prevent this condition, it is for the purpose of lightening their burdens as far as can be done through just legis-

lation, that the friends of silver desire that this purchasing clause shall remain in the law until something better in the line of silver legislation is offered.

Continuing, Mr. Clay says:

The gentleman from Pennsylvania [Mr. Buchanan] has put the case of two nations, in one of which the amount of its currency shall be double what it is in the other, and, as he contends, the prices of all property will be double in the former nation of what they are in the latter. If this be true of two nations, it must be equally true of one, whose circulating medium is at one period double what it is at another. Now, as the friends of the bill argue, we have been and yet are in this inflated state; our currency has been double or in something like that proportion of what was necessary and we must come down to the lowest standard. Do they not perceive that inevitable ruin to thousands must be the inevitable consequence? A man, for example, owning property to the value of \$5,000 contracts a debt for \$5,000. By the reduction of one-half of the currency of the country his property in effect becomes reduced to the value of \$2,500. But his debt undergoes no corresponding reduction. He gives up all his property and remains still in debt \$2,500. Thus this measure will operate on the debtor class of the nation, always the weaker class, and that which for that reason most needs the protection of Government.

Mr. President, at this point allow me to give the effect of this contraction upon the interests of the agricultural classes. Let me suppose that we are under the present system of bimetallicism and of miscellaneous currency, with probably a somewhat expanding, rather than contracting, volume of money. Let me suppose that I have earned \$1,000. I take that money and invest it in a farm, borrowing \$1,000 to put with it in purchasing the farm, giving a mortgage on my farm to secure the borrowed money.

Now, suppose, through some means, before that mortgage becomes due, which is ordinarily from five to seven years, the volume of money has contracted, so that the value of money is made double what it was when I purchased the farm, borrowed the money, and gave the mortgage. When I gave the mortgage, for instance, 1 bushel of wheat would pay \$1. But when the time comes to pay the mortgage it takes 2 bushels of my wheat to pay \$1, or it takes two days of my work to pay \$1, whereas 1 bushel of wheat or one day's work would have paid the \$1 at the time the money was borrowed.

Now, under such a system as that, Mr. President, we all understand that prices fall, produce becomes comparatively worthless, and the slightest misfortune renders it impossible for the farmer to discharge his obligation. The time comes when the mortgage matures. The time comes in the history of that transaction when the farm, that was well worth \$2,000 when it was bought, becomes scarcely security for the \$1,000 mortgage that is against it. The time comes when a great many farmers, situated as I have described myself in the supposed case, can not meet and discharge their obligations.

What is the result? When the mortgagee calls for the payment of this debt it can not be met. The mortgage is foreclosed. The sheriff sells my farm. Now, I ask what has become of the honest money that I put into that transaction? By this robber system of contracting and doctoring the currency, by this system which stealthily comes into the humble homes of this nation and robs them of their prosperity, it has simply been merged in the \$1,000 of the mortgagee and made it that much more powerful in the markets of the world. Then I step out with a loss of my money, and my property is gone.

I am not supposing a case that does not exist. I say there are thousands, even hundreds of thousands, of acres of some of the most magnificent portions of our domain that in the last few years have passed out of the hands of the people into the hands of loan and trust companies and corporations of different kinds. Hundreds of thousands of honest men and women have been driven out under the stars in consequence of this system of contraction.

Yet, Mr. President, we are invited to a feast of contraction again. We are invited to agree to continue to contract the volume of money, to strike down the purchasing power of silver, to cease using silver as money, excepting that which we have on hand and coined, and to return to gold values in everything, maintaining the parity, as it is said, of silver and gold, which means fixing a gold value on silver.

Mr. DOLPH. Will the Senator yield to me?

Mr. ALLEN. In a moment. We are invited to do this, and to make the condition of our countrymen a thousand fold worse in the future than it has been in the past.

Now, I yield to the Senator from Oregon.

Mr. DOLPH. Do I understand the Senator to say that we are asked to repeal any law by which silver is now being coined into standard dollars or into any other money? If the present law is to continue, it provides for an increase of the circulating medium.

Mr. BLACKBURN. Will the Senator from Nebraska allow me to answer?

Mr. ALLEN. Certainly.

Mr. BLACKBURN. I say that under the provision of the law known as the Sherman law of 1890, compulsory provision was made for the coinage of not less than two millions of standard silver dollars every month up to July 1, 1891.

Mr. DOLPH. Which time has passed.

Mr. BLACKBURN. Which time has passed. But I say that even that law, bad as you describe it, and bad as I admit it to be, at least left it discretionary with the Secretary of the Treasury after July 1, 1891, to go on with the coinage of silver bullion in sufficient amount to meet the Treasury notes that were issued against its deposit.

Mr. DOLPH. Is that discretion of the Treasury Department interfered with by the measure now before the Senate, so far as silver bullion is concerned?

Mr. BLACKBURN. With the permission of the Senator from Nebraska, I answer, and say yes; that that discretion is not only interfered with, but it is abrogated, and the pending bill professes to repeal that provision of the Bland-Allison law and put silver back under the operation of the demonetization law of 1873.

Mr. DOLPH. The Bland-Allison law was repealed when the act of 1890 was enacted.

Mr. BLACKBURN. And the repeal of the purchasing clause of the Sherman law remits us to the act of 1873, which discredited silver as money in this country.

Mr. DOLPH. The passage of this bill will simply repeal the purchasing clause of the Sherman act of 1890. It stops the further purchase of silver, but it does not demonetize the silver dollar.

Mr. BLACKBURN. No; it reenacts the demonetization act of 1873.

Mr. DOLPH. But it does not demonetize a single silver dollar.

Mr. BLACKBURN. Because the act of 1873 had already demonetized silver.

Mr. DOLPH. No; the act of 1873 did not demonetize a single silver dollar.

Mr. BLACKBURN. Did it not drop the standard silver dollar from the list of coins in this country?

Mr. DOLPH. It stopped the coinage, but it did not demonetize a dollar in circulation.

Mr. BLACKBURN. Precisely.

Mr. DOLPH. We have now over six hundred millions of silver, including bullion and notes, which have been issued by the Treasury on the bullion purchased. We have over \$600,000,000 in circulation, and it is not proposed to demonetize a dollar of that sum.

Mr. BLACKBURN. Mr. President, the Senator from Oregon will not say that we carry in our circulation to-day \$600,000,000 of silver money.

Mr. DOLPH. Including bullion in the Treasury.

Mr. BLACKBURN. That is not in circulation.

Mr. DOLPH. It is represented by Treasury notes, which are in circulation.

Mr. BLACKBURN. Which are paid in gold on demand.

Mr. DOLPH. Gold or silver, at the option of the Secretary of the Treasury.

Mr. BLACKBURN. Have they ever been paid in silver?

Mr. DOLPH. I can not say as to that.

Mr. BLACKBURN. I can.

Mr. DOLPH. They should have been paid in silver.

Mr. BLACKBURN. So I say, but they have not been.

Mr. DOLPH. Then we agree upon one thing.

Mr. BLACKBURN. Yes.

Mr. DOLPH. But what I was trying to ask the Senator from Nebraska was, what law have we now for an increase of the circulating medium? No law except the act of 1890, which provides for an issue of Treasury notes for the purchase of silver bullion. That is the only increase.

Mr. ALLEN. That is nearly \$50,000,000 annually.

Mr. DOLPH. I understand that, and I admit it. I admit that the repeal of the purchasing clause of the act of 1890 will stop the increase of the circulating medium; and to that extent, unless there shall be some other provision made for increasing the circulating medium, the volume of currency will be contracted.

Mr. STEWART. I should like to ask the Senator from Oregon if there is any other way to stop purchasing silver except to repeal the Sherman law?

Mr. DOLPH. I think so.

Mr. STEWART. Any legal way?

Mr. DOLPH. I will not say any legal way. I think the amount required by law to be purchased by the Secretary of the Treasury has not been purchased during the last three or four months; and I should not be surprised to see the purchases suspended altogether.

Mr. STEWART. Do you think that would be right?

Mr. DOLPH. It would be as much right as it would be to suspend any part of them.

Mr. STEWART. Do you think it would be right to suspend any part of the purchases?

Mr. DOLPH. I leave that subject for the Senator to discuss.

Mr. STEWART. I should like to have the opinion of the Senator from Oregon.

Mr. DOLPH. I think that no executive officer, not even the President himself, has the right to suspend the operation of any law of Congress.

Mr. ALLEN. Mr. President, when the Senator from Oregon interrupted me to put a question, which was perfectly proper to be put and which I am glad he did put, I had asserted that the repeal of the purchasing clause of the Sherman act would be, in effect, demonetizing silver and producing a contraction of currency or the volume of money, whatever you see fit to call it, using those two expressions as synonymous. Let me answer the Senator: Under the Sherman act to-day there is issued, in round numbers, \$50,000,000 annually of money, legal-tender notes redeemable in coin, gold or silver, at the option of the Secretary of the Treasury. Now, let me ask the Senator from Oregon if that does not increase the volume of money or the thing that performs the office of money in payment of debts?

Mr. DOLPH. Of course that is in circulation. I said that, and I admit that the currency will be contracted to that extent; yet the volume to be maintained will not be increased by that increase, if the measure now before the Senate should pass.

Mr. ALLEN. Let me ask the Senator from Oregon one more question. If you repeal the purchasing clause of the Sherman act and do not substitute anything, do you not stop the possibility of the coinage of more silver?

Mr. DOLPH. Not at all. The Secretary of the Treasury can proceed to coin all the silver bullion already in the Treasury.

Mr. ALLEN. I admit that, to the extent of 174,000,000 ounces.

Mr. DOLPH. Congress can provide for the use of the silver at any time.

Mr. ALLEN. Yes; Congress can "provide." There is the trouble. After you have coined the 174,000,000 ounces of bullion in the Treasury Department then you stop the coinage of silver, and I say you stop the issuance of the \$50,000,000 Treasury notes.

Mr. DOLPH. Do we not stop that if we repeal the Sherman act?

Mr. ALLEN. I admit that, Mr. President, and therefore when you stop the coinage of silver you not only stop the coinage, but you demonetize it or take the money power or function away from silver as a metal.

Mr. DOLPH. You can not demonetize a thing until it has been monetized.

Mr. ALLEN. I shall not stand here and split hairs with the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Nebraska has the floor.

Mr. ALLEN. The people of this country understand quite well that when you stop the coinage of silver, the volume of money stands still and we are deprived of the \$50,000,000 of Treasury notes now annually issued; that while population and

wealth are growing the volume of money is standing still; and that between the contraction of the volume of money on the one side and the increase of population on the other, the gap is growing wider and wider. The Senator understands that and the people understand it.

Mr. President, I return to the remarks of Mr. Clay. He said:

But if the effect of this hard-money policy upon the debtor class be injurious it is still more disastrous if possible on the laboring classes. Enterprise will be checked or stopped, employment will become difficult, and the poorer classes will be subject to the greatest privations and distresses. Heretofore it has been one of the pretensions and boasts of the dominant party that they sought to elevate the poor by depriving the rich of undue advantages. Now their policy is to reduce the wages of labor, and this is openly avowed.

This was in 1840.

And it is argued by them, that it is necessary to reduce the wages of American labor to the low standard of European labor, in order to enable the American manufacturer to enter into a successful competition with the European manufacturer in the sale of their respective fabrics.

My protectionist friends may find some consolation in this language.

Thus is this dominant party perpetually changing; one day cajoling the poor and fulminating against the rich, and the next, cajoling the rich and fulminating against the poor. It was but yesterday that we heard that all who were trading on borrowed capital ought to break. It was but yesterday we heard denounced the long established policy of the country by which it was alleged the poor were made poorer and the rich were made richer.

Mr. President, of all the subjects of national policy not one ought to be touched with so much delicacy as that of the wages, in other words the bread of the poor man. In dwelling, as I have often done, with inexpressible satisfaction upon the many advantages of our country, there is not one that has given me more delight than the high price of manual labor. There is not one which indicates more clearly the prosperity of the mass of the community.

In all the features of human society there are none, I think, which more decisively display the general welfare than a permanent high rate of wages and a permanent high rate of interest. Of course I do not mean those excessively high rates of temporary existence, which result from sudden and unexpected demands for labor or capital, and which may, and generally do, evince some unnatural and extraordinary state of things; but I mean a settled, steady, and durable high rate of wages of labor and interest upon money.

Such a state demonstrates activity and profit in all the departments of business. It proves that the employer can afford to give high wages to the laborer in consequence of the profits of his business, and the borrower high interest to the lender in consequence of the gain which he makes by the use of capital. On the contrary, in countries where business is dull and languishing and all the walks of society are full, the small profits that are made will not justify high interest or high wages.

Mr. President, in 1840 the same causes that are at work to-day producing distress to the American farmer and laborer were at work. The chief cause in producing the condition of affairs that we are witnessing to-day, namely, the contraction of the volume of money, was at work at that time. The result then was, as it is to-day, to shrink the price of property, the price of produce, and to deprive the honest laborers of work, making paupers and destroying homes. Yet to-day we are invited to take the same course that was taken then. We are invited to repeat the history of 1840 in this country.

They did not then undertake to abandon silver and gold, the money of the Constitution. The men who lived in this country in 1840 had some respect for the Constitution. It had not then become a mere bauble, to be kicked about by parties and to be respected or ignored as convenience might dictate. Notwithstanding they stood by the money of the Constitution (gold and silver), the volume was contracted, just as is attempted to-day to

put us in the scandalous and the unenviable attitude of struggling with our labor and our property in the scramble for gold.

Mr. DOLPH. Will the Senator yield to me?

Mr. ALLEN. Certainly; cheerfully.

Mr. DOLPH. Does the Senator dispute the proposition that there is more money in circulation to-day in the United States per capita than ever before?

Mr. ALLEN. Oh, yes; I dispute it seriously.

Mr. DOLPH. Then the Senator disputes the reports of the Secretary of the Treasury on that subject, which are issued from time to time.

Mr. ALLEN. No; so far as the Secretaries tell the truth I do not dispute them.

Mr. DOLPH. Does the Senator dispute what the Secretary of the Treasury does say, that we now have in circulation over \$25 per capita for all the population of the United States?

Mr. ALLEN. No; I do not dispute that in the sense in which the terms are used by the Secretary.

Mr. DOLPH. Do you dispute the fact that the circulation per capita is larger than it ever has been before?

Mr. ALLEN. I do.

Mr. DOLPH. Then the Senator disputes the reports which the Secretaries of the Treasury have issued from time to time.

Mr. ALLEN. It does not make any difference whether I do or not.

Mr. DOLPH. I merely wanted to know the fact.

Mr. ALLEN. I dispute that the volume of per capita circulation in this country is greater to-day than it has ever been. It is surprising to me that my friend from Oregon, who has been here ten or twelve years in the public service, does not understand that to be true. In 1865 there were over \$47 per capita in circulation in this country.

Mr. PEPPER. Fifty-two dollars.

Mr. ALLEN. Fifty-two dollars, my friend from Kansas says.

Mr. DOLPH. I dispute that proposition.

Mr. ALLEN. Does the Senator from Oregon dispute that the sun is shining?

Mr. DOLPH. Yes, I do to-night. [Laughter.] The Senator mistakes gaslight for sunlight, and that is what he has done in regard to currency.

Mr. ALLEN. In 1865, if the Senator from Oregon will read the history of his country, he will find that there were \$47 per capita, and my friend from Kansas [Mr. PEPPER] says, \$52; but it was not what the Senator from Oregon or the Secretary of the Treasury calls money. That is the trouble. It was made up of a variety of evidences of debt in the form of certificates of indebtedness and 7-30 notes, etc. All these were in circulation. Although I am a younger man than the Senator from Oregon, I know from ocular evidence that the smaller bonds were in circulation among the people, and passed current and were used as money. Now, I ask the Senator from Oregon if, counting all these things as money that I have enumerated—

Mr. DOLPH. But they were not.

Mr. ALLEN. I ask him if the volume of money, counting those, was not greater than it is to-day?

Mr. DOLPH. I say that the interest-bearing obligations of

the Government were not money. They did not perform the office of money.

Mr. ALLEN. Mr. President, we all know that they did perform the office of money, were used as a medium of exchange until they eventually were called in, and over \$1,000,000,000 were burned between 1866 and 1873; they were burned up until Congress was compelled to pass the act of 1874 to prevent the destruction of greenbacks, and fix them at their present volume of \$346,000,000 in round numbers. Your Secretary of the Treasury, Mr. McCulloch, was destroying the money of the people.

Mr. DOLPH. I was not talking about greenbacks.

Mr. ALLEN. Oh, no; you think they are not money.

Mr. DOLPH. They have always been money, or performed the function of money.

Mr. ALLEN. Now, does the Senator from Oregon dispute that, taking these small bonds, I speak of, the evidences of indebtedness I have mentioned, with the bank currency and all of the various forms of currency, we did not have more than \$25 per capita.

Mr. DOLPH. I have stated to the Senator that what he calls currency and money was not money, in any sense of the term, and did not perform that function.

Mr. ALLEN. There is the trouble. Prof. Walker, who is "a gold bug," says that whatever performs the money function is the money thing; that whatever performs its office is money. So some of the principal writers, sustaining the view the Senator from Oregon upholds, give utterance to the same great truth, that the thing which performs the office of money is money for all purposes. The Senator from Oregon admits that in 1865, calling the things money which I have enumerated, we had a per capita circulation almost twice as large as we have today.

Mr. PEPPER rose.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Kansas?

Mr. ALLEN. Certainly.

Mr. PEPPER. With the permission of the Senator from Nebraska, I should like to set this matter right. I have in my hand the finance report of the Secretary of the Treasury for 1866. On page 25 I find a statement of the public debt of the country at that time. It is divided into two parts, bonds and notes. The amount of bonds given is \$1,210,221,300. Then there are two classes of bonds due, one in 1867 and the other in 1868, amounting together to about \$18,000,000. Then come the different classes of notes which were in circulation as currency. Upon that point, of course, the Senator from Oregon will differ with me; but of that in a moment. There were compound-interest notes due in 1867 and 1868 amounting to \$159,012,140.

Mr. DOLPH. They are notes that bore interest and the interest was compounded, I suppose?

Mr. PEPPER. Of the 7.30 Treasury notes due in 1867 and 1868 there were \$806,251,550.

Mr. DOLPH. They were interest-bearing obligations, were they not?

Mr. PEPPER. Then there were other bonds past due and

not presented, Texas indemnity bonds, etc., \$559,000; of bonds, Treasury notes, etc., past due and not presented, \$3,815,675.80. Then there were temporary loans, ten days' notice, \$120,176.196.65; certificates of indebtedness past due and not presented, \$26,391,000; then there were United States notes, commonly called greenbacks, \$400,891,368; fractional currency, \$27,070,876.96; gold certificates of deposit, \$10,713,180, making a total of bonds and notes of \$2,783,425,871.21.

The following is a statement of the public debt, June 30, 1866, exclusive of cash in the Treasury:

Bonds, 10-40's 5 per cent, due in 1904	\$171,219,100.00
Bonds, Pacific railroad, 6 per cent, due in 1895 and 1896	6,042,000.00
Bonds, 5-20's 6 per cent, due in 1882, 1884, and 1885	722,205,500.00
Bonds, 6 per cent, due in 1881	265,317,700.00
Bonds, 6 per cent, due in 1880	18,415,000.00
Bonds, 5 per cent, due in 1874	20,600,000.00
Bonds, 5 per cent, due in 1871	7,022,000.00
	<hr/>
	1,210,221,300.00
	<hr/>
Bonds, 6 per cent, due in 1868	8,908,341.80
Bonds, 6 per cent, due in 1867	9,415,250.00
Compound-interest notes, due in 1867 and 1868	159,012,140.00
7.30 Treasury notes, due in 1867 and 1868	806,251,550.00
	<hr/>
	983,587,281.80
	<hr/>
Bonds, Texas indemnity, past due, not presented	559,000.00
Bonds, Treasury notes, etc., past due, not presented	3,815,675.80
	<hr/>
	4,374,675.80
	<hr/>
Temporary loan, ten days' notice	120,176,196.65
Certificates of indebtedness, past due, not presented	26,391,000.00
	<hr/>
	146,567,096.65
	<hr/>
United States notes	400,891,368.00
Fractional currency	27,070,876.96
Gold certificates of deposit	10,713,180.00
	<hr/>
	438,675,424.96
	<hr/>
Total	2,783,425,871.21

By turning over to page 168 of the same report, I find a recapitulation of the outstanding United States notes and fractional currency, which are described as not now used for circulation, and I will repeat them:

Demand notes redeemable in coin	\$288,121
One-year 5 per cent notes	2,151,287
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/>
Making a total of	181,096,804

Of notes that had been withdrawn and held in abeyance, as it were, and reported as "not now used for circulation." These different classes of notes, five of which I have enumerated, were all used for circulation, but at that time were in the Treasury and were not being sent out.

On page 164 I find this language:

Currency—

That is to say, paper notes of the Government that had been used as money and called very properly currency—

Currency has been retired, counted, and destroyed during the fiscal year, as follows:

Old issue demand notes.....	\$300,440.75
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.....	2,506,427.50
Two-year 5 per cent coupon notes.....	33,363,097.50
Six per cent compound-interest notes.....	81,246,829.50
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
Total.....	211,239,515.41

If we put the \$181,000,000, in round numbers, on page 168 of the report, with the \$211,000,000, on page 164, we have nearly \$400,000,000. Add that to the amount of notes still outstanding at the end of the year, which was \$1,500,000,000, or about that, and we have \$1,900,000,000 of notes of different kinds, which were then in circulation as currency. Add to that the \$170,000,000, or thereabouts, of national-bank notes, and we have a total of nearly \$2,100,000,000 of paper money then outstanding among the people. Divide that by the population, and you will find that it amounts to a trifle over \$52 per capita.

Then, if the Senator from Oregon will take up the report for 1869, which I do not happen to have here, on page 244 he will find a recapitulation under the head of all the different kinds of Government paper that had at any time been issued and circulated and used as money, he will find the 7.30 notes, compound interest notes, demand notes, and all of the different classes of notes to which I have referred here.

Then, if the Senator will take up the report of 1869, and look at the statements in very small type on some of the pages he will find a description of the 7.30 notes, the compound interest notes, and all the other different classes which had been issued and were made legal tender.

So I think there can be no question about these different classes of notes having been out and circulating as money.

As I have repeatedly said, in my humble opinion, the Treasury Department, from 1869 to the present time, has been purposely—I use the word “purposely,” and if it is any more forceful I will say “willfully and knowingly”—deceiving the people in reference to this matter.

Mr. KYLE. Is it not true that John Jay Knox, once Comptroller of the Currency, regarded the 7.30 notes as money?

Mr. PEPPER. They were so accepted by all the Secretaries of the Treasury until 1870.

Mr. KYLE. I should like to state to the Senator from Nebraska, with his permission, that he is occupying no very unusual ground in making the statement he has just now made in relation to the circulation of the 7.30 notes. He is occupying the position formerly occupied by the Republican party itself and by one of the most prominent Republican journals.

I have before me a statement of one of the most prominent journals of the United States, the Chicago Inter Ocean. Let me give a statement made in that paper for 1865. The author gives

the currency of the country as \$1,651,282,373; population 34,819,-581, and the per capita circulation \$47.42.

I will now supplement this by the Inter Ocean's report of the per capita amount of currency for each succeeding year down to 1877:

The volume of currency was for—	The volume of currency was for—
1866 ----- \$50.76	1872 ----- \$17.00
1867 ----- 36.68	1873 ----- 17.48
1868 ----- 22.05	1874 ----- 17.89
1869 ----- 19.80	1875 ----- 17.35
1870 ----- 19.20	1876 ----- 15.89
1871 ----- 18.47	1877 ----- 14.40

In the same connection, the Inter Ocean makes this remark in regard to the circulation of the 7.30 notes:

The 7.30 three-year notes, whose circulation as currency is most scouted, were outstanding on the 1st of September, 1865, to the amount of \$83,000,000, every dollar of which was legal tender for its face value under the terms of the law "to the same extent as United States notes."

That is Republican authority. Further, touching the point of the amount of the present circulation, I am not disposed to dispute the statement of the present Secretary of the Treasury or any previous Secretary of the Treasury, but I have a statement made, by one whom I consider one of the best authorities upon the Republican side of this Chamber, in late years and that is the late lamented Senator Plumb. In his speech upon this floor in June, 1890, he makes this very remarkable statement, which I hope the Senator from Oregon will consider:

Let us see, therefore, how much money is available for actual use among the people. From the total of \$1,560,000,000, arrived at as above, must be first deducted an average of \$260,000,000, which the Treasury always keeps on hand, and about which something has heretofore been said in the debate on this bill. That leaves as the maximum which by any possibility can be used \$1,300,000,000.

There ought, in fairness, to be deducted from this \$150,000,000, error in estimate of gold in the country, which would reduce the money outside the Treasury to \$1,150,000,000. From this is to be subtracted the \$700,000,000 kept as a reserve (in the banks), as before computed, leaving a balance of but \$550,000,000 which is available for delivery or other use in the transactions of the business of all the people, or a trifle over \$8 per capita. But the force of my argument is not materially weakened by conceding the gold coin to be as estimated by the Treasury Department, which would leave in actual circulation \$700,000,000. In order to make up this amount all doubt must be resolved in favor of the Treasury and against the people, both the doubt as to the lost and destroyed notes and that as to the gold supply. If I was deciding this case upon what I consider the best evidence, I would be bound to say that I believed the money in actual circulation did not much, if at all, exceed \$500,000,000.

This, I believe, has been followed out by the statements of other prominent Republicans on this floor. The Senator from Oregon, therefore, is not combating the present statement of the Senator from Nebraska, but the statements of the ablest financiers we have in this nation to-day.

Mr. DOLPH. Will the Senator from Nebraska yield to me now. I think as the trio have got after me on this question I am entitled to reply.

Mr. ALLEN. I yield to the Senator from Oregon with pleasure.

Mr. DOLPH. Mr. President, it does not take a financier to understand that a note bearing interest or compound interest ceases to circulate as money the moment the interest accrues upon it. As soon as there is a half year's interest or a quarter year's interest on such a note it would be kept in the vaults of the bank, and it would not perform the functions of money. As

a matter of fact, these notes did not perform the functions of money.

As far as the newspapers are concerned, if the statement which has been read by the Senator from South Dakota is better authority than the report of the Secretary of the Treasury, then I will have to give up this proposition or any other which may be mooted. The Senator might get up and assert that this body had outlived its usefulness, is obstructing the necessary measures upon which the prosperity of the country depends, and should be abolished. The Senator from South Dakota can prove that assertion by any number of newspapers in the United States.

Mr. KYLE. We do not have to refer to the Chicago Inter-Ocean; we can refer to other prominent Republican newspapers and magazines; we can refer also to the Secretary of the Treasury before the year 1869, and to the Comptroller of the Currency before that time.

Mr. DOLPH. I do not think so.

Mr. KYLE. And they understand the question quite as well as the Senator from Oregon.

Mr. DOLPH. If the Senator will read the reports of the Secretaries of the Treasury and then put his own construction upon those reports, he can make out to his satisfaction that a certain set of facts exists. That is what I object to.

Mr. ALLEN. The Senator from Oregon will certainly not ignore current history.

Mr. DOLPH. The difference between myself and the Senators who assert that our per capita circulation has been so large in previous years, is that they assert certain notes have performed the function of money, which I think did not.

If the Senator is going to prove by the statements of Senators on this floor any proposition in regard to the currency, or in regard to almost anything else under the sun, he can do it. What proposition in regard to the currency can not be proved by the utterances of Senators on this floor in the last six weeks? Certainly the most absurd propositions in regard to the amount of circulation, the office of money, and the fundamental principles in regard to money and in regard to the use of gold and silver have been asserted.

I do not care to continue this discussion. I should have gone out and got the statement of the predecessor of the present Secretary of the Treasury to show the precise per capita circulation in this country during a series of years, but I wanted to hear what Senators had to say. I did not wish to be discourteous to them. I shall endeavor to procure that document, and will let the Secretary of the Treasury determine which is right, the Senator from Nebraska or myself.

Mr. ALLEN. I hope the Senator from Oregon will not run away from this contest. I think if he continues to inquire—

Mr. DOLPH. I think I have the statement now. Will the Senator allow me to have it read at the desk?

Mr. ALLEN. Certainly. The Senator, however, is quoting from a scratch book.

Mr. DOLPH. I know; but I am quoting what I assert to be an extract clipped from the report of the Secretary of the Treasury.

Mr. ALLEN. The same as the newspaper the Senator from South Dakota quoted from.

Mr. DOLPH. I ask that the paper which I send to the desk may be read.

The VICE-PRESIDENT. The Secretary will read as requested, in the absence of objection.

The Secretary read as follows:

Third. Upon the subject of the amount of money in circulation I submit the following table prepared by the Treasury Department:

Amounts of money in the United States, and in circulation, on July 1 of each year from 1860 to 1892, inclusive.

July 1—	Amount of money in United States.	Amount in circulation.	Population June 1.	Money per capita.	Circulation per capita.
1860.....	\$442,102,477	\$495,407,252	31,443,321	\$14.06	\$13.85
1861.....	452,005,767	448,405,767	32,064,000	14.09	13.94
1862.....	358,452,079	374,697,744	32,704,060	10.96	10.23
1863.....	674,867,283	595,394,038	33,365,000	20.23	17.84
1864.....	705,588,067	669,641,478	34,046,000	20.72	19.67
1865.....	770,129,755	711,702,995	34,748,000	22.16	20.57
1866.....	751,327,254	673,488,244	35,469,000	21.27	18.99
1867.....	728,200,612	661,992,069	36,211,000	20.11	18.23
1868.....	716,553,578	680,103,661	36,973,000	19.38	18.39
1869.....	715,351,180	664,452,891	37,750,000	18.95	17.60
1870.....	722,838,461	675,212,794	38,558,371	18.73	17.50
1871.....	741,812,174	715,889,905	39,555,000	18.75	18.10
1872.....	762,721,565	738,309,549	40,596,000	18.70	18.19
1873.....	774,445,610	751,881,809	41,667,000	18.58	18.01
1874.....	806,024,781	776,083,031	42,796,000	18.83	18.13
1875.....	798,273,509	754,101,947	43,951,000	18.16	17.16
1876.....	790,683,284	727,609,388	45,137,000	17.52	16.12
1877.....	763,053,847	722,314,883	46,353,000	16.46	15.58
1878.....	791,253,576	729,132,634	47,598,000	16.62	15.32
1879.....	1,051,621,641	818,631,793	48,866,000	21.52	16.75
1880.....	1,205,929,197	973,382,228	50,155,783	24.04	19.41
1881.....	1,406,541,823	1,114,238,119	51,316,000	27.41	21.71
1882.....	1,480,531,719	1,174,290,419	52,495,000	28.20	22.37
1883.....	1,643,489,816	1,230,305,696	53,693,000	30.60	22.91
1884.....	1,705,454,189	1,243,925,969	54,911,000	31.06	22.65
1885.....	1,817,059,336	1,292,568,615	56,148,000	32.37	23.02
1886.....	1,898,559,694	1,252,700,525	57,404,000	31.50	21.82
1887.....	1,900,442,672	1,317,539,143	58,680,000	32.39	22.45
1888.....	2,062,956,940	1,372,170,870	59,974,000	34.39	22.58
1889.....	2,075,350,711	1,380,361,649	61,289,000	33.86	22.52
1890.....	2,144,226,159	1,429,251,270	62,622,250	34.24	22.82
1891.....	2,195,224,075	1,497,440,707	63,975,000	34.31	23.41
1892.....	2,372,599,501	1,601,347,187	65,520,000	36.21	24.44

NOTE.—The difference between the amount of money in the country and the amount in circulation represents the money in the Treasury.

Mr. DOLPH. Will the Senator from Nebraska yield to me just a moment?

Mr. ALLEN. Certainly.

Mr. DOLPH. The Senator will see that in 1873, when the discontinuance of the coinage of the standard dollar was made, the per capita circulation, according to this report, was \$18.04, and that it has gradually increased every year from that time until 1892, when it was \$24.44 per capita. That is money in circulation. I will state that during the years 1861, 1862, 1863, and 1864 the money of the United States was only circulating in the States that were still in the Union. It did not circulate in the States that had seceded; and, therefore, taking that into consideration, there has been a remarkable uniformity, with a slight increase every year, since 1860.

In regard to the notes which the Senator would include among

our circulation, the truth is that they were not put out to pay the debt of the Government like the legal-tender notes. I understand that with the exception of a few that officers and soldiers in the Army were allowed to take, they were sold by the fiscal agents of the Government just like the bonds, and performed the same office; that they did not really circulate any more than the bonds, and were immediately retired from circulation.

Mr. PEPPER. With the consent of the Senator from Nebraska—

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kansas?

Mr. ALLEN. Yes, sir.

Mr. PEPPER. I think this is a good time to set this matter right. In the first place I desire to call the attention of the Senator from Oregon and of all other Senators present to the fact that in the statement which has been read purporting to have come from the Secretary of the Treasury (and I do not doubt but that it came from that source) the Secretary counts as money not only the silver certificates which are in circulation among the people, but also the silver dollars in the Treasury which are covered or represented by the certificates. It is the same in relation to the gold certificates, so that perhaps about \$500,000,000 are doubled in the report. The truth is that the only money which can be properly called money, that which is acting singly, is now between \$1,500,000,000 and \$1,600,000,000, and not \$2,100,000,000 as the report of the Secretary shows.

I wish to call the attention of the Senator from Oregon, and other Senators as well, to a matter which I find on pages 40 and 42 of the Finance Report for 1866, giving an abstract of the different acts of Congress authorizing the issue of papers which enter into the circulation of the country. I hope the Senator from Oregon will give me his attention, for I have found repeatedly in this Chamber when I have called attention to these facts that about the only response I receive is a smile, as much as to say, Is it possible that the Senator from Kansas does not know any better? Perhaps that is the case, but I have, ignorantly or otherwise, followed the acts of Congress and the reports of the Secretary of the Treasury.

Mr. DOLPH. I do not understand the Senator's proposition. Will he repeat it? My attention was diverted for a moment.

Mr. PEPPER. Now that I have the Senator's attention, I will state that in the act of June 30, 1864, there was a large number of Treasury notes, 7.30 notes, provided for: and the Senator will find that in the act it is provided that they shall be a legal tender to the same extent as United States notes for their face value excluding interest, and may be paid to any creditor of the United States at their face value, etc. What does the language that they shall be a legal tender mean if it does not mean—the Senator can answer me after I get through; I wish to take up all this matter at once so that it will be connected—I ask what such language means if it does not mean what the Secretary of the Treasury in his report, I believe for 1864, stated it means, that the 7.30 notes were prepared and issued as a kind of security circulation, so that there would be a double incentive to their circulation; that they should draw interest, and to that extent persons would accept them instead and in place of the United States notes or the greenbacks?

I find on page 43, and also on page 25, that there were outstanding at the end of the fiscal year 1866 \$159,000,000, in round numbers, of that particular issue of currency. Then I find that, in the act of March 3, 1863, Treasury notes to the amount of \$400,000,000 were authorized; and I find in the same act that they were made a legal tender for their face value, excluding interest. I find that of those notes \$120,176,196 were reported as being in circulation at the end of the fiscal year 1866.

Now, turning to the report of the Treasurer, F. E. Spinner, who knew as much about this matter as any other man in this country, I find that, on page 244, Mr. Spinner gives a recapitulation, and I will read it.

Mr. HOAR. Will the Senator before he begins to read point out where those notes are reported as being in circulation?

Mr. PEPPER. Yes, sir; right here? (Indicating).

Mr. HOAR. Now, if the Senator will pardon me—

Mr. PEPPER. I ask the Senator not to interrupt me just at this moment.

Mr. HOAR. A very erroneous impression is made by what the Senator has stated.

Mr. PEPPER. I will come back to it in a moment. On page 244, under a subheading "Outstanding Circulation", I find these words:

Recapitulation of all kinds of Government papers that were issued as money, or that were ever in any way used as a circulating medium, and that remained outstanding and unpaid on the 30th day of June, in the year 1869.

I will read the different classes of notes without giving the figures showing the amounts. Seven and three-tenths notes; that is to say, the 7-30 notes, old issue; 7-30 notes, new issue; temporary loan certificates; certificates of indebtedness; 6 per cent compound interest notes; gold certificates; 3 per cent certificates; old two-year 6 per cent notes; one-year 5 per cent notes; two-year 5 per cent notes; two-year 5 per cent coupon notes; demand notes, payable in gold; legal-tender notes; fractional currency, first series; fractional currency, second series; fractional currency, third series. Then he adds the discount on mutilated currency, making a total of \$475,679,033.57 of those different classes of papers which were issued and used for currency during the war still outstanding at the end of the fiscal year 1869.

Mr. ALLEN. The trouble with the Senator from Oregon—

Mr. HOAR. The Senator from Kansas said he would go back to his first statement. As I understand the volume from which he has read, the phrase which the Senator used, doubtless by an inadvertence, does not occur in it. It is not stated that there is so much currency or so much circulation. It is an account of the indebtedness of the United States. When the seven-thirties; which were made face value without interest, had any interest accumulating they could not be made a legal tender without the loss of the interest, and therefore they ceased to be legal tender, ceased to be in circulation, and are properly enumerated as the report enumerates them as indebtedness not in circulation at the time.

Mr. PEPPER. That is the way I intended to give them.

Mr. HOAR. The Senator said in circulation, but doubtless inadvertently.

Mr. PEPPER. I stated what the record shows, the amount of those particular notes still outstanding. Then I referred to the reports on pages 25, 164, and 168, showing that these different classes of paper, as they are termed, had been used among the people as a circulating medium.

I have not said, neither do any of us intend to say, that they were issued originally upon the same plan and with the same object in view to the full extent that the greenbacks were issued, because they were limited to an issue of \$400,000,000; but it was found that there was a necessity for a further circulation, a temporary circulation.

The greenbacks were intended for a permanent circulation, but in the midst of a great war there was a need for a greater circulating medium; so there were a great many different shifts and devices resorted to in order to provide circulation, and one of them was these compound-interest notes, one of them was demand notes, one of them 7-30 Treasury notes, and two-year notes, and three-year notes, and so on, and then as a summing up, at the end of the year 1869, after about \$1,300,000,000 of this paper currency had been withdrawn from circulation, there was still outstanding \$475,000,000, including the greenback circulation that was still out, showing that there were, if I remember correctly, over a hundred million dollars of this kind of paper money in circulation. The Treasurer, Mr. Spinner, who had charge of the entire transaction, the receipt and disbursement of all of this currency, gives it plainly over his own signature that these different classes of paper were used as money at one time or another during the period of their existence.

Mr. DOLPH. If the Senator from Nebraska will allow me, some Senator sitting near me stated that the Senator from Kansas said that silver dollars and silver certificates, and I think gold dollars and gold certificates, were both counted in the current statements of the condition of the Treasury.

Mr. PEPPER. Yes.

Mr. DOLPH. To swell the amount?

Mr. PEPPER. Yes.

Mr. DOLPH. I think the Senator is clearly mistaken about that.

Mr. PEPPER. I think I can show the Senator I am not.

Mr. ALLEN. Let me ask the Senator from Oregon if it is not true that the silver bullion was counted at its commercial value?

Mr. DOLPH. It is not used in the statements. The Treasury notes are used, and very properly, because they are money; but the Senator from Kansas is certainly mistaken in stating that in the current statements of the condition of the Treasury both gold and silver certificates and gold and silver coin deposited when certificates were issued are counted as cash in the Treasury or as money. I hold in my hand the statement for September 1, 1893, which is as follows, as far as gold and silver coin are concerned: Gold coin, general stock coined or issued, \$547,516,035; in the Treasury, \$78,019,667; amount in circulation September 1, \$469,466,368; amount in circulation September 1, 1892, \$411,154,411; standard silver dollars, general stock coined or issued, \$419,332,450; in the Treasury, \$357,677,820; amount in circulation September 1, 1893, \$61,654,630. The Senator is certainly mistaken in the statement he makes as to both coin and certificates being counted.

Mr. PEFFER. If the Senator will consult the Statistical Abstract of the United States for 1892, at page 29, he will find a full statement of this whole matter. I will give him the book in a moment. He will find the amount of United States notes and the national-bank notes. There is no fractional currency, and there are no State bank notes. He will find that the total circulation is \$1,601,347,187. That includes the silver certificates.

Mr. DOLPH. What amount?

Mr. PEFFER. All that are out.

Mr. DOLPH. What is the amount?

Mr. PEFFER. Three hundred and thirty-one million six hundred and four thousand three hundred and four dollars.

Mr. DOLPH. Exactly; and how much silver coin?

Mr. PEFFER. Silver dollars in the Treasury and in circulation.

Mr. DOLPH. And in circulation.

Mr. PEFFER. Four hundred and ninety-one million fifty-seven thousand five hundred dollars.

Mr. DOLPH. Exactly. That is not counted in making up the gross amount of money in circulation.

Mr. PEFFER. That is just what I say; it ought not to be counted, because it is covered by certificates.

Mr. DOLPH. I was told the Senator said it was.

Mr. PEFFER. The statement that was read from the desk puts the total of money at \$2,300,000,000, when in truth it is only \$1,600,000,000. That is the point I made, and if I have not proved it I am mistaken.

Mr. DOLPH. I desire to make one further suggestion which ought to go into this discussion. I have already stated the fact that during the years 1861, 1862, 1863, and 1864 the population which was accommodated by this circulation was decreased by reason of the secession of certain Southern States, and United States currency was not used in those States. Another fact must be taken into consideration: All our currency was depreciated. Our circulation was mainly legal-tender notes which were worth much less than par, and it took a larger amount of depreciated money than of the present currency to accommodate a given number of people.

Mr. STEWART. I should like to ask the Senator from Oregon one question.

Mr. DOLPH. I am occupying the time of the Senator from Nebraska.

Mr. ALLEN. All right.

Mr. STEWART. Does the Senator think we have too much circulation now?

Mr. DOLPH. Oh no, I do not think so.

Mr. STEWART. The Senator does not think we have too much?

Mr. DOLPH. No. Does the Senator from Nevada?

Mr. STEWART. I do not.

Mr. DOLPH. Then we agree upon that point.

Mr. STEWART. Does not the Senator think we ought to have some more as our population increases?

Mr. DOLPH. I think the circulating medium ought to be increased as the population increases.

Mr. STEWART. How would the Senator increase it?

Mr. DOLPH. I am not prepared to submit a plan now. I am in the minority. Let the majority do that.

Mr. STEWART. Has the Senator any idea how we could get a larger circulation?

Mr. DOLPH. There are a good many ways. I do not propose to interrupt the Senator from Nebraska to go on and make a suggestion as to a financial plan. That is for the Administration to do.

Mr. ALLEN. I will yield to the Senator from Oregon ample time to answer the question. The trouble with the Senator from Oregon is that he is contending all the while that the per capita circulation was smaller than I have stated it to be, and he does not admit that any of the notes and certificates and evidences of indebtedness which I have described were any portion of the volume of money in circulation in 1865.

Mr. DOLPH. No, the law read by the Senator from Kansas is to the effect that they were legal tender for the face, not including interest. Suppose half a year's interest accrued, three cents and a half on every dollar, is it likely that they would be circulating, that people would pay debts with them when they could pay with currency and sell those notes at a profit for currency? They were just as much the obligation of the Government as bonds, and they were not in circulation when worth more than the face.

Mr. ALLEN. It is known that these notes were in circulation, and it is true that many of them were bought up and used for banking purposes, but they simply went into the banks and put into circulation other money and currency that was used, so that the total volume of money was just as great whether they eventually went out of the hands of the people as if they had remained in circulation. It was the contraction of that volume of currency, embracing all of the different items I have mentioned, that started the decline of prices and the decline of products in this country.

But the trouble with the Senator from Oregon, the trouble with the Secretary of the Treasury, the trouble with gentlemen dealing with this question is they will not let the people of this country know the truth about it. When they come to make up their calculations as to the amount of money in circulation and the per capita, they exclude all these items, Senators in this Chamber know were actually used as money in 1865 and for some time afterward. There is the trouble. It is a suppression of the truth, which is as bad as the expression of a falsehood. It is because Senators will not talk out plainly, because the Secretary of the Treasury will not tell the people the truth about this matter that there is so much higgling and questioning about per capita circulation. The truth is it was over \$47 per capita, as proved by the Senator from Kansas. According to the report from which he read, it amounted to more than that up to the close of the war.

Mr. ALDRICH. Will the Senator allow me to interrupt him for just a moment?

Mr. ALLEN. I ask the Senator to wait a moment until I finish with the Senator from Oregon. At the close of the war something like 11,000,000 people more were to be supplied with the same volume of money. That, of itself, caused a less per capita sum of money; and in addition to that, as was declared by Gen.

John A. Logan in the lower House in 1874, as found in the CONGRESSIONAL RECORD of that year, on page 139, the circulating medium was actually contracted \$1,018,167,784 by the process of calling in this paper, and absolutely destroying it and taking it out of circulation.

Now I will yield to the Senator from Rhode Island.

Mr. ALDRICH. It may seem intrusive to take the Senator's time to answer a statement made by the Senator from Kansas, but I trust the Senator will be courteous enough to allow me to say just a word in regard to that point.

Mr. ALLEN. Certainly.

Mr. ALDRICH. The Senator from Kansas made a statement which, if it were true, would be a serious indictment of the Treasury Department and of the statistics which that Department sent to the Senate. He stated that in the published reports showing the per capita circulation of the United States both silver certificates and silver dollars against which the silver certificates were issued were counted. I hold in my hand the statement to which the Senator referred.

Mr. PEPPER. I referred to the statement made here.

Mr. ALDRICH. Which was read at the Clerk's desk?

Mr. PEPPER. Yes.

Mr. ALDRICH. This statement shows that in 1892 the total amount of money in the United States was a trifle over \$2,000,000,000; amount in circulation, \$1,601,000,000; per capita circulation, \$24.41. In the amount in circulation the silver certificates and the silver dollars are not both included, as will appear from the detailed statement which I have here.

Mr. PEPPER. Now, will the Secretary please read again what he read a few moments ago?

Mr. ALDRICH. I have it in my hands.

Mr. PEPPER. Just read the statement for 1892.

Mr. ALDRICH. Eighteen hundred and ninety-two: Amount of money in the United States, \$2,372,000,000; amount in circulation, \$1,601,347,167; circulation per capita, \$24.41. It shows that the Senator was mistaken, and I thought the matter of enough importance to call the attention of the Senate to the fact.

Mr. PEPPER. That is all right.

Mr. ALLEN. The Senator from Rhode Island will, I think, agree with me that the reports of the Treasury Department are very unsafe guides sometimes.

Mr. ALDRICH. I do not agree with the Senator at all upon that subject. They are not unsafe guides if they are properly understood.

Mr. ALLEN. In 1892 the Secretary of the Treasury gave the per capita circulation of this country at \$25.38. The very last report in the Harrison Administration, made, I think, some time in February of the present year, gave the circulation at \$25.38; and in less than sixty days from that time the Cleveland Administration put it down to something like \$23. I will not undertake to state the exact amount. So it seems to make a little difference who has control of the Treasury Department upon the question of per capita circulation.

Now, I should like to ask the Senator from Rhode Island what money has been retired in this country since that time, or what has taken place in the financial history of the nation since the report of the Secretary of the Treasury under the Harrison Ad-

ministration to cause a decrease in the per capita circulation of something like \$2?

Mr. ALDRICH. I have no knowledge of the statements the Senator refers to. I have never seen them. If I had them here I think likely I could remember.

Mr. ALLEN. I speak in round numbers. It will be found in the report of the Director of the Mint for 1892.

Mr. ALDRICH. I have no idea of entering into a discussion with the Senator from Nebraska in regard to matters which I have not within my knowledge.

Mr. ALLEN. I speak of this for the purpose of showing that these reports are only approximately true, that they can not be taken as reflecting the actual fact. We all understand that the last report of Mr. Harrison's Secretary of the Treasury put the circulating medium of this country (and when I speak of circulating medium, I mean everything that operates as money) at something like \$25 per capita.

I do not pretend to give the exact figures, but that was the amount approximately. And yet within something like seven months from that time the Cleveland Administration gave it as about \$23 per capita. I ask any Senator in this Chamber to point out to me what the difference has come from. From what legislation? What has been done at the Treasury Department to make the difference? Mr. President, the people of this country will not be imposed upon by statements of that kind.

Mr. HOAR. Has the Senator the statement in his possession?

Mr. ALLEN. I am speaking, if the Senator from Massachusetts please, in round numbers. I will send out and get the figures, if desired.

Mr. HOAR. I am not speaking about the exact dollars or cents, but my question was if the Senator has in his possession the statement of the Cleveland Administration to which he refers?

Mr. ALLEN. I have not the report of the Director of the Mint. I will get it in a short time. Possibly I have it here.

Mr. HOAR. I should like to see it.

Mr. DOLPH. When does the Senator from Nebraska say the amount was \$1,600,000,000?

Mr. ALLEN. I say it was reported under the Harrison Administration as being something like \$1,600,000,000.

Mr. DOLPH. The table I had read shows the amount in 1892 to have been \$2,372,599,501.

Mr. ALLEN. That is the compilation made very recently, I think.

Mr. DOLPH. This was issued in 1892, the last year of the Harrison Administration.

Mr. ALLEN. Mr. President, I do not propose to take a pencil and go to figuring upon this subject, and get down to a question of fractions. The truth is that the people of this country understand that the statistics are manipulated, and they are manipulated to deceive the masses of the people.

Mr. WHITE of Louisiana. Will the Senator be kind enough to give some statement of the manipulation, so that we can understand him? Will he be kind enough to give us some fact?

Mr. ALLEN. Mr. President, I do not propose to stand here and answer such questions as are put to me by the Senator from Louisiana. I am speaking in round numbers of the amount of

money reported. I am speaking of what thousands of people of this country believe, and what I believe.

Mr. WHITE of Louisiana. Will the Senator allow me to interrupt him?

Mr. ALLEN. Certainly.

Mr. WHITE of Louisiana. The Senator says he does not propose to answer such questions as I ask. The Senator, under the responsibility of the great office which he fills here, has seen fit to rise upon this floor and state that the people of this country know the reports of the Treasury Department are fabricated and manipulated.

Mr. ALLEN. The Senator from Nebraska said nothing of the kind.

Mr. WHITE of Louisiana. What did the Senator say?

Mr. ALLEN. I said that the people of this country believe that the reports are manipulated, and instances have been cited.

Mr. WHITE of Louisiana. Manipulated?

Mr. ALLEN. And I said the Senator from Nebraska thinks so, and I say so again.

Mr. WHITE of Louisiana. Then I ask the Senator from Nebraska will he be kind enough in making such a grave and serious charge as that to give us one statement of fact, and not his opinion to justify that which he has said, so that we can meet him in debate and not rely upon the mere loose expressions of an opinion when he prefers a grave charge and points to no single fact which sustains it.

Mr. ALLEN. The Senator from Nebraska will pursue his own course in this debate, as long as he keeps within the rules of debate, and I do not propose to go into any further particularization upon this proposition. Instances have already been cited and fully read—I repeat it, and I know what I say—you can find it in the country press, you can find it in the expressions of the people that there is almost a universal distrust of the accuracy of these statistics. Who does not know that it is in the mouth of all the people that the census of 1890 was a fraud? That is the belief of the people of this country, and when I say the people, I mean the people with whom I have come in contact, and they number a good many thousands in the States over which I have traveled. It is believed that the census of 1890 is a rank fraud, and yet that census was conducted by a great officer selected for that purpose. The people of this country believe the census was manipulated, to put it in no stronger language, for the very purpose of deceiving them.

Now, Mr. President, when the Secretary of the Treasury undertakes to put out a statement as to the amount of money in circulation, the per capita in circulation, why does he not tell the people that the certificates of indebtedness, interest-bearing notes and similar forms of currency are not reckoned in that account? Why does he lead them to believe that all the things they knew as a part of the currency twenty-five or thirty years ago were taken into the account, when, as a matter of fact, he does not take them into account? Why does he not tell them that? Why does the Senator from Oregon and other Senators constantly reiterate in this Chamber that the circulation per capita is greater than ever before, when they tacitly admit that to count the certificates of indebtedness, to count all the notes

which were in circulation, there was a per capita circulation in 1865 of almost double the per capita circulation to-day?

Mr. KYLE. Will the Senator from Nebraska allow me?

Mr. ALLEN. Certainly.

Mr. KYLE. I should like to ask the Senator why it is, in his judgment, that the present Secretary of the Treasury, or the one who was his predecessor, does not include in the circulating medium the 7.30 notes and others mentioned by John Jay Knox when Comptroller of the Treasury and by Treasurer Spinner, and included also in the report by President Grant himself and other distinguished Republicans before him?

Mr. ALLEN. Mr. President, I do not know. The ways of Republican and Democratic politicians are beyond my comprehension.

Mr. KYLE. I should like to ask whether those are not specific instances in which the accounts have been manipulated by the late Secretaries of the Treasury?

Mr. ALLEN. I think so. I think everybody understands that. Instances have been fully cited, as I have before stated.

Mr. KYLE. I think the question of the Senator from Louisiana is satisfactorily answered.

Mr. ALLEN. Now, Mr. President, in 1864 there were in round numbers in circulation in this country, including all forms of money, greenbacks, postal and fractional currency, interest-bearing legal-tenders, certificates of indebtedness, national-bank notes, old State-bank circulation, \$941,000,000. Adding to that \$336,000,000 of 7.30 Treasury notes, which Mr. Spinner said were engraved, stamped, and paid out to the soldiers as legal-tender money, it makes when the war closed \$1,771,000,000 in circulation.

Mr. SQUIRE. I should like to ask as a question of fact, is it true that the last item read by the Senator from Nebraska was in circulation? I do not so understand it.

Mr. ALLEN. The Senator from Washington is an older man than I am, and I have seen those notes in circulation. I was not at that time running any portion of the Government, but I know they were in circulation. As a soldier I know that; and if the Senator from Washington was where that kind of money was paid out he got some of it.

Mr. SQUIRE. I was a soldier, and I am very proud to learn that my friend from Nebraska was a soldier. I served for nearly four years during the war. I never had any of that kind of money in my possession; I never saw it circulated as money, and I never heard of it except that I heard the same statement made once before, but I have never heard it corroborated.

Mr. ALLEN. On the 30th of June, 1873, Secretary Sherman reported the paper circulation of this country to be \$750,062,000, so that between 1865 and 1873 there had been a contraction of something like \$1,021,000,000. Gen. Logan, in the speech I have just referred to, put the amount at \$1,018,167,784.

Mr. PEPPER. Within what dates?

Mr. ALLEN. Between October, 1865, and June 30, 1873. Now, there is the source of much of the trouble experienced in this country at that time. What was the condition of the country? Concurrently with the contraction of the money the tramp made his appearance in the country.

There was a constant increase in the number of failures and the amount of money lost in failures. There was not a tramp

act upon the statute book of any State in the United States of America before the great contraction of 1865 to 1873 which brought ruin and destruction to thousands of homes in this country. Then for the first time there appeared upon the statute books of many States legal enactments which declared certain men to be tramps who were going from house to house begging, or asking for something to eat or for clothing, and declaring penalties against them, when they were simply victims of currency contraction.

I recall well, and let me ask the Senator from Washington if he recalls, the fact that those tramps went from the East into the great Mississippi Valley and into the trans-Mississippi country by the thousands in 1873, 1874, 1875, and 1876. They went there by the thousands, and why? Simply because the volume of money had been contracted until there was a contraction of business, and constant failures in business; and the man who depended upon his daily work for his support was thrown out of employment and compelled to seek new fields of labor.

Yet, Mr. President, we are told that this infamous system of contraction must go on. It is true that we are not told it in so many words; but when Senators undertake to repeal the act of 1890 without giving us anything in place of it, when they undertake to stop the output of necessary money, when they undertake to compel the volume of money of this country to stand still, while its population and its wealth are increasing, they tell us effectually by the attempt to inaugurate a system of that kind that the volume of money to-day is too large and that we must go to a gold basis, deserting the silver of the Constitution.

Mr. SQUIRE. Will the Senator refer to this pamphlet, showing the amount of money in circulation in the United States on July 1 of each year from 1860 to 1892, inclusive? It is an official document, and I ask him if it is correct or not correct. It shows an increase every year from 1860 down to 1892.

Mr. ALLEN. I do not think I will permit the Senator from Washington to inject anything into my speech.

Mr. SQUIRE. But the Senator asked me a question.

Mr. ALLEN. I will examine the document the Senator hands me, and if it is an official document and germane to the discussion I will introduce it later in my remarks.

Mr. PEPPER. All that has been gone over.

Mr. SQUIRE. I did not hear it.

Mr. ALLEN. I have no desire to run away from this discussion. If I am wrong I am perfectly willing to stand here and acknowledge it. I have no caprice, no pride to serve in this matter.

Mr. SQUIRE. If the Senator will allow me, I am told by those who sit near me that this matter was brought up before, and therefore I will not renew it. I will withdraw the question. In my absence it was brought up.

Mr. ALLEN. I read from page 72 of the volume entitled "The Philosophy of Price, and its relation to the Domestic Currency," by N. A. Dunning:

Undue contraction, on the other hand, is fraught with like evil to the same classes. I can not better illustrate this than by quoting from Sir Archibald Alison, in his England in 1815 and 1845; or a Sufficient and Contracted Currency, wherein he says:

"The period of a contraction of the currency and consequent fall in the money prices of all the articles of human consumption is one in which great

profits are sure to be realized by the larger capitalists and great losses sustained by the smaller. The former prosper because the magnitude of their transactions enables them to realize a handsome income upon the whole from a declining and, at length, almost inconceivably small amount of profit from each transaction; and they gradually get the monopoly of the market in their own line of business by the extinction of the lesser capitalists whom the fall in the price of commodities has ruined, or the diminished profits have repelled from entering into competition with them.

* * * "Small traders, therefore, and farmers without capital are speedily ruined in such a state of things, and the laboring or destitute condition is only rendered the more distressing by the contrast which it affords to the wealth and splendor with which the holders of large capital in the same line of business are surrounded. * * * A period of contracted currency is one of embarrassment, difficulty, and generally, in the end, of insolvency to the small farmer and moderate land owner.

* * * "If a supply proportioned to the increase of men and the wants of their commercial intercourse is not afforded, the circulating medium will become scarce; it will rise in price from that scarcity, and become accessible only to the more rich and affluent classes. The industrious poor, or those engaged in business but possessed of small capital, will be the first to suffer."

I ask if that has not been the experience of the poorer classes of this country. The poorer classes of this country have always suffered, as they must always suffer, as the first victims of a contracted system of money. Every panic in this country—I say it deliberately—from the organization of this country down to the present moment, has marked the minimum in the circulating medium of the country. There never was a panic from the first time down to this moment when the circulating medium of this country had not reached its minimum, and as a result of contraction combined with other causes a panic ensued.

So to-day we are asked to continue this infamous system of contracting the currency. We are not only asked to do that, but we are asked to enlarge the opportunity of the national banks to grind the face of the poor by extending their power to issue money to the par value of their bonds with almost unlimited and unchecked power to contract or expand it at their will. We are asked to put in possession of the banks and banking corporations of this nation the financial welfare and destiny of our people.

We are asked to abdicate the power to make and control money. We are asked to abandon the sovereign power of making and regulating the value of money, placing these powers in the hands of men whose profit consists in shrinking the prices of property and shrinking the values of labor.

Continuing, and quoting from Doubleday's Financial History of England:

As the memorable 1st of May, 1823, drew near, the country bankers as well as the Bank of England naturally prepared themselves, by a gradual narrowing of their circulation, for the dreaded hour of gold and silver payments on demand, and the withdrawal of the small notes. We have already seen the fall in prices produced by this universal narrowing of the paper circulation. The effects of the distress produced all over the country, the consequence of this fall, we have yet to see.

The distress, ruin, and bankruptcy which now took place were universal, affecting both the great interests of land and trade; but among the landlords whose estates were burdened by mortgages, jointures, settlements, legacies, etc., the effects were most marked and out of the ordinary course. In hundreds of cases, from the tremendous reduction of the price of land which now took place, the estates barely sold for as much as would pay off the mortgages; and hence the owners were stripped of all and made beggars.

I was myself personally acquainted with one of the victims of this terrible measure. He was a school-fellow, and inherited a fortune, made principally in the West Indies. On coming of age and settling with his guardians, he found himself possessed of fully £40,000, and with this he resolved to purchase an estate, to marry, and settle for life. He was a young man, addicted to no vice, of a fair understanding, and most excellent heart, and was connected with friends high in rank and likely to afford to him

every proper assistance and advice. The estate was purchased, I believe, about the year 1812 or 1813, for £80,000, one moiety of the purchase money being borrowed on mortgage of the land bought.

In 1822-'23 he was compelled to part with the estate in order to pay off his mortgage and some arrears of interest, and when this was done he was left without a shilling, the estate bringing only half of its cost in 1821! Thus, without imprudence or fault of any kind was this amiable man, together with his family, plunged into irretrievable and inevitable ruin, by the act of a Legislature which ought to have protected both, and which was fully warned of the consequences of what it was about to do; but which, in requital, chose to laugh those who warned to utter scorn. My readers must not suppose that this was either an exaggerated or uncommon case. On the contrary, the country teemed with similar examples, and on commencement of the session of 1823 the tables of both houses were loaded with petitions detailing scenes of hardship and destitution appalling in the extreme.

Now, Mr. President, there is a complete illustration of what is taking place in this country to-day. I know that it is a common thing for a great many gentlemen and newspapers in the East to say that the party to which I have the honor to belong is a wild and woolly party, and makes statements which are not strictly correct; but I say to these gentlemen that farms in many of the Western States are passing into the hands of corporations by the thousands. I make a statement which is capable of demonstration.

Mr. PALMER. Will the Senator from Nebraska allow me to ask him a single question?

Mr. ALLEN. Certainly.

Mr. PALMER. I am quite well aware of the embarrassments of the farmers of the West, but has there in fact been any reduction of the amount of money in circulation in the last ten years?

Mr. ALLEN. I can only answer the Senator by saying that when you reduce the price of wheat from 75 to 50 cents a bushel, when you reduce the price of oats from 30 to 18 cents, when you reduce the price of corn from 35 to 20 cents you might ask if there is a decrease of money in circulation among the people who produce this grain.

Mr. PALMER. I have felt the force of what the Senator states very much myself in my own person; but the question I have asked him is, has there been any reduction in the circulation? Now, the cause of the reduction of prices may be a different thing; but has there been any reduction in circulation? He attributes in some measure the reduction in prices to that cause. I understand there has been no reduction in the circulation. Then it must be attributed to some other cause, as I suppose.

Mr. ALLEN. I do not know that I fully understand what the Senator from Illinois means in the reduction of circulation. If a man produces a crop in 1893 that will bring him \$1,000 and in 1894 produces identically the same quantity and it will bring him only \$800, it occurs to me there is a deficit of \$200 in his case.

Mr. PALMER. I infer that there is less demand for his product, but the simple question is, is that reduction the consequence of a reduction in the amount of the circulation of money?

Mr. ALLEN. That is a most fatal confession for the Senator from Illinois. The Senator from Illinois infers there is not so great a demand for his product, and what does that mean? It means that money is so scarce among the consuming classes that they are compelled in some measure to go hungry, and are unable to purchase the product.

Mr. PALMER. May it not be overproduction.

Mr. ALLEN. I will have occasion before this debate is through to show that from 1808, when the senior Mill wrote his first works upon political economy, there never was a grander humbug imposed upon a civilized people than the doctrine of overproduction.

Mr. PALMER. Very well. Let me ask my friend from Nebraska, has the circulation been reduced? If not, then that argument fails. Is not that logical?

Mr. ALLEN. I do not yet understand what the Senator from Illinois means by asking whether the circulation has been reduced.

Mr. PALMER. The Senator will allow me to state that the circulation has increased rather than diminished, as I understand from the tables read this afternoon. That is, there is a larger amount of money per capita in circulation this year than there was the year before. Yet prices have fallen. If prices have fallen it has not been because the amount of money in circulation has diminished; it must be attributed to some other cause, as I think.

Mr. ALLEN. I understand the Senator from Illinois to say that the circulation has rather increased than diminished?

Mr. PALMER. I understand so.

Mr. ALLEN. That is, the per capita circulation?

Mr. PALMER. Yes, sir.

Mr. ALLEN. But the Senator from Illinois does not seem to take into account the fact that among the common people of this country (I mean the class of people who earn their livelihood by toil, mental and physical, and not the fellows who are handling gold and money as an occupation) there is not actually to-day in circulation \$15 per capita.

Mr. PALMER. I agree with the Senator.

Mr. ALLEN. But the great quantity of the money of this country of which Senators speak so frequently and refer to as increasing in volume is to be found in the form of reserves, in banks and organizations of that kind, and is as useless to the masses of this country as though it were in the bottom of the ocean.

Mr. SQUIRE. How are you going to get it out?

Mr. PALMER. I still agree with the Senator; but will it not be so under any monetary system?

Mr. ALLEN. No, sir; it will not be so when the volume of currency in this country is increased, not inflated, but whenever it is gradually and healthfully increased. The Senator from Washington asks me how we are going to get it out. I will answer him. When there is more honest money made in manufacturing and in farming than there is in banking and buncoing the country through banks and other organizations, then that money will be compelled to go out and get into active production and employ labor.

Mr. PALMER. The Senator, I understand, means to assert that under new conditions the people will earn a larger proportion of the common fund than they do now.

Mr. ALLEN. Let me illustrate for the benefit of the Senator. When water reaches the top of the bank and goes above it, it overflows, does it not?

Mr. PALMER. That is the law.

Mr. ALLEN. Water and air and all the elements seek an out-

let, do they not? Money seeks an investment where it will make money, does it not?

Mr. PALMER. That is the rule, I think.

Mr. ALLEN. Now, the volume of money is by slow, certain, and safe processes increased—not suddenly inflated, but increased safely—so that when the man who has his money in banking or the curbstone broker can make more with it by putting it in factories, in something that will employ labor; then under those circumstances, it will go into productive business and give employment to labor, and it is in circulation.

Mr. PALMER. Certainly.

Mr. ALLEN. Then it is in circulation. What does that mean? It means that every tramp, every poor honest person beneath the sun has an opportunity of earning an honest living.

Mr. SQUIRE. If the Senator will permit me I should like to have him discuss one point a little further. In answer to my question as to how the money can be gotten out he goes on to speak about the banker and the curbstone broker, and all that sort of thing. I ask him whether he does not consider it desirable that there should be banks in his State; whether it is not to the advantage of the Western communities, such as he and I have the honor in part to represent, to have banks there; whether we do not get more money through the organization and establishment of banks than we did before they came there; whether every community in the West does not welcome such an institution; and whether we do not get more money in that way? That is the experience in my part of the country. We want banks and we want capital. In the first place, we want men, good men, working men; and secondly, we want capital.

Mr. ALLEN. The Senator from Washington puts a question that I have heard put a great many times. It is a very common thing. I mean no disrespect to the Senator from Washington when I say that the gold bugs usually stand around and put this question. I mean simply to say that the Senator puts a question I have heard put a hundred times.

Mr. SQUIRE. I sympathize with the Senator on this question in many respects. I am for more money, and I want it to get into the West.

Mr. ALLEN. Allow me to say that the Senator from Washington does not seem to understand my position. I am not an enemy of legitimate banking. I recognize the fact that legitimate banking is so fixed in our commercial affairs that it is a necessity. As far as legitimate banking interests are concerned in this country I am friendly to them. But when it comes to a point where more money is to be made in this country by banking than in honest industry there is something wrong in the banking system. Let me say to the Senator from Washington that I live in a county having something like 17,000 population. In that county there are twelve banks, three or four of them national banks, all banks of capital, absolutely safe, and three banks in that county could do every dollar's worth of honest banking business there is to be done there.

Mr. SQUIRE. I ask the Senator is there not a benefit from having a multiplication of banks in this respect, that there are more men to give ear to applications, and to diversify the arrangement in reference to loans? Instead of having the business

confined to a few people, so that access to the bank is limited, is it not better to have it distributed somewhat?

Mr. ALLEN. Not necessarily so.

Mr. SQUIRE. We find it so in my town.

Mr. ALLEN. When the banking business is more profitable, and a man can make more out of his money by hoarding it and banking with it than he can by using it in some productive industry, then the system of banking is wrong.

Mr. SQUIRE. I do not think we have too many in our State.

Mr. ALLEN. Many of your people, through the rates of interest and the manipulations of money, are feeling the effects of the system to-day; and many of them are being deprived of their property and of the beneficial result of their labor.

Mr. SQUIRE. We have not had a bank failure in my town.

Mr. ALLEN. I am not talking about a bank failing, but I am talking of the money that is taken out of manufacturing, the money that is taken out of productive industry, and the great army of honest men and honest women who are compelled to stand idle and beg for bread in the streets, or for an opportunity to labor, in consequence of capital being hoarded that ought to be in productive enterprises of some kind giving men employment.

Mr. SQUIRE. I ask the Senator if it is not true that during the past year—it has been well advertised—the farmers of the State of Nebraska have retired large amounts of mortgage loans? Is not that true of the farmers in Kansas and Nebraska? It was stated repeatedly last year that they were prosperous, and on account of it they retired a large amount of their mortgages. It has been stated that even as high as half of all the outstanding mortgages were retired by the proceeds of the sale of their grain last year.

Mr. ALLEN. I can not speak for Kansas. In the State of Nebraska a great many mortgages have been retired, it is true, but I want to say to the Senator from Washington the way some of them were retired was by foreclosure. I state what is the truth when I say that a portion of them—I do not pretend to state the percentage, but a portion of them—were retired in consequence of foreclosure of the mortgage, and in consequence of the sheriff selling out the mortgagor. Then they were marked upon the record as paid. Of course they were paid.

Mr. SQUIRE. I think the Senator needlessly brings discredit upon his part of the country.

Mr. ALLEN. Let the Senator from Nebraska take care of his own State.

Mr. SQUIRE. I do not wish to interfere with the Senator's remarks, but—

Mr. ALLEN. I do not say that the majority of the mortgages were foreclosed.

Mr. SQUIRE. I should like to have the West given credit for what it deserves.

Mr. ALLEN. I do not say that the majority of the mortgages are so, but I do say that it is true of a great portion of the mortgages of that State, and I say that a portion of the mortgages in the Senator's own State are marked canceled in consequence of the same law of foreclosure. That is the rule throughout the entire country. There is no use undertaking to disguise the fact. You can not deceive the American people by asserting

strongly that they have a sufficient amount of money. They understand that the suffering under which they are laboring to-day is because of a restricted volume of money, and their consequent inability to get just compensation for their labor and property.

Mr. PALMER. May I be allowed to ask the Senator from Nebraska a question?

Mr. ALLEN. Certainly.

Mr. PALMER. Is there any less money per capita in circulation now than there was when these mortgage debts were contracted?

Mr. ALLEN. I think so.

Mr. SQUIRE. Will the Senator allow me one moment?

Mr. ALLEN. Certainly.

Mr. SQUIRE. I should like to see more money in the country, particularly in the Western part of it. I sympathize with the Senator on many points, but I do not like to have him misrepresent, as I think he does, the fact in regard to the payment of mortgages. I know it is not true of mortgages in the State of Washington, and I had not supposed it was true of mortgages in the State of Nebraska, that the payments made are upon foreclosures and sheriff's sales. It has been repeated over and over again, not this year but last year, that very large amounts of the mortgage indebtedness of the people of the State of Nebraska and Kansas were paid off from the proceeds of their crops for the year. I supposed it to be true, I hoped it to be true, and I do not like to have words said here in this public way in the Senate of the United States that throw a cloud upon the people of the West and their enterprise, and all that relates to their growth and prosperity.

Mr. ALLEN. I must absolutely decline to suffer the Senator from Washington to give me instruction about the State of Nebraska and its condition. I know something about the State, and I assert again that I do not say that is the rule in the State of Nebraska—

Mr. SQUIRE. That is all I ask. If the Senator admits it is not the rule it is all I ask. I understood him differently.

Mr. ALLEN. No, I did not say it was the rule, and the RECORD will not bear out that construction at all.

Mr. SQUIRE. I so understood the Senator.

Mr. ALLEN. I said, and I repeat, and I hope the Senator from Washington will understand me, that a great many of the mortgages which are marked paid and cancelled are cancelled in consequence of the foreclosure and extinguishment of the title of the mortgagor. Now, is that plain? That is what I said, and I repeat it, and it is true.

Mr. SQUIRE. It is not true of my State.

Mr. ALLEN. I say to some extent it is true of the Senator's own State or the reports from his State are incorrect.

Mr. SQUIRE. The statistics will not show it. You can not show one. I defy you to show one.

Mr. ALLEN. I am not carrying my pockets full of statistics. If I had known I was to have this colloquy with my friend from Washington I would have brought the statistics here.

Mr. HAWLEY. With the Senator's permission I will put my little contradiction in for my State.

Mr. ALLEN. I am glad to hear from my friend from Con-

necticut. I understand that the agricultural population of the State from which the Senator hails has changed considerably in the last twenty-five or thirty years. I may be mistaken in that, and if I am I should be pleased to be corrected. I ask the Senator from Connecticut if it is not true that throughout the New England States generally people of the old stock who settled that country and opened it up in agriculture have in a great many instances been driven from their farms, and if those farms are not to-day being settled by French Canadians and people of that class? Is not that true?

Mr. HAWLEY. I do not feel disposed to help the Senator out in prolonging this debate by entering into a discussion of the resources and character of my people; but I can say very briefly that there have been great changes in the industrial condition of New England; that the villages and cities have grown as the common law of civilization in England and America; that the urban population has grown more than the rural; but I can say that there are more separate land holdings in Connecticut now than there ever have been before; the State is more cut into small farms. As to the upland farms away back—you can not get far from a railroad, you can not get out of hearing of a whistle in my State, but you can get 8 or 10 miles away from a station, and there a farm is not worth near so much as it is near the thriving villages sustained by protection, where there is a good market for everything the farmer can raise. On the whole, thank you, sir, the State is very prosperous, with \$120,000,000 in savings banks. The amount has been very slightly reduced lately.

Mr. ALLEN. The Senator from Connecticut does not answer my question.

Mr. HAWLEY. What was it?

Mr. ALLEN. I put the question to the Senator if it was not true that many of the farms of New England to-day, including the State the Senator represents, are passing into the hands of French Canadians and the old population have been driven away from them.

Mr. HAWLEY. My dear sir, we are just in Connecticut and just in America. As to the Senator and myself, I have been here two hundred years, constructively, but that is nothing in the history of the world. Of course our people are changing. My grandfather and grandmother on one side were Scotch people, born in the Highlands, and they owned a little property after they got here. Good Scotchmen, good Englishmen, good Irishmen, good Germans, good French Canadians come into my State. The French Canadians came in large numbers, and at first they spent six months, earned \$100, and went back thinking they were rich. Now, they have been for some years settling there. I can take a new village and point out rows, streets I might say, of comfortable homes inhabited by French Canadians with good American-French Canadian children growing up there, of course going to school and becoming good people. Of course we are undergoing changes. It is true of Connecticut that fully one-half of her people are either natives of some foreign country or the children of one or both foreign parents. That is one of the inevitable things we can not help. But I am happy to say with regard to a large portion of that adopted population, it is rooting itself in the soil, and many of the French and Germans get out of

the villages and up into the hill country and pick up a farm from which a Yankee has gone away who could do better somewhere else.

Mr. ALLEN. The Senator from Connecticut does not answer my question yet.

Mr. HAWLEY. Try it again, then. I will answer everything.

Mr. ALLEN. I ask the Senator from Connecticut if it is not true that the native population—not all of them, understand, but a portion of the native population of New England—have not been compelled to abandon their farms, and if they have not been succeeded by a cheaper class of labor?

Mr. HAWLEY. They have not been compelled to abandon their farms.

Mr. ALLEN. The Senator from Connecticut says they have not been compelled to abandon their farms, and yet I say it is currently believed throughout this country that there are thousands of vacant farms in New England.

Mr. PEPPER. They advertise them.

Mr. HAWLEY. There are.

Mr. ALLEN. I have a friend living in the State from which the Senator comes, and not later than June of the present year he told me that there is farm after farm in that State with a good, tenantable house that is absolutely abandoned.

Mr. HAWLEY. There are houses in plenty and farms in plenty for sale there.

Mr. ALLEN. And my friend says the farms are not only abandoned to-day, but they have been abandoned for years, and the only class of people who are settling in those hills and valleys is a class of cheap laborers from another country.

Mr. HAWLEY. I deny the debased labor. They get as good wages as any Yankee—every one of them.

Mr. ALLEN. They probably deserve it more.

Mr. HAWLEY. You can not expect our people —

Mr. ALLEN. That is the condition. The Senator from Connecticut speaks of his own State.

Mr. HAWLEY. Will the Senator just wait a moment?

Mr. ALLEN. Certainly.

Mr. HAWLEY. When land in my State costs \$10, \$20, \$30, \$40, \$50, and \$60 an acre, how do you expect us to raise wheat and products of that description in competition with the West where the land cost \$1.25 an acre and the freight is away down not more than a mill or a mill and a half a ton? Of course, they compete with our cheaper and coarser kinds of farming, but our people turn themselves to dairying and to market gardening, and a great number of things of that sort, and they manage to live. Do not disturb yourself about the death of the Yankee there. Put him on a bare rock and he will make money trading if there is another man on the rock.

Mr. ALLEN. I have no doubt of it.

Mr. HAWLEY. Turn him out of the Union, if you please, and he will make a profitable bargain to get back the next week.

Mr. ALLEN. The Yankee lineage of the Senator from Connecticut is no more extensive than mine. My ancestors settled in New England long before the Revolutionary contest. So the Senator from Connecticut has no advantage of me in that respect.

Mr. HAWLEY. About a hundred years ahead of you. Mine settled there in 1639.

Mr. ALLEN. Mine were there at least long before New England was developed. But still the Senator evades the question; and that question is whether there are not farms by the thousand in New England which have tenantable houses that have been absolutely abandoned by the native population. I say there are.

In some instances the native population have been succeeded by a lower class of labor; I do not say a dishonorable labor or an undesirable class of people; but by a class of laborers who can work cheaper than the native population. The native population is gathering into cities and villages. Since the Senator from Connecticut and his people have found out that they can pull the wool over the eyes of the people of this country through tariff taxation, and live upon exactions of that kind, they are perfectly willing to abandon the farms. It is a lucrative field to loot the other industries of this country.

Mr. HAWLEY. My colleague [Mr. PLATT] gives me the figures, which I should like to go in here to show the suffering condition of the Connecticut farmers.

Mr. ALLEN. I can not suffer the Senator to interrupt me further. He has admitted that there are thousands of vacant farms in New England, and that the Yankee farmers in the hill country are being supplanted, in a degree, by foreigners. That is sufficient.

Mr. HAWLEY. It is in answer to the Senator's question.

Mr. ALLEN. I can not suffer the Senator from Connecticut to inject that into my speech. It is not relevant to the point at issue.

Mr. HAWLEY. You opened wide the door for this discussion, and I have now got the facts.

The VICE-PRESIDENT. The Senator from Nebraska declines to yield.

Mr. HAWLEY. All right. I shall take a turn at the Senator again if he does not let my State alone.

Mr. ALLEN. On page 74 of the book from which I have been reading, I find:

Numberless as are the evils by which kingdoms, principalities, and republics are wont to decline, these four are, in my judgment, most baleful: Civil strife, pestilence, sterility of the soil, and corruption of the coin. The first three are so manifest that no one fails to apprehend them, but the fourth, which concerns money, is considered by few, and those the most reflective, since it is not by a blow, but little by little, and through a secret and obscure approach that it destroys the State.

How true that is. It is the gradual, stealthy, and constant manipulation of finances, either by active legislation, or by refusing to legislate when essential to the interests of the people, that in the course of years, through the operation of contraction, the great wealth of a nation is centralized into the hands of the few and the masses are comparatively poor.

I read again from page 75 of the same book, Philosophy of Price, a quotation from Archibald Alison's history of Europe:

The two greatest events in the history of mankind have been brought about by a successive contraction and expansion in the circulating medium of society. The fall of the Roman Empire, so long ascribed in ignorance to slavery, to heathenism, and moral corruption, was in reality brought about by a decline in the silver and gold mines of Spain and Greece. * * * And as if Providence had intended to reveal in the clearest manner possible the in-

fluence of this mighty agent on human affairs, the resurrection of mankind from the ruin this cause had produced was owing to the directly opposite set of agencies being put in operation. Columbus led the way in the career of renovation; when he spread his sails across the Atlantic he bore mankind and its fortunes in his bark. * * * The annual supply of the precious metals—of money—for the use of the globe was tripled before a century had elapsed; the price of every species of produce was quadrupled. The weight of debt and taxation insensibly wore off under the influence of that prodigious increase; in the renovation of industry the relations of society were changed, the weight of feudalism cast off, the rights of man established.

Bryant, in his work on money, says:

Any reduction in the price which the producer or the artisan is able to obtain for his labor, or the products of his labor, is an injury, misfortune, and loss to every single member of society excepting solely those who live upon the interest of loaned money. If the reduction is temporary, then the loss is temporary; if it is permanent, then the loss is permanent.

Albert Gallatin, ex-Secretary of the United States Treasury, in his work on money, published in 1831, says:

It is well known that the discovery of America was followed by a great and permanent fall in the price of the precious metals, which reduced to one-fourth of their previous relative value all other commodities.

I might continue in this line of discussion and consume much time in citing valuable extracts from standard authors and men of acknowledged authority, to show the proposition, denied in the Senate, that a contracted volume of money does produce a shrinkage of values and a shrinkage of the products of labor, and thus results, if persisted in, in throwing out of employment thousands and hundreds of thousands of our people, not only depriving them of the means of livelihood, but throwing many of them as a burden upon the balance of society, to be supported by different forms of charity. Not only that, but it has driven many people into the pathway of crime. A contracted volume of money and the evils flowing from it have their full responsibility for the criminal classes in this country; and yet we are told that we must reduce the laborer of this country, we must reduce the farmer of this country to a position where he becomes the competitor of the laborer and farmer of Europe.

I read an extract from President Grant's message delivered in 1873. He said:

In view of the great actual contraction that has taken place in the currency—

I think that was denied by the Senator from Oregon—

Mr. SQUIRE rose.

Mr. ALLEN. Not the Senator from Washington [Mr. SQUIRE], but the Senator from Oregon [Mr. DOLPH], and yet Gen. Grant says there was a great contraction. He was a man who stood at the head of the Government, who must have known of "the contraction continuously going on." It had not stopped then, but was going on; the volume of money was getting scarcer and scarcer; it was becoming harder and harder to get a dollar; the price of labor was going down; the price of products was going down; and yet, says Gen. Grant:

In view of the great actual contraction that has taken place in the currency, and the comparative contraction continuously going on, due to the increase of population, increase of manufactories, and all the industries, I do not believe there is too much of it now for the dullest period of the year.

Speaking of the volume of money—

During the last four years the currency has been contracted, directly, by the withdrawal of 3 per cent certificates,—

There it is again, those 3 per cent certificates were part and parcel of the circulation—

compound-interest notes, and 7.30 bonds—

I ask the Senator from Washington if the expressions of Gen. Grant are not good authority?

Mr. SQUIRE. I do not think the expressions used there relate to currency in the ordinary sense. Of course those negotiable instruments were to be used in the banking institutions of the country and were in possession of the people, but they were not used as currency passing from hand to hand.

Mr. ALLEN. Gen. Grant continues—

outstanding on the 4th of March 1869 (all of which took the place of legal tenders in the bank reserves), to the extent of \$63,000,000.

During the same period there has been a much larger comparative contraction of the currency. The population of the country has largely increased.

It occurs to me, if anything can be said to be settled by the history of Western Europe, by the history of this country, and by citations from standard writers upon political economy, as a proposition of logic, it is that a contracted volume of currency means high-priced money, and low-priced property and labor. And, if persisted in, it means the centralization of the wealth of a nation into the hands of a few, the ultimate debasement of labor, and the destruction of liberty itself. The only wise policy upon the part of this Government is to gradually expand the currency, the volume of money in this country, to keep pace with the growth of population and the increase of wealth, so that every natural agency of the nation may be utilized in the production of wealth, and every honest man, woman, and child beneath our flag may have remunerative wages for their labor and an opportunity to make an honest living.

A government that suffers the avenues to success to be closed, that does not keep open the avenues to success constantly for its people, is not a just government to its citizens; and when this Senate is invited to pursue a course which will bring a cloud upon every American home and distress and want to our people, it ought to be the province of the Senate to declare to the world, to declare to Lombard street, to declare to Wall street, to declare to the stock-brokers and money jobbers all over this world, that, so far as we are concerned, we are still Americans, and we still stand for the American home and its integrity.

Mr. President, while I am upon this branch of the question, I desire to refer to another matter. We are told that 95 per cent of the business of this country is done upon bank credits and that we do not need as much money under our system of business as we formerly needed. But who uses this argument? It is the man interested in a contracted volume of money.

Is it not true, Mr. President, that to-day for every dollar of actual cash we possess we have bank credits of at least \$5? Is it not true that that is the most dangerous system of currency a nation can have? When the Government abandons its power to make money, when it abandons the control and exercise of the sovereign power which lies at the foundation of national success, when it turns every American laborer, every American farmer, every American home over to the mercies of bank corporations who are interested in making money for themselves, who have the power to expand or contract the volume of money

to the injury of the masses and to their own advantage, it is not only wrong, but it is an abandonment of constitutional duty.

That constitutional duty is, that Congress, being charged with the power to coin money and regulate its value, being given plenary power over the money of the country which affects so vitally the industries of the people at large, should stand guard by keeping that power in its own hands, and raise the shield of protection over every home and every citizen.

Not only that, Mr. President, but because of over-expanded bank credits, because the Wall street gang has been suffered to run wild in speculation, they are enabled to produce a crisis in this country at any time they see fit to do so.

Mr. President, how does the extract I am about to read sound in connection with this doctrine of contraction of the currency? It will be found in Henry C. Baird's works in the first volume:

An inexhaustible supply of cheap labor has so long been a condition of our social system, whether in town or country, whether for work or pleasure, that it remains to be seen whether a great enhancement of labor would not disturb our industrial, and even our political, arrangements to a serious extent. Two men have been after one master so long that we are not prepared for the day when two masters will be after one man; for it is not certain, either, that the masters can carry on their own business as well, or that the men will comport themselves properly under the new régime. Commercial enterprise and social development require an actually increasing population, and also that the increase shall be in the most serviceable—

That is, brute force, brute labor—

that is, the most laborious part of the population, for otherwise it would be at the command of capital and skill.

Is not that a splendid exhibition of temper toward the laboring people of this country? There must be an increase of debased labor in this country, so that two men shall hunt one master, just as they are hunting him in the coal regions to-day. Two men perform one man's work, one working three or four hours in a day and the other working three or four hours in a day, and dividing between them and their families that which in justice and fairness ought to go to one family. Labor being debased, it is here advocated that the thing this country needs to-day is more brute force to produce wealth, not for the workers, but to produce more wealth for the wealthy classes.

The quotation I have read is an authentic quotation from Henry C. Baird, or quoted by him in the Philadelphia Inquirer and reproduced in the Irish World under date of April 5, 1879, quoted from the London Times.

Now, let us see more about this. I now read from a book called *Whither are we Drifting*, on page 56, from what purports to be an extract from the New York Times under date August 12, 1877. I do not say that the quotation is correct, because I have been unable to verify it, but I have verified many quotations in this book and found them correct.

Mr. DOLPH. Who is the author?

Mr. ALLEN. I suppose the editor of the paper is the author. I do not know.

Mr. DOLPH. Who is the author of the book?

Mr. ALLEN. A man by the name of Willey. Perhaps the Senator does not know him. He is a Populist.

Mr. DOLPH. I have met a number of them.

Mr. ALLEN. And you will meet more of them before the next Presidential election is over.

Says this author:

Is there deliverance? There seems to be but one remedy, and it must come—a change of ownership of the soil, and a creation of a class of land owners on the one hand and of tenant farmers on the other—something similar in both cases to that which has long existed, and now exists, in the older countries of Europe, and similar, also, to a system that is common in our own State of California. * * *

Everything seems ripe for the change; half the farms in the country are ready to be sold if buyers would only appear, and hundreds that can now be bought for less than their value twenty or thirty years ago need only judicious outlay to make them as productive as ever. Few farmers can hope to provide their sons with farms of their own, and there is no place for these young men in the overcrowded cities.

There you have it. There must be two classes. The farmer must give up his farm; he must abandon it, the farm must pass into the hands of a landed aristocracy, and he must content himself with becoming a tenant farmer. He can not hope to leave to his son or his daughter the farm that he purchased when he was a young man. They must join the great army of tramps or become peasants in a country like this. There is the bold declaration that the great masses of our people are becoming peasants under a system like this; that their destiny is the destiny of peasantry, and yet a man who raises his voice in defense of these people and against this system of contraction, is to be held up to ridicule and scorn and pointed out as an obstructionist in the Senate.

And then—

Says this article—

will begin a new era in agriculture and one that seems to be very desirable.

Desirable that the people lose their farms and become peasants!

I object to the system of bank credits taking the place of actual money, because, first, the safety and welfare of this nation depend upon the nation's controlling the volume of money. Depend upon the nation exercising its constitutional obligation to the people to coin the money and regulate its value; to see that the people have enough of sound and scientific money with which to do the business of the country; to see that the people are not overreached and robbed by those who produce a contracted volume of money through bank credits, through a system of contraction, and through a system of usury. I object to it, because when you resort to it you imperil every sacred interest of every American citizen, you imperil the safety of the country. Look at the singular spectacle to-day of bankers and stock jobbers and corporations in this Capitol sending their petitions, and coming here in person and undertaking to influence legislation in this nation in their particular interests! Here they come, as though the only thing to be considered by the American Senate was the man engaged in shaving notes, bonds, or stocks, or making money out of the reinvestment or loaning of money.

Mr. President, not only that, but when some of us have the temerity to stand up here and protest that there are other people to be considered; when we protest that the common laborer is a citizen of the United States; when we protest that the farmer is a citizen of the United States, and the rights of these two classes of persons, humble though they may be, are as sacred under our Constitution as the rights of the highest and most exalted man; while we are not met with absolute rudeness, yet

we are met with that kind of a sneer which implies that we are weak-minded or wrong in some respect in standing up for the rights of these people.

We have been told here that if we continue to coin silver at the ratio of 16 to 1 under the operations of the so-called Gresham law, gold will go out of this country and the country will go upon a silver basis. Now, no man has undertaken to tell us what going upon a silver basis means, so far as its effect upon our industries and our prosperity is concerned; but it has been left to implication that if we go upon a silver basis or standard something absolutely terrible will happen to the American people; and yet we have used silver money from the time of the organization of this Government down to the present time, and our civilization has not been hindered by it. The truth is that England and all nations of Europe that enjoyed any prosperity in their early history enjoyed it while they were using silver as money.

So there is nothing in the argument that by the use of silver alone as money, *per se*, our civilization will be degraded. I ask Senators now who deplore this condition of affairs to point out to me, to point out to the people, how this country will be injuriously affected in consequence of our going to a silver basis.

But it will not go there, because after the passage of the Bland-Allison act the gold in this country accumulated—speaking in round numbers and without giving exactly the amount—from \$250,000,000 to \$600,000,000; and yet there was in circulation and being constantly coined silver money at the ratio of 16 to 1.

But the law laid down by Sir Thomas Gresham never reached the case of the coinage of pure metal. It was debased coin; it was clipped coin; it was counterfeit coin that drove out of circulation and out of the country the better class of coins. This law has been invoked here, and is constantly being invoked as an argument against the free and unlimited coinage of silver. I do not propose, for one, to suffer this discussion to end and leave the country to believe that this law has affected or will affect us in the least if we coin silver at the old ratio.

But one of the principal arguments used against the use of silver is what my distinguished friend from Illinois [Mr. PALMER] lamented awhile ago as overproduction. It is claimed, and claimed seriously, that silver is being produced in such great quantities as to cause an overproduction of the metal, and that the fall in the bullion price of the metal is caused thereby. Therefore, my friend from New Jersey [Mr. MCPHERSON] says, the parity can not be maintained. Why there is overproduction we are not told. Never was there a ranker fallacy promulgated upon the face of the earth than this doctrine of overproduction. There is not a respectable political economist, from the days of the senior Mill to the present moment, that has taught it. It is simply one of those fallacies that we find constantly urged from the stump, that we find constantly advocated by a certain class of newspapers, the effect of which is to mislead the people.

Let me start briefly, Mr. President, by quoting from the senior Mill:

The demand of a country is its purchasing power. The purchasing power is the country's annual production. The country's annual production is the supply. Things which are equal to the same thing are equal to each other, and general demand and supply must therefore be equal.

Yet that truism was uttered in 1803, long before that in fact. It has been and is a truism in political economy; and yet we hear iterated and reiterated throughout this country this doctrine of overproduction. There may be local congested conditions, in consequence of lack of proper means of distribution, in consequence of under-consumption; but there is not, and never has been, such a thing as general overproduction. It is rank political fallacy.

I quote from James Mill, from his work called *Commerce Defended*, found in a volume published in 1803, called *English Tracts*, published at London, England. I have only been able to find one volume of this work in the United States. Through the courtesy of the Senator from Massachusetts [Mr. LODGE] I was enabled to get the use of this volume from the Atheneum Library at Boston. James Mill, the father of John Stuart Mill, in a book published in 1803 called *English Tracts*, published at London, thus speaks of the doctrine of overproduction:

No proposition, however, in political economy seems to be more certain than this which I am going to announce, how paradoxical so ever it may at first sight appear; and if it be true, none undoubtedly can be deemed of more importance:

The production of commodities creates, and is the one and universal cause which creates, a market for the commodities produced. Let us but consider what is a market. Is anything else understood by it than that something is ready to be exchanged for the commodity which we would dispose of? When goods are carried to market what is wanted is somebody to buy. But to buy one must have wherewithal to pay. It is obvious therefore the collective means of payment which exist in the whole nation constitute the entire market of the nation. But wherein consist the collective means of payment of the whole nation? Do they not consist in its annual produce, in the annual revenue of the general mass of its inhabitants? But if a nation's power of purchasing is exactly measured by its annual produce, as it undoubtedly is, the more you increase the annual produce, the more by that act you extend the national market, the power of purchasing and the actual purchases of the nation.

Whatever be the additional quantity of goods therefore which is at any time created in any country, an additional power of purchasing, exactly equivalent, is at the same instant created: so that a nation can never be actually overstocked either with capital or with commodities; as the very operation of capital makes a vent for its produce. Thus to recur to the example which we have already analyzed: fresh goods to the amount of £5,500 were prepared for the market in consequence of the application of the £5,000 saved by the landholder. But what then? Have we not seen that the annual produce of the country was increased; that is, the market of the country was widened, to the extent of £5,500, by the very same operations?

Mr. Spence in one place advises his reader to consider the circumstances of a country in which all exchanges should be in the way of barter, as the idea of money frequently tends to perplex. If he will follow his own advice on this occasion he will easily perceive how necessarily production creates a market for produce. When money is laid out of the question is it not in reality the different commodities of the country, that is to say the different articles of the annual produce, which are annually exchanged against one another? Whether these commodities are in great quantities or in small, that is to say, whether the country is rich or poor, will not one-half of them always balance the other? And is it not a barter of one-half of them with the other which actually constitutes the annual purchases and sales of the country? Is it not the one-half of the goods of a country which universally forms the market for the other half, and *vice versa*? And is this a market that can ever be overstocked? Or can it produce the least disorder in this market whether the goods are in great or in small quantity? All that here can ever be requisite is that the goods should be adapted to one another, that is to say, that every man who has goods to dispose of should always find all those different sorts of goods with which he wishes to supply himself in return.

What is the difference when the goods are in great quantity and when they are in small? Only this, that in the one case the people are liberally supplied with goods, and in the other they are scantily: in the one case that the country is rich, in the other that it is poor; but in the one case, as well as in the other, the whole of the goods will be exchanged, the one-half against the other, and the market will always be equal to the supply. Thus it ap-

pears that the demand of a nation is always equal to the produce of a nation. The demand of a nation is exactly its power of purchasing. But what is the power of purchasing? The extent, undoubtedly, of its annual produce. The extent of its demand, therefore, and the extent of its supply are always exactly commensurate. Every particle of the annual produce of a country falls as revenue to somebody. But every individual in the nation uniformly makes purchases, or does what is equivalent to making purchases, with every farthing's worth which accrues to him. All that part which is destined for mere consumption is evidently employed in purchases. That too which is employed as capital is not less so. It is either paid as wages to laborers who immediately buy with it food and other necessaries, or it is employed in the purchase of raw materials.

The whole annual produce of the country, therefore, is employed in making purchases. But as it is the whole annual produce too which is offered for sale, it is visible that the one part of it is employed in purchasing the other; that how great soever that annual produce may be it always creates a market for itself; and that how great soever that portion of the annual produce which is destined to administer to reproduction, that is, how great soever the portion employed as capital, its effects always are to render the country richer and its inhabitants more opulent, but never to confound or to overload the national market. I own that nothing appears to me more completely demonstrated than this reasoning.

It may be necessary, however, to remark that a nation may easily have more than enough of any commodity, though she can never have more than enough of commodities in general. The quantity of any one commodity may easily be carried beyond its due proportion; but by that very circumstance is implied that some other commodity is not provided in sufficient proportion. What indeed is meant by a commodity's exceeding the market? Is it not that there is a portion of it for which there is nothing that can be had in exchange? But of those other things then the proportion is too small. A part of the means of production which had been applied to the preparation of this superabundant commodity should have been applied to the preparation of those other commodities till the balance between them had been established. Whenever this balance is properly preserved, there can be no superfluity of commodities, none for which a market will not be ready.

This balance, too, the general order of things has so powerful a tendency to produce that it will always be very exactly preserved where the injudicious tampering of government does not prevent, or those disorders in the intercourse of the world produced by the wars into which the inoffending part of mankind are plunged, by the folly much more frequently than by the wisdom of their rulers.

This important and as it appears demonstrative doctrine affords a view of commerce which ought to be very consolatory to Mr. Spence. It shows that a nation always has within itself a market equal to all the commodities of which it can possibly have to dispose: that its power of purchasing is always equivalent to its power of production, or at least to its actual produce; and that as it never can be greater, so it never can be less. Foreign commerce, therefore, is in all cases a matter of expediency rather than of necessity.

The intention of it is not to furnish a vent for the produce of the industry of the country, because that industry always furnishes a vent for itself. The intention of it is to exchange a part of our own commodities for a part of the commodities which we prefer to our own of some other nation; to exchange a set of commodities which it peculiarly suits our country to produce, for a set of commodities which it peculiarly suits that other country to produce. Its use and advantage is to promote a better distribution, division, and application of the labor of the country, than would otherwise take place, and by consequence to render it more productive. It affords us a better, a more convenient, and more opulent supply of commodities than could have been obtained by the application of our labor within ourselves, exactly in the same manner as by the free interchange of commodities from province to province within the same country, its labor is better divided and rendered more productive.

It thus appears of what extraordinary importance to every community is the augmentation of capital, that is to say, the augmentation of that part of the annual produce which is consumed in the way of reproduction. If we but recall the thought of that important doctrine first illustrated by Smith, that a progression is necessary in national affairs to render the circumstances of the great body of the people in any degree comfortable, our humanity, as well as our patriotism, will become deeply interested in the doctrine of parsimony.

Dr. Smith shows that even when a country is stationary the subsistence of the laboring classes is reduced to the lowest rate which is consistent with common humanity—that is to say, it is barely sufficient to enable them to maintain their present numbers, but not sufficient to enable them in the

least degree to augment them. But if we recollect how much greater than this is the power of multiplication in the species, how natural it is for the average of families to be more numerous than merely to replace the father and mother, we shall see with feelings of commiseration how wretched must be the circumstances of those families that are more numerous, and of how many human creatures brought into existence it must be the miserable fate to perish through want of subsistence.

But if such is the dismal situation of the great body of the people when the national affairs are but stationary, how much more shocking to our feelings are their circumstances when the situation of the country is retrograde? In this situation the laborer is unable to earn even at a rate which is sufficient to maintain the numbers of the laboring class. Calamity now comes down with a heavier hand. That class must even be thinned by the dreadful operation of deficient subsistence. On the other hand, when the affairs of the country are progressive the wages of the laboring class are sufficient not only to maintain their existing numbers, but to augment them.

When the reward of labor is liberal, the laborer can support a moderate family with ease; and plenty and comfort diffuse themselves throughout the community. Have we not seen that this progressive state of society, that all these happy consequences, result from continual additions made to the capital of the country, or to that part of the annual produce which is devoted to reproduction? And have we not seen that the retrograde condition, with all its deplorable consequences, results from making continual additions to that part of the annual produce which is taken for mere consumption? Little obligation then has society to those doctrines by which this consumption is recommended. Obstacles enough exist to the augmentation of capital without the operation of ridiculous speculations. Were the doctrine that it can increase too fast as great a truth as it is an absurdity, the experience of all the nations on earth proves to us that of all possible calamities this would be the least to be feared. Slow has been its progress every where, and low the degree of prosperity which has in any place been given to the mass of the people to enjoy.

I know of no more suitable introductory to this question of over-production than to give the views of Amasa Walker on production as set forth in his *Science of Wealth*, book 2, chapter 1:

All values are created by modifications of existing matter. Man can not create one particle, but he can modify what he finds, or change its condition, in three ways, viz:

By transmutation, by transformation, by transportation.

First, by transmutation.

This is eminently the work of the agriculturist, who, availing himself of the chemical agencies of the earth and air, transmutes seeds into vegetables, fruits, and grains; and these again, by the aid of animal organizations, into butter, beef, hides, etc. This is the most extensive branch of industry and employs probably four-fifths of the human race from generation to generation. It is the base of the great pyramid of production. It furnishes the material and the support of all other forms of labor; and not this only, but it renews and restores their waste with an unceasing supply of fresh bodily and mental power.

The air of trade and of the mill heats and rises, and cold currents rush in from the prairie and the mountain. The foot of the farmer is ever returned to the marts of commerce and the busy gatherings of men. He comes with clumsy tread and homespun dress; but he takes the first place in the market and the synagogue. Basil enters Constantinople as night is falling, stares about on the magnificence of the city, and falls asleep upon the steps of the church St. Diomedé. He is tired of Macedon. He has business on the throne of the world. He who restored the laws of the Eastern empire and reclaimed the lands deluged by the barbarian floods is the exemplar of the countryman, at all times gazing rudely around on the luxury his homely virtues are to appropriate. The millionaire dashes by in his splendid turnout: a raw, tall lad, with a bundle on a stick, looks on with wonder, the employer of that man's children.

Just as agriculture sends to the markets and the mills of the world her materials, so it sends them their workmen. Strength and even life go fast in the eager competition of manufactures and trade. Cool air, fresh blood flows in from the country to supply the waste. The bare, bleak hills where nature grudges every morsel of food, and stabs cruelly through every chink in the wall, every rent in the clothes, feed the busy cities with men. The streams of vigorous life run off from them to refresh the plains below.

Agriculture has no need to receive back, in any form, her contributions to the other occupations. The power to give without exhaustion lies in the liberal, healthful reproduction of man, when living in intimate relations with nature. Here, after all hurts, humanity comes for healing. War and pesti-

ience, the fierce contest of the mart, the stifling atmosphere of the mill, may waste our kind in quick or lingering deaths; but still, by the side of the brooks men will be born to hold up the frame of industry and social order when their supporters faint and fall. Yet agriculture does not get back a certain share of what it gives. Because it is not a labor of ambition, because honors are not to be gathered in the fields it cultivates, because the excitement of machinery and association are not to be found in its work or play, because quick wealth is not to be realized in its slow increase, the farmer turns himself to the city; and because it is not a labor of ambition, and for each of the other reasons given, the citizen, weary with all, goes back to the open fields and fresh air of the country. The cabbages of Diocletian, the eggs of John Ducas Vataces, the apples of Sir William Temple, are the return made to agriculture for Basils, Astors, and Lawrences.

But the department of agriculture is not confined to the popular view of it. When grain is produced the seed must be planted in prepared ground; the long interval of growth to maturity must be filled with care and labor; and at last the work of harvesting completes the round of duties that go to the production of the grain. But there are great industries in the department of agriculture where harvesting alone is performed by man. Nature has done all the rest. Man's part is to find and to take of her bounty. Such an industry is mining, whether of coal or iron, whether of diamonds underground in Golconda or sponge under water in the Archipelago. Such an industry is the fisheries, whether of whales off Greenland, of cod off Newfoundland, or of pearl oyster off Ceylon. So great, indeed, is the scientific extension of the department of agriculture, that even the smelting of the ore and the transportation from the fishing grounds to the port from which the venture began are included in it, because these first put the products in the possession of the capitalist in an available form.

Man modifies matter and changes its condition—

Secondly, by transformation.

This is the business of the manufacturer and the mechanic. These create values by changing the forms of matter, as cotton and wool into cloth, iron into tools and implements. This is the second great department of human industry.

But man modifies matter or changes its condition—

Thirdly, by transportation.

The merchant does not primarily create value in objects, but enhances that already existing by transporting such objects from one locality to another.

The characteristic illustration is of the most familiar kind. Cotton bought at New Orleans, in 1860, for 12 cents per pound, transported to Liverpool, would have sold, say, for 15 cents. By his capital and skill the merchant has added 25 per cent to the value of exchangeability of the cotton. He has increased the wealth of the world so much. He, therefore, has produced value. Such transactions are useful alike to the producer and to the consumer of the articles transported.

[The honorable Senator here yielded to Mr. DUBOIS.]

Mr. ALLEN. I read now from page 111 of Perry's Political Economy:

A leading proposition of production is the following: Production may go on indefinitely in all directions without ever a fear of reaching a general glut of products. This proposition was first fully developed by Say, in the fifteenth chapter of his well-known treatise on Political Economy, and the proof of it, and some of the consequences of it are well worthy of our attention. I shall put the proof of it in this form: the desires of men which the efforts of other men can satisfy are unlimited in number and indefinite in degree; and therefore, mutual efforts can continue to be put forth in exchange, until these unlimited and indefinite desires of all men are all met—a goal which never can be reached. This opposition demolishes at a stroke the fallacy which pervades Dr. Chalmer's book on "Political Economy," namely, that the universal market is limited, and therefore, were it not for the unproductive consumption of the rich and luxurious, and the equally unproductive consumption of wars, there would soon be a general glut and production must cease for the lack of a vent for its products.

What constitutes a market for anything? This, that somebody desires the service thus offered, and is willing to render a return service acceptable to the offerer. Only two things can limit the universal market, first, a lack of desires, and secondly, a lack of return services. But there can be no lack of desires at any time, and there will be the greatest plenty of return services where production is most busy and most universal.

Therefore, again, no general glut of products is possible to occur. A truth which we have already seen in another connection, reappears here as a consequence of this proposition, and will reappear again and again, namely, that all persons are interested commercially, as well as morally, in the pro-

perity of other persons, and each nation which has anything to exchange is directly interested in the prosperity of all other nations, because the more production everywhere the better market everywhere. A market for products is made by products in markets.

But while no such thing as a general glut of products ever did or ever can occur, a glut in respect to certain services is very common. Through want of foresight or miscalculation particular services are offered in too great abundance or of a kind not adapted to the demand, and in respect to these the market is truly said to be glutted. This frequently happens with editions of books—more copies are printed than can be sold at remunerative prices. Also, when fashion changes the goods which were fashionable, but are no longer, are apt to be in excess of the demand.

The only precaution that can be taken to avoid losses of this character is the cultivation of foresight, by studying as accurately as possible the nature of human desires and the chances that have been observed to take place in them. This constitutes mercantile sagacity; and the most successful producers in all departments are those who best develop this sagacity, who adapt their services to the existing and coming demand, who, to excellence in the substance of their services, add taste and attractiveness to their form, who tend rather to lead the fashions for the many than follow in their wake. The field of production is like the blowy and heaving sea; to navigate most successfully requires foresight, a wise courage, a power of adaptation to varying circumstances, skill to veer and tack when the wind changes, and a will to run before a favoring breeze with all sails set.

Production, as a general rule, is no dead level of monotonous exertion; since its sphere is life with its wants, man with his desires; and there is scope for the development of ingenious mind in almost all its departments. Since all exchange is due to the diversity of relative advantage, whoever develops his powers of observation, of application, of adaptation, to a higher point, and avails himself more skillfully of all peculiar facilities, will reap a larger share of the harvest of exchange.

I now cite and read from Shadwell's System of Political Economy, beginning on page 24:

But whether for good or for evil, the feeling undoubtedly exists, and as the desire of wealth is also universal, it follows that all men desire to obtain wealth by the least labor possible, and this proposition may be safely taken as a basis for the science of political economy.

From the fact that this aversion to labor is universal, it follows that there can be no such thing as permanent overproduction. If we look at a single trade, we find that those who are engaged in it frequently produce more than they can sell at remunerative prices, and that the market is consequently "glutted," and many traders ruined. This has frequently happened in England when the harvest has been unusually abundant; the farmers have found themselves unable to dispose of their corn at such prices as will allow them to pay their rents, and have been obliged to use wheat for feeding cattle. The cotton manufactures of the North of England frequently exhibit similar phenomena, as do also the shipbuilding and other trades.

The most celebrated instances have been those which have followed on the opening of a new trade between two distant countries. When, in 1808, the English were for the first time able to trade direct with Buenos Ayres, they formed the most extravagant expectations of its capacity for purchasing their goods. Not merely did they send skates, stoves, and warming pans to a country where they were never required, but they sent such enormous quantities of all sorts of goods that they were unable to warehouse them, and were obliged to leave them on the beach.

After the discovery of gold in Australia in 1851, the high prices which prevailed there gave rise to a large exportation from Europe of all sorts of goods, which continued long after it had ceased to be profitable, and on such a scale that large quantities of brandy were sold in Melbourne for one-tenth of the price which they had cost in London, and many cargoes were unable to meet with any warehouse accommodation, and were spoiled by exposure in the open air. By such facts as these, some economists have been led to suppose that there is a natural tendency to overproduction in all trades, and that there is some danger that an enterprising people will produce more of all sorts of goods than they can use; but this is to suppose that men will work without an object, while, in fact, they only produce in order to gratify their wants, and will soon leave off producing when they have got more than enough. Wheat may be superabundant for a single year, because farmers can not tell beforehand how great the product of their labor will be; but if they find that for two or three years running they produce more wheat than is required, they sow less of that grain and more of something else.

The case of Buenos Ayres has been cited by M. Louis Blanc as proving that England was suffering from overproduction, and as showing the shifts to

which we were obliged to resort in order to find a market for our surplus produce. But we did not send goods to Buenos Ayres because we did not know how else to get rid of them: we produced them in order to send them there because we thought that we could obtain in exchange the various comforts for ourselves. If we had known that we could not do so, we should have produced at home the things we wanted. Since 1806 our wealth has increased enormously, and we are still as far as ever from being able to produce all that we want. M. Louis Blanc himself draws a melancholy picture of the poverty which prevails among the lower classes in France and England: and so long as such continues to be the case, it is idle to talk of our having produced more than we want, and if the time should come when there were no human wants unsatisfied, then human beings would cease to labor, and in either case overproduction is impossible.

Right here, Mr. President, let me say that gentlemen who advocate this doctrine of overproduction never seem to think of the fact that in this land of plenty, where overproduction exists, as they claim, want is constantly increasing; and that there are hungry men, hungry women, and hungry children in a country where prices are falling, as they claim, in consequence of overproduction. It is this fallacy, with others that have been urged in this Senate Chamber, and that are being urged in the metropolitan press and through other channels, that are calculated to mislead the people of this country. There is and there can be no ranker political fallacy than the doctrine of overproduction. It is under-consumption and the lack of means of distribution, one principal element of which is money, that produce local and temporary congested conditions in trade.

And it is characterized as a fallacy here and throughout these works:

It is perpetually reappearing in different forms, among which may be here specified the belief that our colonies are useful because they provide a market for our exports.

When the people of this country, the farmers and laborers, and what I may properly term the great masses of the common people, feel the effects of this system of contracted money, they are told that their misfortune is due to overproduction; that they produce too much, that God is too bountiful, that the people suffer too much corn, wheat, and oats to grow, and produce too much food. Therefore, in a land of plenty, in consequence of there being too much, there must be starvation and hunger as a result. In consequence of too much, laboring men must be poor.

Richard T. Ely, in his work on Political Economy, at page 149, uses this language:

The purpose of production is consumption, and if more is produced more must be consumed. Power to consume is measured by purchasing power, and power of consumption sets a limit to production. There is no such thing as general overproduction, for more economic goods of all kinds have never been produced than men really use to satisfy their legitimate wants. On the contrary, not enough has ever yet been produced for this purpose. Sometimes production does not go forward evenly, and there is an undue amount of labor and capital directed to certain pursuits. But until all men are well-clothed, housed, fed, and furnished with material appliances for their higher life, like books, pictures, musical instruments, church buildings, etc., it will be a manifest absurdity to talk about general overproduction.

I read from the first volume of J. B. Say's Principles of Political Economy, perhaps the most eminent Frenchman who has ever written on this subject. I read from page 107, chapter 15:

It is common to hear adventurers in the different channels of industry assert that their difficulty lies, not in the production, but in the disposal of commodities; that produce would always be abundant if there were but a ready demand, or vent. When the vent for their commodities is slow, diffi-

cult, and productive of little advantage, they pronounce money to be scarce: the grand object of their desire is a consumption brisk enough to quicken sales and keep up prices.

But ask them what peculiar causes and circumstances facilitate the demand for their products, and you will soon perceive that most of them have extremely vague notions of these matters, that their observation of facts is imperfect, and their explanation still more so: that they treat doubtful points as matter of certainty, often pray for what is directly opposite to their interests, and importunately solicit from authority a protection of the most mischievous tendency.

I read from this same book, on page 108:

A man who applies his labor to the investing of objects with value by the creation of utility of some sort can not expect that value to be appreciated and paid for, except where other men have the means of purchasing it. Now, of what do those means consist? Of other values, of other products, likewise the fruit of industry, capital, and land. Which leads us to a conclusion, that may at first sight appear paradoxical, viz, that it is production which opens a demand for products.

There is the reverse of the doctrine of overproduction taught, that it is the production of things which opens the way for a demand for the things produced, and this in the very nature of things must be true.

Should a tradesman say, "I do not want other products for my woolsens, I want money," there could be little difficulty in convincing him that his customers can not pay him in money without having first procured it by the sale of some other commodities of their own. "Yonder farmer," he may be told, "will buy your woolsens if his crops be good, and will buy more or less according to their abundance or scantiness. He can buy none at all if his crops fall altogether. Neither can you buy his wool or his corn yourself, unless you contrive to get woolsens or some other article to buy withal.

You say you only want money. I say you want other commodities and not money. For what, in point of fact, do you want the money? Is it not for the purchase of raw materials or stock for your trade, or of victuals for your support? Wherefore, it is products that you want and not money. The silver coin you will have received on the sale of your own products and given in the purchase of those of other people will the next moment execute the same office between other contracting parties, and so from one to another to infinity, just as a public vehicle transports objects one after another. If you can not find a ready sale for your commodity, will you say, "It is merely for want of a vehicle to transport it?" For after all, money is but the agent of the transfer of values.

I call the attention of the Senate specifically to this language:

Its whole utility has consisted in conveying to your hands the value of the commodities which your customer has sold for the purpose of buying again from you: and the very next purchase you make, it will again convey to a third person the value of the products you may have sold to others. So that you will have bought, and everybody must buy the objects of want or desire, each with the value of his respective products transformed into money for the moment only.

I read from page 111, volume 1, of the same author:—

Thus, the mere circumstance of the creation of one product immediately opens a vent for other products. For this reason, a good harvest is favorable not only to the agriculturist, but likewise to the dealers in all commodities generally. The greater the crop the larger are the purchases of the growers. A bad harvest, on the contrary, hurts the sale of commodities at large. And so it is also with the products of manufacture and commerce. The success of one branch of commerce supplies more ample means of purchase, and consequently opens a vent for the products of all the other branches; on the other hand, the stagnation of one channel of manufacture or of commerce is felt in all the rest.

But, it may be asked, if this be so, how does it happen that there is at times so great a glut of commodities in the market, and so much difficulty in finding a vent for them? Why can not one of these superabundant commodities be exchanged for another? I answer that the glut of a particular commodity arises from its having outrun the total demand for it in one of two ways, either because it has been produced in excessive abundance or because the produce of other commodities has fallen short.

It is because the production of some commodities has declined that other commodities are superabundant. To use a more hackneyed phrase, people have bought less, because they have made less profit; and they have made

less profit for one of two causes, either they have found difficulties in the employment of their productive means or these means have themselves been deficient.

It is observable, moreover, that precisely at the same time that one commodity makes a loss another commodity is making excessive profit.

I now read from page 114:

That in every community the more numerous are the producers, and the more various their productions, the more prompt, numerous, and extensive are the vents for those productions: and, by a natural consequence, the more profitable are they to the producers; for price rises with the demand.

On page 115 the same author says:

That each individual is interested in the general prosperity of all, and that the success of one branch of industry promotes that of all the others. In fact, whatever profession or line of business a man may devote himself to, he is the better paid and the more readily finds employment in proportion as he sees others thriving equally around him. A man of talent, that scarcely vegetates in a retrograde state of society, would find a thousand ways of turning his faculties to account in a thriving community that could afford to employ and reward his ability.

A merchant established in a rich and populous town sells to a much larger amount than one who sets up in a poor district, with a population sunk in indolence and apathy. What could an active manufacturer or an intelligent merchant do in a small, deserted, and semi-barbarous town in a remote corner of Poland or Westphalia? Though in no fear of a competitor, he could sell but little, because little was produced.

I now desire to call the attention of the Senate to the works of John Stuart Mill on Political Economy, pages 337, 338, 339, and 341 of this volume, and I will send it to the Secretary's desk and ask to have the Secretary read it, because the type is so small that I can not read it myself.

The PRESIDING OFFICER (Mr. FAULKNER in the chair). If there be no objection, the Secretary will read as requested. The Chair hears none.

The Secretary read as follows:

Because this phenomenon of oversupply, and consequent inconvenience or loss to the producer or dealer, may exist in the case of any one commodity whatever, many persons, including some distinguished political economists, have thought that it may exist with regard to all commodities; that there may be a general overproduction of wealth; a supply of commodities in the aggregate, surpassing the demand; and a consequent depressed condition of all classes of producers. Against this doctrine, of which Mr. Malthus and Dr. Chalmers in this country and M. de Sismondi on the continent, were the chief apostles, I have already contended in the First Book; but it was not possible, in that stage of our inquiry, to enter into a complete examination of an error (as I conceive) essentially grounded on a misunderstanding of the phenomena of value and price.

The doctrine appears to me to involve so much inconsistency in its very conception, that I feel considerable difficulty in giving any statement of it which shall be at once clear and satisfactory to its supporters. They agree in maintaining that there may be, and sometimes is, an excess of productions in general beyond the demand for them; that when this happens, purchasers can not be found at prices which will repay the cost of production with a profit; that there ensues a general depression of prices or values (they are seldom accurate in discriminating between the two), so that producers, the more they produce, find themselves the poorer, instead of richer, and Dr. Chalmers accordingly inculcates on capitalists the practice of a moral restraint in reference to the pursuit of gain; while Sismondi deprecates machinery, and the various inventions which increase productive power. They both maintain that accumulation of capital may proceed too fast, not merely for the moral, but for the material interests of those who produce and accumulate; and they enjoin the rich to guard against this evil by an ample unproductive consumption.

At this point Mr. DUBOIS suggested the absence of a quorum.

Mr. ALLEN. I ask the Secretary to continue reading from the book that I sent to the desk the remainder of the marked extract.

The PRESIDING OFFICER. If there be no objection, the Secretary will read as requested. The Chair hears no objection. The Secretary read as follows:

He has produced, but the wrong thing instead of the right. He wanted, perhaps, food, and has produced watches, with which everybody was sufficiently supplied. The new comer brought with him into the country a demand for commodities, equal to all that he could produce by his industry, and it was his business to see that the supply he brought should be suitable to that demand. If he could not produce something capable of exciting a new want or desire in the community, for the satisfaction of which some one would grow more food and give it to him in exchange, he had the alternative of growing food for himself; either on fresh land, if there was any unoccupied, or as a tenant, or partner, or servant of some former occupier, willing to be partially relieved from labor. He has produced a thing not wanted, instead of what was wanted; and he himself, perhaps, is not the kind of producer who is wanted; but there is no overproduction; production is not excessive, but merely ill-assorted.

We saw before, that whoever brings additional commodities to the market, brings an additional power of purchase; we now see that he brings also an additional desire to consume, since if he had not that desire he would not have troubled himself to produce. Neither of the elements of demand, therefore, can be wanting, when there is an additional supply; though it is perfectly possible that the demand may be for one thing, and the supply may, unfortunately, consist of another.

Driven to his last retreat, an opponent may, perhaps, allege that there are persons who produce and accumulate from mere habit; not because they have any object in growing richer, or desire to add in any respect to their consumption, but from *vis inertiae*. They continue producing because the machine is already mounted, and save and reinvest their savings because they have nothing on which they care to expend them. I grant that this is possible, and in some few instances probably happens; but these do not in the smallest degree affect our conclusion. For, what do these persons do with their savings? They invest them productively; that is, expend them in employing labor. In other words, having a purchasing power belonging to them more than they know what to do with, they make over the surplus of it for the general benefit of the laboring class.

Now, will that class also not know what to do with it? Are we to suppose that they too have their wants perfectly satisfied, and go on laboring from mere habit? Until this is the case, until the working classes have also reached the point of satiety, there will be no want of demand for the produce of capital, however rapidly it may accumulate, since, if there is nothing else to do, it can always find employment in producing the necessaries or luxuries of the laboring class. And when they too had no further desire for necessaries or luxuries, they would take the benefit of any further increase of wages by diminishing their work; so that the overproduction which then for the first time would be possible in idea, could not even then take place in fact, for want of laborers. Thus, in whatever manner the question is looked at, even though we go to the extreme verge of possibility to invent a supposition favorable to it, the theory of general overproduction implies an absurdity.

What, then, is it by which men who have reflected much on economical phenomena, and have even contributed to throw new light upon them by original speculations, have been led to embrace so irrational a doctrine? I conceive them to have been deceived by a mistaken interpretation of certain mercantile facts. They imagined that the possibility of a general over-supply of commodities was proved by experience. They believed that they saw this phenomenon in certain conditions of the markets, the true explanation of which is totally different.

I have already described the state of the markets for commodities which accompanies what is termed a commercial crisis. At such times there is really an excess of all commodities above the money demand; in other words, there is an under-supply of money. From the sudden annihilation of a great mass of credit, everyone dislikes to part with ready money, and many are anxious to procure it at any sacrifice. Almost everybody, therefore, is a seller, and there are scarcely any buyers, so that there may really be, though only while the crisis lasts, an extreme depression of general prices from what may be indiscriminately called a glut of commodities or a dearth of money.

But it is a great error to suppose, with Sismondi, that a commercial crisis is the effect of a general excess of production. It is simply the consequence of an excess of speculative purchases. It is not a gradual advent of low prices, but a sudden recoil from prices extravagantly high; its immediate cause is a contraction of credit, and the remedy is, not a diminution of supply, but the restoration of confidence. It is also evident that this tempo-

rary derangement of markets is an evil only because it is temporary. The fall being solely of money prices, if prices did not rise again no dealer would lose, since the smaller price would be worth as much to him as the larger price was before. In no manner does this phenomenon answer to the description which these celebrated economists have given of the evil of overproduction. That permanent decline in the circumstances of producers, for want of markets, which those writers contemplate, is a conception to which the nature of a commercial crisis gives no support.

The other phenomenon from which the notion of a general excess of wealth and a superfluity of accumulation seems to derive countenance, is one of a more permanent nature, namely, the fall of profits and interest which naturally takes place with the progress of population and production. The cause of this decline of property is the increased cost of maintaining labor, which results from an increase of population and of the demand for food, outstripping the advance of agricultural improvement. This important feature in the economical progress of nations will receive full consideration and discussion in the succeeding book. It is obviously a totally different thing from a want of market for commodities, though often confounded with it in the complaints of the producing and trading classes. The true interpretation of the modern or present state of industrial economy is, that there is hardly any amount of business which may not be done, if people will be content to do it on small profits.

And this all active and intelligent persons in business perfectly well know; but even those who comply with the necessities of their time grumble at what they comply with, and wish that there were less capital, or, as they express it, less competition, in order that there might be greater profits. Low profits, however, are a different thing from deficiency of demand; and the production and accumulation which merely reduce profits can not be called excess of supply or of production. What the phenomenon really is, and its effects and necessary limits, will be seen when we treat of that express subject.

I know not of any economical facts, except the two I have specified, which can have given occasion to the opinion that a general over-production of commodities ever presented itself in actual experience. I am convinced that there is no fact in commercial affairs which, in order to its explanation, stands in need of that chimerical supposition.

The point is fundamental; any difference of opinion on it involves radically different conceptions of political economy, especially in its practical aspect. On the one view we have only to consider how a sufficient production may be combined with the best possible distribution, but on the other there is a third thing to be considered—how a market can be created for produce or how production can be limited to the capabilities of the market. Besides, a theory so essentially self contradictory can not intrude itself without carrying confusion into the very heart of the subject, and making it impossible even to conceive with any distinctness many of the more complicated economical workings of society. This error has been, I conceive, fatal to the systems, as systems, of the three distinguished economists to whom I before referred, Malthus, Chalmers, and Sismond, all of whom have admirably conceived and explained several of the elementary theorems of political economy, but this fatal misconception has spread itself like a veil between them and the more difficult portions of the subject, not suffering one ray of light to penetrate. Still more is this same confused idea constantly crossing and bewildering the speculations of minds inferior to theirs.

It is but justice to two eminent names to call attention to the fact that the merit of having placed this most important point in its true light, belongs principally, on the Continent, to the judicious J. B. Say, and in this country to Mr. Mill: who (besides the conclusive exposition which he gave of the subjects in his Elements of Political Economy) had set forth the correct doctrine with great force and clearness in an early pamphlet, called forth by a temporary controversy, and entitled "Commerce Defended;" the first of his writings which attained any celebrity and which he prized more as having been his first introduction to the friendship of David Ricardo, the most valued and most intimate friendship of his life.

Mr. ALLEN. Mr. President, I am induced to quote thus liberally from these different works on political economy, as I said some time ago, in consequence of the persistent and constant iteration of the doctrine of overproduction. It has been asserted here repeatedly, it has seemingly been taken for granted, that there is such a doctrine as overproduction, not only general overproduction, but overproduction with reference to this specific metal of silver; and it has occurred to me that it is proper and needful to refute this doctrine even at the expense of

some time in citing authorities for the purpose of clearing the public mind; and this I shall do notwithstanding the statement of the Senator from Massachusetts that my speech may be an overproduction. It occurs to me that I have in numerous instances read speeches coming from representatives of his section of the country, and from that Senator himself, which were an overproduction of mere words. Now, I cite the work of Roscher, volume 2, page 205:

The greater number of such crises are doubtless special; that is, it is only in some branches of trade that supply outweighs demand. Most theorists deny the possibility of a general glut, although many practitioners stubbornly maintain it. J. B. Say relies upon the principle that in the sale of products, as contradistinguished from gifts, inheritances, etc., payment can always be made only in other products. If, therefore, in one branch there be so much supplied that the price declines, as a matter of course the commodity wanted in exchange will command all the more, and therefore, have a better vent. In the years 1812 and 1813, for instance, it was almost impossible to find a market for dry goods, and other similar products. Merchants everywhere complained that nothing could be sold. At the same time, however, corn, meat, and colonial products were very dear, and therefore, paid a large profit to those who supplied them.

Every producer who wants to sell anything brings a demand into the market exactly corresponding to his supply. (James Mill.) Every seller is *ex vi termini* also a buyer; if therefore, production is doubled, purchasing power is also doubled. (J. S. Mill.) Supply and demand are in the last analysis, really, only two different sides of one and the same transaction. And as long as we see men badly fed, badly clothed, etc., so long, strictly speaking, shall we be scarcely able to say that too much food or too much clothing has been produced.

I read now from page 104 of McCulloch's Political Economy:

An excess of one particular commodity may be occasionally produced, but it is quite impossible that there may be too great a supply of every commodity. The fault is not in producing too much, but in producing commodities which either do not suit the tastes of those with whom we wish to exchange them, or which we can not ourselves consume. If we attend to these two grand requisites, if we produce such commodities only as can be taken off by those to whom we offer them for sale, or such as are directly available to our own use, we may increase the power of production a thousand or a million of times, and we shall be just as free of all excess as if we diminished it in the same proportion.

Every person in possession of commodities is qualified to become a demander. But, if, instead of bringing them to the market, he chooses to consume them himself, there is obviously an end to the matter; and it is plain that the multiplication of such commodities to infinity could never occasion a glut. Suppose, however, that he does not consume them himself—that he wishes to obtain other commodities, and that he offers them in exchange. In this case—and in this case only—there may be a glut; but how does it arise? Not certainly because there has been an excess of production, but because the producers have not properly adapted their means to their ends. They wanted, for example, to obtain silks, and they offered cottons in exchange for them; the proprietors of the silks were, however, already sufficiently supplied with cottons, and they wanted broadcloths.

The cause of the glut is, therefore, obvious. It consists not in overproduction, but in the production of cottons which were not wanted, instead of broadcloths which were wanted. Let this error be rectified, and the glut will disappear. Even on the supposition that the proprietors of silks are not only supplied with cottons, but that they are also supplied with cloth, and every other commodity which it is within the power of the demanders to produce, the principle for which we are contending would not be invalidated. For if those who want silks can not obtain them in exchange for broadcloths, or such other commodities as they are either possessed of, or can produce, they have an obvious source on hand; they can abandon the production of the commodities which they do not want, and apply themselves directly to the production of those which they do want, or of substitutes for them.

In no case, therefore, whether a country has or has not an intercourse with its neighbors, or whether the market for its commodities can or can not be extended, can an increased facility of production ever be attended with the slightest inconvenience. We might with equal truth pretend that an increased fertility of the soil and an increased salubrity of the climate are injurious. Such commodities as are carried to market are produced only in the view of obtaining others in exchange for them, and the fact of

their being in excess affords of itself a conclusive proof that there is a corresponding deficiency in the supply of those they were intended to buy or to be exchanged for.

An universal glut of all sorts of commodities is, therefore, impossible. Every excess in one class must be balanced by an equal deficiency in some other. It is not the increase, but the wrong application of productive power, the improper adaptation of means to ends, that is in every case the specific cause of gluts. And it is plain that the real and only effectual remedy for this evil is to be found in the perfect freedom of industry, and in the establishment of a liberal and enlarged system of commercial policy.

And again:

It is to this interference on the part of the Government that nine-tenths of the gluts which now occur may be traced.

Speaking of restrictive legislation. I cite the remarks of Mr. Allard in the report of the Brussels Conference, to which I have heretofore referred, upon the subject of overproduction as applied particularly to the question of money:

But we are told that if prices have fallen it is due to overproduction. Mr. Cramer-Frey has told us prices fall; that is very simple; it is because we produce too much. The honorable delegate from Switzerland is astonished that with "juvenile ardor" I rise up against that claim.

If I should join him in telling you gravely that for twenty years all mankind had been so obstinate as to produce more than it could consume; that for twenty years, like the Danaldes, the universe has produced things for which it had no need, it would not seem serious to you; and you would be right. That is, however, the paradoxical character of the singular theory of overproduction by which our opponents would prove that our privations result from an excess of production and that labor engenders poverty.

I think it would be better to say no more of it, since facts within our knowledge make a formal denial of that claim. The stores are everywhere empty, business suffers on all sides, and the commercial world is invaded, as all admit, by an anæmic influence which threatens death.

The statistics of Mr. Sauerbeck have clearly proved that the allegation of overproduction as a cause of falling prices is absolutely false.

From 1860 to 1873 the total production of the world increased each year 2.8 per cent. That was the age of California and bimetallicism. Prices increased 40 per cent.

From 1873 to 1885 the production of the world increased yearly only 1.6 per cent; a decrease of nearly one-half. Prices should have increased; but on the contrary they fell 33 per cent.

This is the demonstration of Mr. Cramer-Frey's mistake in continuing to believe in overproduction, which was disproved long ago.

The truth, gentlemen, was told by Mr. Goschen, in England, in 1883: "The fall of prices comes from the rise of gold." He expressed his thought in these typical phrases: "Fortunate are they who own sovereigns, and unfortunate they who own commodities, products, and other goods."

Who are the fortunate ones of whom Mr. Goschen speaks?

The classes who receive fixed incomes in gold—owners of bonds of States, of provinces, and of cities, and of long-term leases.

And who are the unfortunates? The producers, the workers, and, in the first rank, the farmers.

Fixed incomes increase in value, products fall, and annuitants are enriched at the expense of labor. This is the truth, and thence arise, gentlemen, these conflicts of labor and capital in England and elsewhere, struggles against a flagrant injustice which has been brought about between so many people; and this is a serious, profound, lamentable, but, above all, a formidable revolution, of which we feel every day the disastrous consequences.

You have heard Mr. de Rothschild, in the introduction to his proposal, praise the fall of prices, in which he perceived the happiness of the laboring classes.

History, as well as what takes place in our day, protests, it seems to me, against this judgment.

From 1810 to 1840—this is history—the precious metals diminished in their production; the locomotive was invented and the steam loom transformed the world; electricity was applied, production was enormous, prices fell 49 per cent. The revolution broke forth everywhere in 1848.

If you read the writers of that time, such as Sismondi, you might think you were reading our own history.

Why did the fall of prices and the revolution of 1848 cease? Mr. Goschen taught England the reason on April 18, 1883. "An eminent French economist," he said, "has declared that France would certainly not have escaped bankruptcy in 1848 without the enormous expansion of currency

produced by California and Australia. That expansion led to a commercial prosperity which permitted France to extricate herself from her political embarrassments."

My excellent colleague and friend, Mr. Weber, said the other day that these were only lamentations; that all the bimetallicists were modern Jeremiahs. Yes, gentlemen, we weep, not exactly over the fall of Jerusalem or the captivity of Babylon, but we lament over the evils of modern times, over the ruin of agriculture and the accumulating losses of trade, over the evils which burst upon our modern society.

We have the right to lament and complain. We derive the right from the prophecies which we made, and to which you obstinately refused to listen, when we predicted everything which has taken place to-day before you demonetized silver in 1873.

I will cite some of these modern Jeremiahs. They are well known to you and deserve attention.

There is the Baron Alphonse de Rothschild, for instance: "As a sequel," he said in 1869, two years before the demonetization of silver, "we should have to demonetize silver completely. That would be to destroy an enormous part of the world's capital; that would be ruin."

This man was the father, I understand, of the Rothschild now living.

There is Jeremiah the first. Let us pass to the second. It is Mr. Wolowski, professor at the Collège de France. "What will be the result?" he said. "It will be serious. An immense shock will disturb the universal market. An enormous fall of prices will be the necessary consequence of the rise of the metal." And you blame us if we lament and weep over the fall which we predicted with all the consequences which it involved for mankind. Yes, we are Jeremiahs; but you must admit that our prophecies are fulfilled.

Further, upon the same page, page 329:

Open your eyes, gentlemen, for every day these Jeremiahs become more and more in the right in their opposition to you.

The fall of silver is obstinately spoken of, and the rise of gold is obstinately denied. Consider Mexico, where silver is produced. The metal is not depreciated there, for it buys as many commodities as before. "No matter," say the monometallicists, "silver is depreciated, for we see that it is." "But," you tell them, "there is a crisis everywhere." "There is no crisis," they reply. "But," you say, "gold is more and more appreciated." "Quite wrong," they say; "there is no appreciation of gold; there is only overproduction." "But, after all, we are not Danaides, working without purpose. We manufacture so much less than before that all feel impoverished and ruined." "No," the monometallicists repeat, "perish the colonies rather than a principle. We deny all that."

Are all these denials as valuable as the smallest proof? With Mr. Goschen, I ask the monometallicists kindly to tell us—

First. Why they hold to the theory of monometallism?

Second. What benefits the application of their theory has brought us up to the present?

That is what we have been asking for twenty years without obtaining a reply, as Mr. Goschen observed to the manufacturers of Manchester.

I notice that in building upon fragile foundations based upon simple denials very singular systems are developed; thus our honorable opponent and colleague, Mr. Currie, told us that in his opinion the system of the future would be the gold standard without gold circulation, an idea well wedded to the notion that the inconvertibility of bank notes is one of the plagues which we should have the courage to contemplate calmly, an idea which does not much alarm my honorable colleague, Mr. Weber.

Many persons see a great advantage in the rise of exchanges. The manufacturers of Moscow demand an increase of inconvertible paper currency in order to raise the price of gold, which acts as a premium upon exportation. That was the principle advocated by Mr. Karkoff, during his life the director of the Moscow Gazette. I doubt, gentlemen, whether, in a conference whose object is metallic money, its increase and the study of means for an increased use of silver, you will be disposed to accept such reasoning.

Mr. SQUIRE. I should like to ask the Senator a question.

Mr. ALLEN. Certainly.

Mr. SQUIRE. I ask the Senator from Nebraska to what he attributes the depression in the prices of grain this year as compared with last year, and the year before, and the year before

that? Is it owing to a greater lack of currency as compared with those years?

Mr. ALLEN. I will cheerfully answer the Senator as I approach that question.

Mr. PALMER. I ask pardon; I did not hear the answer of the Senator from Nebraska.

Mr. ALLEN. I said I would cheerfully answer the inquiry of the Senator from Washington when I get to the question, but I can not suffer the continuity of my argument to be interrupted and anticipate a question that does not properly come into the discussion at this time.

Mr. SQUIRE. I thought it was germane to what the Senator was discussing. He was talking about overproduction. That is the reason why I asked the question.

Mr. ALLEN. I was talking about the general principles of overproduction. I have said distinctly and asserted repeatedly that I will come to the question as to whether there has been any overproduction of silver or grain eventually in this discussion. Yet I do not see that the question of the Senator from Washington is germane to the question I am now discussing. Suppose I should say that I thought it was in consequence of the decline of silver, I might be mistaken in that statement, and yet it might be true that the decline in the prices of farm produce was due to some other cause which was affected by the volume of money. I do not propose to be led off into discussions on immaterial matters of that kind, with all due deference to the Senator from Washington. My time is somewhat limited, and I think I ought not to be interrupted in that way.

Mr. SQUIRE. The Senator will excuse me, I did not want to interrupt the current, or as he expresses it, the continuity of his argument.

Mr. ALLEN. I call attention to the following tables as bearing upon the question of the production of gold and silver.

The world's production of gold and silver for four hundred years, from 1493 to 1893, has been (United States Mint Report, August 16, 1892):

Gold	\$8,204,333,000
Silver	9,726,072,500
Total	17,930,375,500

Annual production of gold and silver of the world for last ten years, 1883-1892, inclusive.

Years.	Gold product.	Silver product.	Total.
1883.....	\$95,400,000	\$115,300,000	\$210,700,000
1884.....	101,700,000	105,500,000	207,200,000
1885.....	108,400,000	118,500,000	226,900,000
1886.....	106,000,000	120,600,000	226,600,000
1887.....	105,775,000	124,281,000	230,056,000
1888.....	110,197,000	140,708,000	250,905,000
1889.....	123,489,000	162,159,000	285,648,000
1890.....	113,149,600	172,231,500	285,381,100
1891.....	120,518,800	188,733,000	307,251,800
1892.....	130,816,600	196,605,200	327,421,800
Total	1,115,446,000	1,442,618,700	2,558,064,700

Production of gold and silver of the world, 1892.

Gold.....	\$130,816,600
Silver.....	196,605,200
Total.....	327,421,800

From 1792 to 1873 is given by report of United States commissioner, and from 1873 to 1892, inclusive, by the Director of the United States Mint. The production of the gold and silver of the United States from 1792 to 1892, inclusive, has been:

Gold.....	\$1,969,692,976
Silver.....	1,158,831,869
Total.....	3,128,524,845

So that really the total output of the silver mines of this country from 1792 to the present time has been less than the total gold output. Yet notwithstanding the fact that gold has exceeded silver in the number of dollars mined in this country from the organization of the Government down to this moment, we hear this senseless cry of the overproduction of silver, and that, too, notwithstanding the countries of the civilized world and the semi-civilized world are calling to-day for more material of which to make money. This cry has gone up for the purpose of deceiving somebody and leading the people to believe, to their injury, that the disparity between gold coin and debased silver bullion is caused by the overproduction of silver.

Mr. PALMER. Will the Senator from Nebraska allow me to ask him a question.

Mr. ALLEN. With great pleasure.

Mr. PALMER. What country has demanded silver for coinage?

Mr. ALLEN. The Latin Union is standing by the coinage issued by the French nation.

Mr. PALMER. The Senator has not answered my question. He says that countries are demanding silver for coinage. I ask him what country has made that demand in any form whatever?

Mr. ALLEN. That any nation upon the face of the earth has spoken out in words and said we want more money, or more silver, I do not pretend. I suppose the Senator from Illinois will understand me in a more comprehensive sense. I say, for instance, that Switzerland and countries of that kind are constantly protesting that the supply of money is inadequate to the demands of trade, business, and labor.

Mr. TELLER. Will the Senator from Nebraska allow me to make a suggestion to the Senator from Illinois?

Mr. ALLEN. Certainly.

Mr. TELLER. If the Senator from Illinois will take the reports of the United States Mint he will find that the coinage of silver every year for a great number of years has equaled the production of silver less that which is used in the arts. I assure him that he can find no stock of silver bullion anywhere in the world that is carried over from one year to another.

Mr. PALMER. The Senator from Colorado is exceedingly kind to undertake to answer a question without answering it. The statement made by the Senator from Nebraska was that countries were demanding silver for coinage. The Senator from Colorado has not answered that question.

Mr. TELLER. It seems to me that when they are putting it

through their mints it is pretty good evidence that they are demanding it. The Senator is sticking in the bark.

Mr. PALMER. If the Senator is satisfied with that answer, I have asked the question and that is the best answer I can get.

Mr. TELLER. That is a perfect answer.

Mr. PALMER. I do not think it is. It is a very imperfect answer.

Mr. ALLEN. I desire to say to the Senator from Illinois that I did not bring with me data for all these statements. If the Senator from Illinois has been reading the foreign news during the past summer he has found that two or three of the smaller kingdoms I have mentioned have been upon the point of revolution in consequence of a shrinking volume of money. They have been meeting in conventions and discussing the question of the fall in prices of farm labor and farm products. They have been inquiring into the cause of their condition and they have in every instance come to the conclusion that it is produced by a contracted system of money; and in every instance they have declared that the quantity of gold at their disposal was not adequate for monetary purposes. If that is not a demand for silver or a demand for the extension of the metallic money of those countries, I do not know what constitutes a demand.

Mr. SQUIRE. Will the Senator permit me to ask him a question?

Mr. ALLEN. With great cheerfulness.

Mr. SQUIRE. I do not ask it for the purpose of interrupting the continuity of the Senator's remarks, but for the purpose of ascertaining the fact and getting the information. If the Senator is not prepared to give it, I hope some other Senator, perhaps the Senator from Colorado, may be permitted to give the information. The point I wish to arrive at is this: Since the suspension of free coinage in India, I should like to know whether there is any authentic information extant as to whether the Indian government or the powers that be there which control the subject have purchased silver to be coined? Has the coinage been proceeded with by the government since the suspension of free coinage in that country? I have tried to find out, and I did not know but that the Senator might be informed.

Mr. ALLEN. The avenues of information I have are simply current standard periodicals and literature of the day.

Mr. SQUIRE. I have asked the question several times of those whom I supposed had information on the subject.

Mr. ALLEN. I am frank to say that my latest information is that the Indian government is occupying what they call the expectant attitude. They are in an attitude to act one way or the other as circumstances may seem to dictate. Probably the Senator from Colorado can give the Senator from Washington all the information he desires.

Mr. TELLER. I will answer the question so far as I understand it. I understand that the British Government since the closing of the Indian mint by the British Government has not coined any silver in India, but it is a fact I suppose the Senator from Washington must know, because it has been a matter of a good deal of discussion in the English press at least, that the export of silver, or rather the import into India, has been very large and continuous. There is great question as to what becomes of it when it gets to India, but there seems to be no fall-

ing off of the export from Europe to India. There is an article in the last Contemporary Review on the subject. I think it is the last number; if not, next to the last. The English papers have been full of it for several weeks.

Mr. SQUIRE. Are there no apparent reasons for it?

Mr. TELLER. It goes there and they buy it. What they do with it is somewhat uncertain.

Mr. SQUIRE. They do not coin it?

Mr. TELLER. They do not coin it because they can not. In the policy of closing the Indian mint it was calculated that the Government would buy and coin as much silver as was coined by the open mint. That policy may be abandoned because they have had a good deal of difficulty so far in getting it for coinage, and probably the policy will be abandoned. The policy is pronounced by the best people of England to be an absolute failure. There is no question about that.

Mr. PALMER. As the Senator from Colorado has the floor—

Mr. TELLER. I have not the floor.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. ALLEN. Certainly.

Mr. PALMER. As the Senator from Colorado is talking, I ask him if the English Government has bought an ounce of silver for coinage in India?

Mr. TELLER. It has not, I understand.

Mr. ALLEN. Will the Senator from Illinois permit me right in this connection to ask him a question? Is it not true that for the purpose of the settlement of this question the English and the Indian governments are synonymous expressions?

Mr. PALMER. I think so.

Mr. TELLER. I should like to say that the Indian Government has no more to do with Indian affairs than I have—not a particle. The secretary of India is appointed by the Crown. He is a member of the English cabinet.

Mr. PALMER. I ask pardon. Will the Senator repeat what he said? I did not quite catch it.

Mr. TELLER. I say the Indian people have no more to do with the administration of Indian affairs than I have.

Mr. PALMER. That is the way I understand it.

Mr. TELLER. There are 287,000,000 people there under English authority, and they are governed by the secretary and a council and a viceroy. The secretary is appointed by the Crown and is a member of the English cabinet. The viceroy is also appointed by the Crown and is subject to the direction of the secretary of India. Then there is a council of twelve people. A majority of the twelve must be men who have resided at least ten years in India. That council legislates under the direction of the viceroy and the secretary, with the assistance of the governor and the lieutenant-governor of the different provinces. When they legislate for a province the governor and lieutenant-governor take part in it, but the whole direction is from Great Britain. It was stated in Parliament—I can not recall the member who stated it—that the two hundred and eighty odd million people in India had never been consulted about the closing of their mints. That is not true. Some of the people of India did know about it, but most of them probably did not.

Mr. ALLEN. Will the Senator from Colorado permit me to ask him a question? Is it not true that the Hindoo population of India have nothing whatever to do with the general government of India?

Mr. TELLER. They have absolutely nothing to do with it. The people who compose the council are citizens of England and not citizens of India. All the qualification is that there shall be a council of twelve who have at some time lived in India at least ten years, but they may not live in India at that time but in Great Britain.

Mr. ALLEN. They are entirely dependent on the British Crown?

Mr. TELLER. They are entirely dependent on the secretary, who is an absolute monarch under the Queen of 287,000,000 Indian people. There is a sort of self-government there. I do not mean to say that they do not have some local government, but on questions like the mintage of silver they are not consulted. The merchants of Bombay and Calcutta and other places protested very vigorously (as anybody will see who will look over the testimony that has been presented to us) against the closing of the mints, but it did not count for anything.

Mr. PALMER. I ask pardon of the Senator from Nebraska. I understood him to assert that there were governments which were demanding or seeking or buying silver for coinage. The Senator from Colorado, at my instance, undertook to answer that question. I understand that he has not answered it by affirming it to be true that any government has demanded or sought silver to coin it.

Mr. TELLER. The Senator is just dwelling upon words. How does a government demand it? The Senator from Nebraska means that people want silver and they get it, but they do not get enough. That is all there is of it. I assert that all the production of silver every year enters into coin. I assert that on the statement of the Director of the Mint. It will appear that every year more silver is coined than is produced. Of course this includes what is recoined. Neither the Senator from Illinois nor any other man can find a million pounds of bar silver in existence now that was in existence six months ago.

Mr. PALMER. I have not asserted anything in that respect. The question that I asked the Senator from Nebraska was whether any government had sought or desired to purchase silver for the purpose of coinage. The Senator from Colorado undertook to answer that question. He has not answered it. He tells me that I am dealing in words. Mr. President, words signify ideas so far as I can connect the two together. They are not mere matters of form. It is not an answer to me to say that I am dealing in words. I am asking the question the best way I can.

Mr. ALLEN. I supposed the Senator from Illinois understood me when I said I did not assert that any government was making an official demand for more silver coin. When I say that the people of those countries are demanding silver I simply intend to give voice to what I understand to be the sentiment of the masses of the people of those countries: that is, when they get together in conventions and public meetings to consider the question of their property and the condition of the unemployed and investigate the question they come to the conclusion that it is in consequence of a shrinking volume of money, and that there is not gold enough at their command for money purposes.

Then I assume as a consequence that they are demanding more money in the form of silver coin to swell the volume of their currency and meet their demands. I mean it in a comprehensive sense, that the people of those countries need an increased volume of currency; that they are informed of the cause of their condition, and that they are clamoring for an increased volume of money to relieve them. That is what I mean. I do not mean to assert now, and I hope the Senator from Illinois will understand it, that any government through official channels is making a demand for silver. I suppose under such circumstances the Government would go into the market and buy the silver officially without making any audible demand for it. But I mean to assert that whenever the question of contraction and the control of money is investigated, the masses of the people of the civilized world attribute the shrinkage of property and the condition of the unemployed in a great measure to a contraction in the volume of money.

Mr. LINDSAY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. ALLEN. Certainly.

Mr. LINDSAY. I should like to ask the Senator a question. If the Senator from Colorado be correct that the demand for silver in India has been as great since the demonetization of silver by the British Government as it was before, does the demonetization of silver by India in any way account for the decline in the value of silver? In other words, if India takes up as much silver now as it ever did, can the demonetization of silver there account for the decline in value?

Mr. ALLEN. I think the Senator from Kentucky must have misapprehended the answer of the Senator from Colorado.

Mr. TELLER. I did not say the export was as great as it had been. I said it had been marvelously great. It was supposed by everybody that when they closed their mints there would be no more silver going to India until the British Government bought it; but to the astonishment of the English people it continues to go there, and they are still unable to tell why it goes and what becomes of it. That is what I said.

Mr. LINDSAY. I ask the Senator from Colorado a further question. I do not think I misunderstood him, but of course I accept his latter statement.

Mr. TELLER. I did not say so. I do not know what the Senator understood me to say.

Mr. LINDSAY. I think the RECORD will show the Senator did say it, but we will not cavil about that. If it be true that more silver is coined each year under existing laws than is produced in the world, will the demonetization of silver by any country account for its decline in value?

Mr. TELLER. The truth is that most of it is coined as token money. That is where the trouble comes. It is token money and not standard money. The Senator can see the difference between standard and token money.

Mr. SQUIRE. I have the figures here.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. TELLER. I wish to say one word further in answer to the Senator from Kentucky. It is not the consumption of silver

that puts it on an equality with gold; it is the use to which it is put that elevates it.

Mr. SQUIRE. On this point I have been looking up the statistics, and I find something that may be of interest to us all. Perhaps the Senator from Colorado is familiar with the figures. I was not until this moment. It seems that for the month ending June 30, 1893, the number of rupees that were imported into India was 9,990,341, and the number of rupees for the three months ending June 30, 1893, was 30,468,570. The exportation from the United States is also given, showing an exportation of four or five million for each of those months.

Mr. TELLER. From what is the Senator reading?

Mr. SQUIRE. I am reading from the statement of imports and exports of the United States, on page 127. It gives the imports of British India.

Mr. TELLER. For what year?

Mr. SQUIRE. Eighteen hundred and ninety-three. This is a statement for August, 1893, but it gives the importations of rupees into India for the three months ending June 30 of the present year, and also for the previous year, showing that the silver is being imported into India notwithstanding, as the Senator from Colorado says, there is no coinage going on.

Mr. TELLER. How does it compare with the last year? I have not looked at those statistics.

Mr. SQUIRE. It is slightly in excess of that of last year, taking the three months.

Mr. TELLER. For June?

Mr. SQUIRE. Yes, that is the case for June. For the month ending June 30 last, it is 9,000,000 rupees. For the month ending June 30, 1892, it is 8,747,846 rupees. I understand the number of dollars to be about half that amount, showing that the importation of rupees into India, if calculated in dollars, would be very nearly the same as the exportation of silver from the United States. There is nothing very remarkable about that. The exportation of silver from the United States for the last three or four months is larger than it had been in any previous year for some time.

Mr. DANIEL. If I am not interrupting the Senator from Nebraska, will the Senator from Kentucky allow me to ask him a question?

Mr. LINDSAY. Certainly.

Mr. DANIEL. Does not the Senator from Kentucky believe that the demonetization of silver has had an effect on its value?

Mr. LINDSAY. I do.

Mr. DANIEL. Suppose it gets so cheap that all of it would be used for horseshoes, might there not be an increased demand for it at a smaller price?

Mr. LINDSAY. I think that is stating it rather more broadly than the facts will warrant.

Mr. DANIEL. I think so too. Is it not true that it is the use to which it is applied at a fixed value by law as money which has maintained its price and maintains its price now as in former times?

Mr. LINDSAY. Will the Senator from Virginia permit me to ask him a question? The theory of his side is that the supply of gold is inadequate to the uses of the world, and that therefore the people of the governments are demanding silver. I ask the Senator what proportion of the gold annually produced is coined into money, all the mints of the world being open to gold?

Mr. DANIEL. About half of the gold.

Mr. LINDSAY. I will ask the Senator further, if there was such an overwhelming necessity for a greater volume of metallic currency why did not that other half go into money?

Mr. DANIEL. Because it is needed in necessary arts and because it is used by those who are extremely wealthy and who employ it in plate. The higher it gets the more the extremely wealthy use it in jewelry. They buy it on that account. They appreciate it and fancy to possess it, and therefore take it away from currency use for the great body of the people. If my answer is not satisfactory I hope the Senator from Kentucky will give me his views on the subject.

Mr. LINDSAY. My view is that there is a demand outside of the need of currency greater than there is for currency, and therefore it is not coined.

Mr. DANIEL. That is right

Mr. LINDSAY. The people who make jewelry and sell it pay the market price for gold, and therefore it is not coined.

Mr. TELLER. They do not pay more than the coin price.

Mr. LINDSAY. I do not know about that.

Mr. ALLEN. Let me ask the Senator from Kentucky whether, where there is a strong demand for the use of gold in the arts, so that it is sufficient to take one-half or a great portion of the annual gold output into the arts, that does not cause an appreciation of that portion of gold which is coined?

Mr. LINDSAY. Yes, but it proves more than that. It proves that there is not such a great demand for further coinage as the gentlemen insist upon, otherwise the mint value of gold would be greater than the market value of gold.

Mr. ALLEN. That would depend altogether upon whether those who use gold prefer to use it in the form of ornaments and for utilitarian purposes, or for coin.

Mr. LINDSAY. I will reply to the Senator in this way. It is said that the Indian people still take silver in quantities approximately as great as they did before its demonetization. They use it for ornament, they use it for plate, just as the surplus gold is used for ornament, or plate, or carried into the arts. Yet the Senator says the demand for silver in India does not appreciate the value of it, while the demand for gold does appreciate the value of it.

Mr. ALLEN. I do not understand the Senator from Kentucky. Does he say that I claim the demand in India does not appreciate the value?

Mr. LINDSAY. The Senator from Virginia and the Senator from Colorado say that it does not appreciate the value because of the use to which it is put. Now, gold that is not coined is put to similar use, and yet you maintain that that demand does appreciate the value of the coin.

Mr. ALLEN. If I understand correctly, the use of gold money in India as a legal tender has not yet taken place.

Mr. LINDSAY. I did not say the use of gold money, but I was putting it upon the point that the demand for silver in India is as great now as it was before its demonetization, that is, for ornaments or for purposes to which the Indian people put it. The Senator maintains that because it is not coined it does not appreciate its value. The same line of reasoning will apply to the gold that is not coined.

Mr. ALLEN. If the position of the Senator from Kentucky be true, and if it be true that the English Government, manipulating the affairs of the Indian Government, intends to put the Indian Government upon a gold basis, then if the silver money of that country is to be used as token money, and is not to be a standard money, if that expression is correct, it must be that the value of silver money has been affected by the express intention of the Indian Government and go to the gold basis as well. The use of either metal as money causes an appreciation in its value, as I have clearly shown early in my remarks.

Now, Mr. President, turning my attention for a moment to the question of the demand for gold in the arts, I find that of the annual output of gold in this country of \$33,000,000 last year \$19,329,000 were consumed in the arts, leaving only \$13,671,000 for coin purposes, from which should be deducted and necessarily must be deducted the amount consumed in the recoinage of our abraded coin.

But I return to the matter I was discussing when interrupted. The product of gold and silver of the United States for 1892 was as follows: Gold, \$33,000,000; silver, \$74,989,900. I speak, of course, of the coin value—that is, the coin value of the silver at the ratio of 16 to 1—and it makes a total of \$107,989,900.

[At this point the honorable Senator yielded to Mr. DANIEL.]

Mr. SQUIRE. May I interrupt the Senator from Nebraska for one moment?

Mr. ALLEN. Certainly.

Mr. SQUIRE. I understood the Senator to state that he did not think any gold was used in India. I do not want to interrupt the continuity of his thought and argument, but I should like to state that I have been looking over the statistics on the subject, and for the benefit of all I wish simply to cite the fact which appears in the summary statement that is corrected down to September 27 of the present year. The gold rupees imported into the Indies from the United Kingdom increased largely during the three months ending June 30 over the importations for the preceding year. There have been importations in gold rupees going on all the time.

The importation of gold rupees for the three months ending June 30, 1892, was 937,173, while for the three months ending June 30, 1893, the sum was 2,199,323, showing a very appreciable increase in the importation of gold. It seems to me that in coming to a fair understanding of this subject we might as well take the fact into consideration that gold is being used in India.

Mr. ALLEN. I think the Senator from Washington entirely misapprehends what I said. I said, or at least I intended to say, that it is my understanding that the English Government, since the suspension of the coinage of silver in India, has not actually made gold a legal tender in India. That is what I desired to say, and what I think I did say.

Mr. SQUIRE. I understood the Senator to say there was no gold in use in India.

Mr. ALLEN. Oh, no; I made no statement of that kind, because there has been a small quantity of gold in use in India for years; but gold has not been a legal tender in India, I understand, for many years, nor do I understand that gold is yet a legal tender in India. I may be mistaken about that, but I know of no order or statute that has been passed within the last sixty

or ninety days making it a legal tender there, and certainly there was none before that time. That is the statement I made. Certainly it is the statement I make now.

Mr. SQUIRE. I did not suppose it true that gold is not used at all as a legal tender. Why should gold be imported there if it has no legal-tender value?

I doubt very much the correctness of that statement.

Mr. TELLER. Will the Senator from Nebraska yield to me?

Mr. ALLEN. Cheerfully.

Mr. TELLER. I will state to the Senator from Washington that no gold has been a legal tender in India since 1852. It was a legal tender from 1774 to 1835, but very small quantities were in use. From 1841 to 1852 there was again an attempt to establish the double standard, which failed; and since 1852 gold has not been a legal tender there.

Mr. SQUIRE. Then I would ask the Senator, inasmuch as gold is not a legal tender there, what creates its value? If the legal-tender quality is that which makes a metal valuable and it has not the legal-tender quality there, why should it be imported? Does not that contradict the argument on that subject to some extent?

Mr. TELLER. Gold goes to India because the Indian people are very fond of ornaments of gold.

Mr. SQUIRE. It goes there in coin?

Mr. TELLER. It goes there generally in bullion, not in coin. There never were any gold rupees.

Mr. SQUIRE. Estimated rupees.

Mr. TELLER. Estimated rupees. It goes in bullion, and it goes into hiding. It goes into trinkets, into armlets, and anklets, and that class of jewelry, and never comes out except it did come out in the great famine. When the people were starving they brought their trinkets out and exchanged them for food, etc. It does not go to India for monetary purposes.

Mr. ALLEN. I introduce here a table showing the world's production of gold and silver, calendar year 1892, giving production of American continent of \$205,097,321, and balance of world of \$122,324,490, compiled from reports of the United States Mint for the year 1892.

	Gold.	Silver.	Total.
AMERICA.			
United States.....	\$33,000,000	\$74,989,900	\$107,989,900
Dominion of Canada.....	925,000	407,100	1,332,100
Mexico.....	1,147,500	59,000,000	60,147,500
Argentine Republic.....	82,000	620,000	702,000
Colombia.....	3,472,000	1,298,000	4,770,000
Bolivia.....	87,000	15,488,000	15,575,000
Chile.....	1,436,800	2,942,000	4,378,800
Brazil.....	438,000	-----	438,000
Venezuela.....	1,000,000	-----	1,000,000
Gulana (British).....	1,800,000	-----	1,800,000
Gulana (Dutch).....	542,000	-----	542,000
Gulana (French).....	998,229	-----	998,229
Peru.....	75,000	3,112,000	3,187,000
Uruguay.....	93,500	-----	93,500
Central America.....	163,492	2,000,000	2,163,492
Total.....	45,240,321	159,857,000	205,097,321

Table showing the world's production of gold and Silver, 1892.—Continued.

	Gold.	Silver.	Total.
BALANCE OF THE WORLD.			
Japan.....	\$568,400	\$1,798,800	\$2,367,200
Africa.....	22,069,578		22,069,578
India (British).....	3,057,900		3,057,900
Korea.....	750,000		750,000
Australia.....	33,870,800	17,375,677	51,246,477
Russia.....	23,546,000	550,000	24,096,000
Germany.....		7,921,336	7,921,336
Austria-Hungary.....	1,399,648	2,161,951	3,561,599
Sweden.....	73,100	152,000	225,100
Norway.....		235,400	235,400
Italy.....	94,280	1,146,370	1,240,650
Spain.....		2,140,400	2,140,400
Turkey.....	7,000	55,000	62,000
France.....	133,000	2,953,600	3,086,600
Great Britain.....	66,600	255,650	322,250
Total.....	85,576,306	36,748,184	122,324,490

Total of the world, \$327,421,811.

Percentage of world's total of gold and silver produced in 1892.

America produced.....	62.7 per cent of world's product.
Balance of world produced.....	37.3 per cent of world's product.
	100
United States produced.....	37.6 per cent of world's product.
United States produced.....	37 per cent of the silver.
United States produced.....	25 per cent of the gold.

It is a peculiar fact that while England produces but little gold and silver, the Bank of England issues no notes under £5, or nominally \$25; it mints half sovereign gold pieces, and silver is used for all smaller denominations. Ireland and Scotland issue £1 notes, while United States, the richest gold and silver nation on earth, issues \$1 paper money, of three forms, viz, greenbacks, Treasury notes and silver certificates—to the disadvantage of her industries.

NATIONAL DEBTS OF COUNTRIES PER CAPITA.

[Public debt, Eleventh Census United States, 1890.]

I give the following table of the per capita of the national debts of all foreign countries, and the national debt of the United States; also select from the itemized table of the indebtedness of foreign countries the following per capita of Great Britain, and some of her dependencies or colonies governed and directed by England. The latter I give to show the financial condition of the countries controlled directly by England and her money policy, that our people may study it to see whether they care to adopt a policy which has brought such a heavy burden of debt to the people of some of the richest colonies in agricultural and mineral wealth of the world. The money question is the principal issue now before the people. Shall we submit to the dictation of the manipulators and against the workers and producers of this country, the terrible effects of which are now being felt, and unless stopped will grow infinitely worse? This is for the people to answer—yes or no.

National indebtedness of all foreign countries, per capita.....	\$32.90
National indebtedness of the United States, per capita.....	14.24
English Empire and dependencies:	
National indebtedness of Great Britain and Ireland, per capita.....	87.75
National indebtedness of New South Wales, Australia, per capita.....	214.87
National indebtedness of South Australia, Australia, per capita.....	321.00
National indebtedness of West Australia, Australia, per capita.....	150.23
National indebtedness of Tasmania, Australia, per capita.....	147.65
National indebtedness of Victoria, Australia, per capita.....	161.63

National indebtedness of Queensland, Australia, per capita.....	\$33.46
National indebtedness of New Zealand, Australia, per capita.....	298.01
National indebtedness of Cape of Good Hope, Africa, per capita.....	77.50
National indebtedness of Natal, Africa, per capita.....	45.76
National indebtedness of Canada, America, per capita.....	47.51

Add to the above per capita of national indebtedness of the English colonies the indebtedness of the people, that of the railroads, of private and corporate companies, for homes and loans from banks, the same as itemized in Table A of United States, and the per capita of indebtedness will be increased several hundred dollars.

National debt of foreign countries.....	\$26,633,016,811
Local debt of foreign countries.....	1,689,740,252
National debt of the United States.....	891,960,104
State, municipal, and county, United States.....	1,135,210,442
Total.....	30,349,927,609

I desire the attention of the Senate to the per capita of gold and silver in coin and bullion in the United States and in France August 16, 1893, or about that date:

Gold in coin and bullion in the United States.....	\$604,000,000
Silver in coin and bullion in Mint and Mercantile Safe Deposit Company in the United States.....	615,000,000
	1,219,000,000

Population August 1, 1893, United States, 67,000,000.	
Per capita, gold in United States.....	\$9.01
Per capita, silver in United States.....	9.18
Total per capita in United States.....	18.19
Per capita, gold in France.....	20.52
Per capita, silver in France.....	17.95
Total per capita in France.....	38.47

Per capita in France \$38.74, as against \$18.19 in this country.

The table I have submitted, which I think is substantially correct, shows that the French people have a per capita of metallic money substantially twice the amount of the American people. I think it has become proverbial in this country that the French people are a typically prosperous people. If I am correctly informed, every natural agency in the French Republic is being utilized in the production of wealth; every man who desires labor has an opportunity to labor for remunerative wages; and the Frenchman is the owner of his home. Now, to what is that due? It is due to the fact that the French Republic has undertaken to secure the prosperity of her own people. She has not trusted to banking or corporate institutions exclusively for the prosperity of her people, but her legislation has been humane and just, and has taken within its reach and grasp all classes of the people of France. As a result the French are a remarkably prosperous people, notwithstanding the tremendous tribute that was levied upon them by the Prussian Empire after the close of the Franco-Prussian war.

Mr. PALMER. Will the Senator from Nebraska present or indicate the French law which has produced the results he attributes to the French legislation? Can he tell us what it is?

Mr. ALLEN. If I go to an apple tree and see lying under the limbs of that tree an apple of peculiar shape and color and taste and find hanging on the limbs above apples identical in shape, color, and taste, I will naturally conclude that the apple which is upon the ground grew upon that tree and fell from there, according to the law of gravitation, although I did not see it fall.

Mr. PALMER. As I never saw the tree, will not the Senator describe it to me?

Mr. ALLEN. I witness the fact that the French people are

prosperous. I suppose the Senator from Illinois does not doubt that?

Mr. PALMER. I do, but still I would ask the Senator to furnish the law which has made them prosperous, if he knows of such a law.

Mr. ALLEN. It is the most singular thing in the world that the Senator should ask me at this time in the morning, pretty nearly 3 o'clock, to furnish a French law that has made those people prosperous.

Mr. PALMER. I ask pardon; I do it because I suppose the Senator knows what the law is.

Mr. ALDRICH. Will the Senator from Nebraska allow me to supplement the question of the Senator from Illinois?

Mr. ALLEN. I do not know whether the Senator from Illinois is really serious in what he says.

Mr. PALMER. I am serious.

Mr. ALLEN. It occurs to me that there is a tinge of insincerity in it.

Mr. PALMER. Not the slightest.

Mr. ALDRICH. I should like to ask the Senator from Nebraska whether he attributes the great prosperity of the French people, to whom he has been alluding, to the fact that they suspended the free coinage of silver in 1875 and never resumed it.

Mr. ALLEN. Oh, no; I do not attribute it to anything of the kind. They have prospered in spite of the unfavorable silver legislation in 1875.

Mr. GALLINGER. I should like to inquire of the Senator from Nebraska if it is not a fact that the French people per capita consume very much less than the people of the United States, and if that may not account for what he asserts, and which I do not know to be true or otherwise, that they have their little homes?

Mr. ALLEN. My knowledge of the French people is necessarily confined to the same channels that are open to other Senators. I do not suppose there is any particular difference between the consuming power of the Frenchman and the German.

Mr. GALLINGER. If the Senator will permit me, I should like to ask him a further question: If it be true that as compared with our people the French are so exceedingly prosperous, why is it that immigration from France is so much greater to this country than from this country to France?

Mr. ALLEN. The natural opportunities for a man here under favorable legislation must be greater than they are in an old country like France. But does the Senator from New Hampshire pretend that the condition of the people here can not be affected by evil legislation so as to make the general condition of the people of this country unequal in point of prosperity to the people of France?

Mr. GALLINGER. By way of answer to that interrogatory I will say that I make no such contention as that; but after listening to the Senator from Nebraska, who has been berating the people of the United States for some twelve or fifteen hours, advertising to the world that we are almost a nation of paupers, I stand here to say that my information leads me to believe that there are no people on the face of God's green earth as prosperous and as happy and as contented as the people of the United States.

Mr. ALLEN. The Senator from New Hampshire attributes to me an assertion which I never made. I desire to call the attention of the Senator to it now that we may have a perfect understanding. I have not berated the people of the United States.

Mr. GALLINGER. Then the Senator has been very unfortunate in his language.

Mr. ALLEN. I have not berated the people of the United States, and I am reasonably correct in my statements.

Mr. GALLINGER. Then I say the Senator from Nebraska has been very unfortunate in his choice of language.

Mr. ALLEN. The Senator from Nebraska understands the ordinary English language and its use. What the Senator from Nebraska has said is that the condition of millions of the people of this country is due to unwholesome laws, and, if the Senator please, rotten legislation. Now, because I say they are the victims of that kind of legislation is that berating them? Is it not rather commiserating their condition when asking for a change of the legislation that brings about such results? Eradicate this rotten legislation and let the whole country prosper.

Mr. WHITE of Louisiana. Will the Senator from Nebraska allow me to interrupt him?

Mr. ALLEN. Let me get through with the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from Nebraska declines to yield to the Senator from Louisiana.

Mr. ALLEN. I decline for the present.

Mr. WHITE of Louisiana. Excuse me; I was going to ask the Senator if he supposes that in France, to which he has referred so glowingly, there is none of the human misery and suffering to which he alludes as the condition in this country?

Mr. ALLEN. Plenty of it.

Mr. WHITE of Louisiana. Is there more there than there is in this country, according to the Senator's idea?

Mr. ALLEN. I can not say what is the exact extent of misery and suffering in France, but it is less than in the United States.

Mr. WHITE of Louisiana. Then, if the Senator can not say, why does he contrast the condition of France with the condition of this country and contrast the marvelous results produced by what he supposes to be French legislation with the bad results produced by our legislation?

Mr. ALLEN. I mean to say that in a country which in natural conditions is not equal to this country, in consequence of humane legislation upon the part of the French Government, the people have been made wonderfully prosperous. What would be the capacity of this country, what would be its condition—

Mr. McPHERSON. What does the Senator mean by—

Mr. ALLEN. Wait until I get through with my friend from Louisiana. What would be the condition of the people of this country with legislation just as humane and favorable to the masses of the people as the legislation of France?

Mr. WHITE of Louisiana. What legislation does the Senator refer to?

Mr. ALLEN. I am not going into specific legislation there. I mean to say that the volume of money in France is sufficient to put every wheel in motion, to stimulate production until all persons have work at remunerative wages and can save something. Whether it is due to any specific legislation there I do not know.

But I know in this country, where the situation of the people is better than in France, the per capita circulation is much less, and those conditions do not exist.

Mr. WHITE of Louisiana. Will the Senator allow me?

Mr. ALLEN. Certainly.

Mr. WHITE of Louisiana. I asked the Senator just now if he affirmed that the conditions in France are better than here and he said he would not undertake to say that they are.

Mr. ALLEN. No; I understood the Senator from Louisiana to ask whether I affirm that there are more suffering, want, and distress in that country than in this.

Mr. WHITE of Louisiana. Then I asked him whether he would affirm that there was more suffering in this country than in France, and he said he would not. Now, immediately after saying he will not do that, he turns around and says there is such a condition in France that every man is prosperous.

Mr. ALLEN. Relatively so. There might be one or two in France who are not prosperous. I suppose the Senator understands that I am speaking in general terms of a population of something like thirty-eight or thirty-nine million people. In the technicality of language it would not be true that they were all prosperous if there was one man not prosperous; but I am speaking about the general prosperity of people of France.

Mr. WHITE of Louisiana. Does the Senator know anything about the increase of pauperism in France?

Mr. ALLEN. I have made no special study of that matter, but I have some information on the question.

Mr. WHITE of Louisiana. Then if the Senator does not know the fact, why does he make the affirmation that pauperism does not exist there?

Mr. ALLEN. I must decline to further answer the question of the Senator from Louisiana, for the evident purpose of that question is simply to confuse the discussion. I assert again, and it is asserted in our magazines and newspapers, it is believed in intelligent circles in this country, that the French people, considering all things, are the most prosperous people financially upon the face of the earth as a whole. I shall later in this discussion show the condition of hundreds of thousands of the people of the United States at the present time.

Mr. PALMER. Will the Senator allow me?

Mr. ALLEN. Certainly.

Mr. PALMER. I desire to interpose a most positive and respectful contradiction of that statement. There are no people in the world more comfortable than the people of the United States. The French people are in no sense as comfortable, as well fed, or as well clothed as the people of the United States.

Mr. TELLER. And they ought not to be.

Mr. GALLINGER. Nor do they consume, per capita, as much.

Mr. PALMER. Nor have they as many of the comforts of life.

Mr. TELLER. I say they ought not to have. We have a richer country.

Mr. PALMER. They ought not to be as comfortable, and they are not.

Mr. ALLEN. I supposed my friends from Illinois and New Hampshire understood me. I say that, considering the soil and considering all the surroundings that enter into the ques-

tion of the prosperity or detract from the prosperity of a people, the French, comparatively speaking, are the most prosperous people, financially, upon the face of the earth. Is that plain enough?

Mr. GALLINGER. I will venture to answer it by saying that it is plain enough, but I do not believe it is true.

Mr. ALLEN. I do not care anything about what the Senator from New Hampshire believes.

Mr. GALLINGER. That is all right. It is the Senator's privilege.

Mr. ALLEN. The Senator the other day asserted that in the State which he has the honor to represent, the State of New Hampshire, there was something like \$200 per capita, I think, in the savings banks, and I presume probably that is true. But, Mr. President, how many people own that money?

Mr. GALLINGER. I will answer the Senator.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from New Hampshire?

Mr. ALLEN. Certainly.

Mr. GALLINGER. I will answer the Senator by referring him to the report of the Comptroller of the Currency for the year 1892, from which he will discover the fact that New Hampshire has a per capita in her savings banks of \$205.76, while the great State of Nebraska has not one single dollar according to that report.

I will say, furthermore, that about one-half of the entire population of the State of New Hampshire have deposits in our savings banks. We have a population of 332,000, and about 180,000 of our people have deposits.

I will go further and say to the Senator, because he evidently has not looked up this matter, that we have an aggregate of \$78,000,000 in our savings institutions, 75 per cent of which is in sums of less than \$300, showing that it is the poor men of my State, the laboring men and women, who have saved something for a rainy day.

I trust the Senator is satisfied so far as New Hampshire is concerned, and that he will not repeat the slanders on New England that I understand he did assert to-night, which I believe he has done for the second time in this debate.

Mr. ALLEN. It is most surprising that the Senator from New Hampshire should say that I have slandered New England. Will the Senator from New Hampshire be kind enough to point out what I have said that was of a slanderous character?

Mr. GALLINGER. I was not in the Senate Chamber when the Senator made his speech.

Mr. ALLEN. Very well. Then the Senator should be more careful of his language.

Mr. GALLINGER. I have undertaken to try to find out from the stenographers what the Senator said and have not succeeded in doing so. I have been informed, however, that the Senator said our farms were abandoned by Americans and occupied by French Canadians, which is not true to any great extent, and that he pictured a condition of desolation in New England which does not exist.

Mr. ALLEN. I said nothing about the desolation in New England, and it is somewhat singular that the Senator should come in here and make a charge when he does not know what I did

say. I did say, and I say now to the Senator from New Hampshire, that there are abandoned farms in New England.

Mr. GALLINGER. So there are in Kansas and Nebraska.

Mr. ALLEN. I say that there are abandoned farms in New England with tenatable houses, which have been abandoned for years.

Mr. GALLINGER. So in every State of the American Union.

Mr. ALLEN. I beg pardon; that does not exist in every State of the Union.

The PRESIDING OFFICER. The Chair will call the attention of Senators to the rule which requires that before an interruption of the Senator having the floor, a Senator desiring to interrupt him will address the Chair, and the Chair will then ascertain whether the Senator on the floor is willing to yield.

Mr. ALLEN. The secretary of state of Massachusetts reported in 1889, 1,451 farms totally abandoned, one-half of them with good buildings, and the valuation was over \$1,000,000. I say that the same thing in a greater or lesser degree applies to other portions of New England.

I do not say this for the purpose of reflecting upon New England or any person who lives there, and I suppose the Senator from New Hampshire will understand that the deduction I draw from that is that the volume of money in this country has become so small that under the conditions existing in New England the native farmer can not make money by cultivating the soil and is driven from it, and he is succeeded by a class of cheaper labor. That is every word I have said about New England, and I say it to the Senator from New Hampshire now. If that is a slander, let it stand. It is true. I also invite him to compare the amount of deposits in Nebraska banks with the deposits in the banks of New Hampshire.

Mr. GALLINGER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from New Hampshire?

Mr. ALLEN. Certainly.

Mr. GALLINGER. I simply desire to say that when the Senator says that our farms are occupied by cheaper labor than American labor, it is not true to any considerable extent. Some of our farms are abandoned, it is true, as farms are abandoned in Kansas, in Nebraska, in Illinois, in Ohio, and in every other State of the American Union.

Again, it is true that perhaps our young men can make more money in our manufacturing villages than they can on the farms, and the natural thrift which distinguishes the people of New England leads them to go where they can make the most money.

Mr. ALLEN. I do not doubt it. That is all perfectly proper.

Mr. GALLINGER. That is all there is to it.

Mr. ALLEN. I return to the subject I was discussing when interrupted by the Senator from New Hampshire—

Mr. PALMER. Will the Senator from Nebraska allow me to make a single remark?

Mr. ALLEN. Certainly.

Mr. PALMER. I wish to say that there are no abandoned farms in Illinois.

Mr. ALLEN. I do not doubt it. Illinois is a magnificent State, well adapted to agriculture; but it necessarily must be that a State such as the State from which my friend from New

Hampshire comes, where the soil is not productive, where farming is carried on under difficulties, the farmer can not compete with the farmers of the great West, and especially is this true when prices are falling and the volume of money is shrunken so that farmers can not produce with profit. Under such circumstances the people must necessarily resort to some other means of living. Is it wrong to say so? Yet the Senator from New Hampshire says I am slandering his State or slandering New England, when I am telling the simple truth, and doing it in the most kindly spirit.

The Senator from New Hampshire seems to gloat over the fact that there are \$200 per capita in the savings banks of New Hampshire and none in savings banks, as he says, of the State of Nebraska.

Mr. President, the State of New Hampshire must be something like three hundred years old as a Colony and a State, and it would be singular if all the generations of thrifty people in that State who have accumulated, perhaps small sums—but nevertheless accumulated through ages and have transferred their wealth from generation to generation, until it has reached down perhaps to the twentieth generation—it would be singular, I say, if there were not some evidences of wealth in that State; and yet, Mr. President, the State from which I come, and which I have the honor in part to represent on this floor, which is comparatively a youth yet, when it becomes as old as the State of New Hampshire, under a just and humane system of legislation will exhibit a hundredfold more prosperity than the State of New Hampshire. It is even richer now.

Mr. GALLINGER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from New Hampshire?

Mr. ALLEN. Certainly.

Mr. GALLINGER. In answer to the assertion just made by the Senator from Nebraska, I desire to put on record the fact that from the organization of the State of New Hampshire until the year 1860 her people had accumulated in the savings banks of the State just four and a half million dollars. Since 1860 to 1893 they have added to this four and a half million dollars the enormous sum of \$73,500,000. In the last year the people of my State put in our savings banks 50 per cent more money than they had accumulated in banks of that description from the organization of the State until 1860.

Mr. ALLEN. Yes, and they will put more in, too. If the McKinley act is kept in force, it will be but a short time until they will have it all.

But the prosperity of that section of the country, let me say to the Senator in all kindness, is due more to tariff legislation and money made in that way, fourfold more than it is due to agriculture; and I think the Senator from New Hampshire will concede that.

Mr. GALLINGER. I have no objection to that statement, but it does not tally very well with the other statement of the Senator from Nebraska, that New England is in such dire distress.

Mr. ALLEN. I have not said, I repeat, to the Senator from New Hampshire, and he has no right to say I did, that New England is in dire distress. I did not say so. I did say, and I repeat the statement, that there are thousands of abandoned

farms in New England with tenantable houses upon them, and much of the agricultural lands of that country are being bought up and controlled by a class of foreign farm laborers who are brought into this country and who take the place of the native population.

Mr. HIGGINS. Mr. President, with the permission of the Senator from Nebraska—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Delaware?

Mr. ALLEN. Certainly.

Mr. HIGGINS. I would ask the Senator from Nebraska if he is not only aware of, but if he is not familiar with the fact, that we poor people in the East have been driven down in our agriculture by the fact that the good people of Nebraska and Kansas and the Dakotas, to say nothing of some parts of Iowa and Minnesota, have so increased the products of the farms as to have swamped the markets both of the United States and the world, by the most enormous and unexampled increase of the per capita amount of acres devoted to cereals and other farm products, as compared with the progress of population. So that this very country and people whom my friend represents have broken down the agriculture and the price of agricultural products throughout the world, brought the superb agriculture of Great Britain to a condition that threatens to crumble that fabric of its aristocracy and its land-owning element, and yet the Senator turns around and says "Look at this picture in New England, and the whole of it is due to the want of more fiat money."

Mr. ALLEN. No; I did not say "fiat money."

Mr. HIGGINS. Then some sort of money.

Mr. ALLEN. The Senator from Delaware will stand corrected. I said "money."

Mr. HIGGINS. Well, if the Senator does not say "fiat money" I am glad to have the admission.

Mr. ALLEN. The Senator ought not to inject into my remarks something that I did not say.

Mr. HIGGINS. I am glad to hear that the Senator from Nebraska does not favor fiat money.

Mr. ALLEN. That hardly tallies with what my friend from New Hampshire [Mr. GALLINGER] said. He said they had made wonderful progress and had been putting their deposits in the savings banks in the last twenty-five years, and yet my friend from Delaware says they are poor people.

Mr. HIGGINS. Will the Senator allow me?

Mr. ALLEN. Certainly.

Mr. HIGGINS. We have not an abandoned farm in my State; but we have much lower prices and the farms have gone down in value. I had a most remarkable statement the other day in a private letter from the best statistician in the United States on this question, Mr. Wood Davis.

I think I heard the Senator from Nebraska, in the course of his remarks, claim the credit of having been born in New England. Mr. Davis himself is a native of Massachusetts. He is a resident of Kansas. He wrote to me the other day that he fully expected by 1896, with the present growth of population and the production of agriculture, now that the Cherokee Strip opening marks the last public land to be appropriated in the United

States for agricultural purposes from the treeless plains of the West, the price of grain would go up so high that—save the mark—the Democratic party is going into power for sixteen years!

Mr. ALLEN. Mr. President—

Mr. TELLER. Will the Senator from Nebraska allow me to correct the Senator from Delaware?

Mr. ALLEN. Certainly.

Mr. TELLER. The Senator from Delaware, while he seems to be engaged in correspondence with statisticians, does not seem to have studied the statistics. [Laughter.] The Senator says that the overproduction—he did not put it in that way, but that is what he means—of the vast crops of the United States has broken down the world's market. I wish to call the Senator's attention to the world's wheat crop, which, eleven years ago, was 2,270,982,485 bushels, or in round numbers, we will say 2,270,000,000 bushels. Last year it was 2,307,000,000 bushels, which is 37,000,000 more than it was ten years before. With an increased population it should have been considerably larger.

This year, 1893, it is 2,229,000,000 bushels, and this year, with the world's decreased crop, wheat is worth 23 cents a bushel less than it was worth last year in the markets of the world. That is an absolute answer to the Senator's statement that it is the overproduction of wheat which has caused the difficulty.

Mr. HIGGINS. Will the Senator from Nebraska allow me?

Mr. ALLEN. Certainly.

Mr. HIGGINS. I can hardly be expected at this time of the morning to have on hand, like the Senator from Colorado, special facts and statistics at my command, nor will I pretend to rival him in the position of a doctor on all these subjects.

The Senator from Colorado may select a particular year ten years ago, and compare it with last year: but that, I submit, is an unfair method of comparison. It is the average of the years that should be compared with one another; and while I have not the statistics at hand, I am very much mistaken if they do not show that the growth of farm products, as I have before stated, was enormously augmented in the period beginning just after the war, say about 1866 and 1867, when the settlement of the Indian troubles in the States of Kansas and Nebraska and beyond threw those lands open to settlement, and we spanned across them the railways that simply emptied out on those treeless plains the overplus and growth of the population of this great country and of all Western Europe. In the year before last and last year were produced two of the largest wheat crops that the United States has ever grown.

I well remember when our crop reached 400,000,000 bushels, and we did not know then how we could market our own crop. In the year 1891 it reached 610,000,000 bushels, and last year considerably over 500,000,000 bushels. We have carried over from last year on this side of the water a small crop of 100,000,000 bushels of surplus, and we are met by a very large crop on the other side; but let there be for the coming year a crop no larger than that of this year, and I shall be very much surprised if the farmers do not get much better prices.

Mr. TELLER. May I trespass on the indulgence of the Senator from Nebraska a moment more?

Mr. ALLEN. Certainly.

Mr. TELLER. I shall not deal unfairly with the Senator from Delaware. He complains that I took 1882. If the Senator from Delaware will follow me in round millions—I shall not read the entire figures, because it is not important that I should do so—I will commence with 1882, and run down. In that year the crop was 2,270,000,000; the next year 2,063,000,000; the next year 2,302,000,000; the next year 2,103,000,000; the next year 2,129,000,000; the next year 2,305,000,000; the next year 2,164,000,000; the next year 2,068,000,000; the next year 2,222,000,000; and the next year 2,295,000,000, that is in 1891. The next year, 1892, it was 2,307,000,000, and in 1893, 2,229,000,000.

Let me read for the Senator's benefit the prices of wheat in Liverpool. In 1890 the price ran up to \$1.25 a bushel. The average for that year, however, was only \$1.03; in 1891 it was \$1.02; in 1892 it was 85 cents, and in 1893 it was 78 cents.

Mr. DAVIS. In Liverpool?

Mr. TELLER. Yes; in Liverpool.

Mr. DAVIS. Per bushel?

Mr. TELLER. Per bushel. That is correct. There is not any question about it. It is selling for less than it ever sold for, 26s. a quarter.

Mr. SQUIRE. Will the Senator please explain the reason of that?

Mr. TELLER. If I shall ever have an opportunity to explain it on this floor, I shall explain it, but I shall not explain it in the time of the Senator from Nebraska.

The Senator from Delaware speaks of our great crops. In 1891 we had 611,000,000 bushels of wheat in round numbers; in 1892 we had 515,000,000 bushels, and this year we have 400,000,000 bushels, and the price is less now than it was when we had 611,000,000 bushels. Last year we had 495,000,000 bushels of corn less than we had the preceding year, and corn was worth less last year than it was the year before, showing conclusively that it is not the great production of the West which broke down the markets of the world, but that it is the currency system which has broken down the markets of the world.

Mr. PALMER. The Senator from Nebraska will allow me to say that I accept all the facts stated by the Senator from Colorado.

Mr. TELLER. They are facts.

Mr. PALMER. But I deny the conclusions. There is no possible connection between the currency and prices. The currency has not been reduced, has not been diminished in quantity or quality, and there is no foundation for that statement.

Mr. TELLER. I am not talking about the currency system of the United States. The price of wheat in the United States is fixed by the price of wheat in Liverpool, where we sell our surplus products. I am speaking of the currency system of the world.

Mr. PALMER. And yet I understand the Senator to favor the adoption of a single silver standard in this country, although all that we sell we sell in Europe.

Mr. TELLER. The Senator does not understand anything of the kind. He knows better. He knows that I have stated repeatedly that I was not in favor of a silver standard. I have said if we were compelled to have either gold or silver, I was for silver, and if I get the floor I shall give my reasons why the

silver standard is better for this country than the gold standard.

Mr. PALMER. I shall wait with great patience to hear what the Senator from Colorado has to say; but I have understood him to express his preference for a silver standard.

Mr. TELLER. The Senator could not, for I never made a suggestion in my life that was not in favor of the double standard.

Mr. PALMER. I understood the Senator to say that, as between the two, he preferred the silver standard.

Mr. TELLER. As between gold and silver I have said that; but I prefer the double standard. I hope the Senator knows the difference between the single and the double standard.

Mr. PALMER. I beg to say that I am repeating what the Senator said, that as between the two he preferred the silver standard. Is that correct?

Mr. TELLER. What is the Senator talking about, the double standard or the gold standard?

Mr. PALMER. I am talking about what the Senator himself said.

Mr. TELLER. I have always advocated the double standard. I have said that if the United States were compelled to go to a single standard, we should be a great deal better off with a silver standard than with a gold standard; and that I repeat now.

Mr. PALMER. Then, I am correct in saying as between the two, the Senator prefers the silver standard. Is that correct?

Mr. TELLER. I have stated.

Mr. ALLEN. I think that is what the Senator from Colorado said.

Mr. PALMER. That is correct then. There is no occasion for dispute about it.

Mr. TELLER. The next time the Senator from Illinois gets the floor, he will insist that I said I was in favor of the silver standard against the double standard because I did not reply when I was asked whether I was in favor of one or the other.

Mr. PALMER. When I get the floor I will tell the truth.

Mr. TELLER. I hope so.

Mr. PALMER. There is no occasion for "hope." I understand the Senator to say that he prefers the silver standard to the gold standard.

Mr. TELLER. I do; yes, that is right. Now I hope the Senator understands me.

Mr. PALMER. Then, what difference is there between us on that point?

Mr. TELLER. I will state when I get the floor.

Mr. ALLEN. Mr. President, I desire to be more just to the Senator from New Hampshire than he was to me. I desire to say that, in my judgment, when the Senator from New Hampshire called attention to what he thought to be the fact that the people of my State were entirely unrepresented in the savings banks, he believed that to be true. I will not say to the Senator from New Hampshire, as he said to me, that he was slandering the State which I in part represent here by making that statement. I believe that he was honestly misled. Now, I hope the Senator from New Hampshire, when he corrects me hereafter, will credit me with believing the statement I make without charging me with slandering his State.

Turning my attention now to the Senator from Delaware [Mr. HIGGINS], who put some questions to me as to the poverty of the people in his section of the country occasioned, as he says, by the development of the West and the ability of the Western country to produce grain and products of the field and the farm more profusely and in greater quantities than can be done in his State: when I remember the fact that the bonds and mortgages of this country are owned in the section of country in which the Senator lives, when I remember the fact that the railroad stocks and bonds, the corporate bonds of almost all classes, and municipal securities are owned in his section of the country, it occurs to me that the statement of the Senator from Delaware that the overproduction of the fields of the West has impoverished the people of that section of the country can scarcely be sustained.

No, Mr. President, that is not the case. The condition of the agricultural people of this country, East and West, North and South, in my judgment, is produced by means of a contracted volume of money; and I do not slander the State of New Hampshire or any other State when I say that is true.

Pursuing the question of overproduction a little further, I desire to introduce, without reading at length, some important tables bearing upon this subject, which fully illustrate the position I have assumed throughout this discussion, irregular as it has been, that there is no such thing as general overproduction in anything; that the doctrine of overproduction is a fallacy; and especially is this so with reference to the production of silver. That there is a legitimate demand throughout the civilized world for every ounce of silver produced by the mines of the world I do not doubt.

There are 80,000,000 people (India, China, etc., not counted) occupied in farming, and the annual products of agriculture amount to almost £4,000,000,000. Capital and product have more than doubled since 1840, but the number of hands engaged has not risen 50 per cent, viz:

Year.	Capital.	Product.	People engaged.
1840.....	£9,036,000,000	£1,824,000,000	55,060,000
1860.....	14,923,000,000	2,483,000,000	56,000,000
1887.....	23,006,000,000	3,948,000,000	80,050,000

The value of agricultural products in 1887 in the following countries is as follows:

United States	£776,000,000	United Kingdom.....	£251,000,000
Russia	563,000,000	Italy	204,000,000
France	460,000,000	Spain	173,000,000
Germany	424,000,000	Australia	62,000,000
Austria	331,000,000	Canada	56,000,000

The area under crops has risen from 492,000,000 acres, in 1840, to 807,000,000, in 1888, an increase of 315,000,000, viz:

	Acres.
In United States.....	151,000,000
In Europe.....	131,000,000
In Colonies, etc.....	33,000,000
Total	315,000,000

In forty-eight years the area of tillage and planting has risen 65 per cent, but the grain crops have risen 120 per cent, as follows:

Years.	Europe.	United States.	Colonies.	Total.
	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>	<i>'Bushels.</i>
1840	3,212,000,000	616,000,000	291,000,000	4,119,000,000
1860	4,046,000,000	1,240,000,000	461,000,000	5,750,000,000
1887	5,588,000,000	2,586,000,000	948,000,000	9,120,000,000

The value of grain products has diminished since 1860, while that of pastoral products has nearly doubled. The price of grain has declined notably, while that of meat and dairy products has risen some. The relative importance of the three great branches of agricultural industry at the said dates is shown as follows, judged by money values:

Products.	1840.	1860.	1887.
Grain	38.5	45.5	27.5
Other crops	29.8	23.2	35.8
Pastoral produce	31.7	31.3	35.7
Total	100.0	100.0	100.0

The production of grain (excluding rice) was approximately as follows:

Country.	Millions of bushels.				Bushels per inhabitant.		
	1831-'40.	1851-'60.	1874-'84.	1887.	1831-'40.	1851-'60.	1887.
United Kingdom..	408	390	334	311	16	15	8
France	510	550	687	729	15	15	19
Germany	290	450	685	706	10	13	15
Russia	1,040	1,270	1,461	1,854	20	20	20
Austria	364	500	578	637	13	16	17
Italy	110	200	277	235	6	11	7
Spain	180	215	326	300	15	14	18
Portugal	25	30	19	40	8	8	9
Sweden	14	35	93	104	5	10	23
Finland	10	15	22	20	10	10	10
Norway	6	15	17	17	6	10	9
Denmark	40	65	78	84	36	43	42
Holland	16	20	37	40	6	6	9
Belgium	33	70	66	75	9	15	14
Switzerland	12	15	17	18	6	6	6
Greece	8	9	11	18	6	7	10
Servia	8	11	14	20	10	10	10
Roumania	70	90	109	120	22	23	24
Turkey, etc	170	196	209	220	12	14	15
Europe	3,312	4,146	5,040	5,588	14	15	16
United States	540	1,053	2,325	2,586	36	38	42
Canada	22	45	128	148	14	15	30
Chile	5	12	18	18	5	8	8
Argentina	2	5	25	50	2	3	13
Australia	1	10	36	51	3	10	15
Other countries	260	390	587	631	-----	-----	-----
Total	4,143	5,661	8,159	9,122	-----	-----	-----

The following tables show the distribution of grain grown in 1887:

Country.	Millions of acres in—				
	Wheat.	Oats.	Barley.	Various.	Total.
Europe	90	72	38	148	348
United States	38	25	3	75	142
Colonies	46	3	7	13	69
Total	174	101	48	236	559

Country.	Millions of bushels of—				
	Wheat.	Oats.	Barley.	Various.	Total.
Europe	1,336	1,628	694	1,930	5,588
United States	442	640	58	1,446	2,586
Colonies	465	97	82	304	948
Total	2,243	2,365	834	3,680	9,122

In the United States 9,000,000 people produce nearly half as much grain as 60,000,000 in Europe. Thus it appears that there is a waste of labor in Europe equal to 48,000,000 hands. In other words, one farm laborer in the United States is worth more than three in Europe.

Mr. Spallert's estimate of the crops of the world compares with the official returns and latest estimates for 1887 as follows:

Years.	Millions of bushels of—						
	Wheat.	Rye.	Barley.	Oats.	Malze.	Sundry.	Total.
1871-1880	1,944	1,256	774	1,870	1,528	312	7,684
1875-1884	1,962	1,165	783	1,936	1,829	293	7,973
1883-1884	2,115	1,196	803	2,169	2,035	324	8,662
1887	2,243	1,418	834	2,365	1,979	353	9,122

According to Baines and other authorities the production of raw cotton in the world was as follows in millions of pounds:

Years.	United States.	South America.	Egypt.	India.	Various.	Total.
1791	2	102	-----	130	256	490
1801	48	102	-----	160	210	520
1811	80	104	-----	170	201	555
1821	180	86	6	175	183	630
1831	385	82	18	180	155	820
1840	878	90	30	212	100	1,310
1850	890	90	45	310	100	1,435
1860	1,880	90	51	420	100	2,551
1870	1,540	270	240	625	100	2,775
1880	2,593	86	282	540	100	3,601
1888	3,420	85	290	888	100	4,783

It appears that the United States has produced two-thirds of the cotton which has been consumed by the factories of the world

in the last sixty-seven years, and the cotton crop of the world shows a steady increase. The decade ending in 1890 shows 400,000 tons a year more than the preceding. Great Britain consumes one-third of all the cotton produced, the United States being the next largest consumer.

The value of the principal manufactures of the United States is as follows in millions of dollars:

Articles.	1810.	1840.	1850.	1860.	1870.	1880.
Flour.....	\$21	\$71	\$136	\$224	\$356	\$505
Iron.....	17	37	49	71	237	336
Leather.....	18	33	92	162	271	397
Lumber.....	6	15	59	96	202	233
Cottons.....	30	46	66	115	142	211
Machinery.....		11	28	47	111	214
Clothing.....		36	48	70	130	242
Sugar.....			10	38	96	155
Woolens.....	17	21	48	69	121	161
Liquor.....	16	15	22	43	75	144
Cabinet work.....		18	18	24	55	83
Printing.....			12	42	46	91
Implements.....			7	18	42	69
Paper.....			10	18	39	55
Soap and candles.....			10	17	18	27
Sundries.....	27	155	404	832	1,395	2,447
Total.....	152	458	1,019	1,886	3,386	5,370

The following is the total value of manufactures in the United States since 1810:

Year.	Value.	Increase.	Year.	Value.	Increase.
		<i>Per cent.</i>			<i>Per cent.</i>
1810.....	\$152,000,000		1860.....	\$1,886,000,000	85
1840.....	458,000,000	201	1870.....	3,386,000,000	80
1850.....	1,019,000,000	122	1880.....	5,370,000,000	58

The annual wheat production of the United States has averaged as follows:

Years.	Tons.	Increase or decrease.	Years.	Tons.	Increase or decrease.
		<i>Per cent.</i>			<i>Per cent.</i>
1831-1840.....	1,950,000		1881-1887.....	11,000,000	Inc., 30
1851-1860.....	3,430,000	Inc., 76	1888.....	10,370,000	Dec., 5.7
1871-1880.....	8,450,000	Inc., 146			

The total annual grain production of the United States since 1830 has been approximately as follows:

Years.	Tons.	Increase.	Years.	Tons.	Increase.
		<i>Per cent.</i>			<i>Per cent.</i>
1831-1840.....	13,500,000		1881-1887.....	67,500,000	16
1851-1860.....	26,350,000	901	1888.....	79,080,000	17
1871-1880.....	57,950,000	116			

The annual wheat production of the United States was as follows:

Years.	Tons.	Increase.	Years.	Tons.	Increase.
1831-1840	2,650,000	<i>Per cent.</i>	1874-1884	4,120,000	<i>Per cent.</i>
1851-1860	2,650,000	19	1887	4,750,000	55

Production of the United States from 1840 to 1886.

Years.	Grain.	Meat.	Sugar.	Rice.	Potatoes.	Butter.	Cheese.
	<i>Tons.</i>						
1840	15,400,000	2,650,000	70,000	36,000	2,700,000	140,000	74,000
1850	20,700,000	2,390,000	410,000	96,000	2,600,000	205,000	47,000
1860	31,000,000	2,890,000	120,000	83,000	2,800,000	230,000	68,000
1870	34,700,000	2,480,000	74,000	33,000	3,600,000	230,000	120,000
1880	67,500,000	4,120,000	110,000	50,000	4,200,000	350,000	120,000
1886	71,100,000	4,750,000	110,000	50,000	4,200,000	430,000	170,000

The average per cent of increase of grain, cotton, and butter is greater than the average per cent of increase of population from 1850 to 1880.

The average per cent of increase of population is greater than the average per cent of increase of sugar, meat, rice, potatoes, and cheese from 1850 to 1880.

Average per cent of increase from 1850 to 1880 of—

Population	29
Grain	56
Cotton	59
Butter	36
Manufactures	74

The value of fiber consumed by the United States since 1840 is as follows in millions of pounds sterling:

Period.	Cotton.	Wool.	Silk.	Hemp, flax, etc.	Total.
1841-1850	£49	£30	£2	£7	£88
1851-1860	84	38	4	12	138
1861-1870	223	62	14	17	316
1871-1880	157	101	15	24	297
1881-1887	150	83	20	16	269
Forty-seven years	663	314	55	76	1,108

The value of fiber consumed in the world in millions of pounds sterling is as follows:

Period.	Cotton.	Wool.	Silk.	Hemp, flax, etc.	Total.
1841-1850	£267	£396	£188	£264	£1,115
1851-1860	500	473	240	251	1,464
1861-1870	987	564	291	317	2,159
1871-1880	915	663	254	381	2,213
1881-1887	742	434	175	239	1,590
Forty-seven years	3,411	2,530	1,148	1,452	8,541

The value of goods manufactured from the above fibers in forty-seven years was approximately as follows in millions of pounds sterling:

Period.	Cottons.	Wool-ens.	Lin-ens.	Silks.	Hemp, etc.	Total.
1841-1850	£1,055	£1,094	£372	£311	£153	£2,985
1851-1860	1,440	1,243	431	409	186	3,709
1861-1870	1,810	1,661	544	522	245	4,782
1871-1880	2,234	1,921	575	559	321	5,610
1881-1887	1,782	1,366	397	475	219	4,239
Forty-seven years ...	8,321	7,255	2,319	2,273	1,124	21,292

The following table shows approximately the quantities of food annually produced and the population subsisting thereon:

Period.	Grain.	Meat.	Sugar.	Coffee and tea.	Population.
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	
1831-1840	101,000,000	8,100,000	530,000	210,000	251,000,000
1851-1860	139,000,000	10,490,000	1,100,000	390,000	300,000,000
1875-1884	204,000,000	12,260,000	3,670,000	745,000	370,000,000
1888	241,000,000	14,430,000	5,260,000	920,000	404,000,000

In the above table grain includes what is used for both man and beast.

The averages per head of population were as follows:

Period.	Grain.	Meat.	Sugar.	Coffee and tea.
	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
1831-1840	900	79	5	2
1851-1860	1,040	79	8	3
1875-1884	1,240	72	22	4½
1888	1,330	79	29	5

The annual production of wheat has averaged as follows:

Period.	Europe.	United States.	Colonies.	Total.
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
1831-1840	17,800,000	1,950,000	2,900,000	22,650,000
1851-1860	21,420,000	3,430,000	5,120,000	29,970,000
1871-1880	28,150,000	8,450,000	8,250,000	44,850,000
1881-1887	30,770,000	11,000,000	11,230,000	53,000,000
1888	32,400,000	10,370,000	14,050,000	56,820,000

In the period 1831-'40 Europe produced 80 per cent of the wheat of the world, as compared with 56 per cent at present. In the interval the production in the United States and in the colonies has quintupled.

The total annual grain production since 1830 has been approximately as follows:

Period.	Europe.	United States.	Colonies.	Total.
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
1831-1840	80,300,000	13,500,000	7,200,000	101,000,000
1851-1860	101,150,000	26,350,000	11,500,000	139,000,000
1871-1880	115,000,000	51,950,000	15,400,000	188,350,000
1881-1887	132,000,000	67,500,000	21,500,000	221,000,000
1888	138,200,000	79,080,000	23,500,000	240,780,000

Mr. President, it was only when the money power—and I shall take occasion to define what I mean by the money power before I get through—it was only when, by concerted action upon the part of the money power of this world, some of the leading nations were induced to demonetize silver and thus decrease the demand for it, that there was any disparity between gold and silver. It is not due to overproduction; it is due more particularly to the fact that nations have demonetized silver under the influence of this power and cut off one of the great demands for silver; and looking at silver then, under such circumstances, from the gold standpoint, there has been a depreciation or there is a disparity.

But I have no doubt if this nation takes hold of this question in good faith, with a determination to reinstate silver to its place in 1873, when it was demonetized, that it will have power enough with the nations of Europe, or perhaps power enough single-handed and alone, to rehabilitate and reinstate silver as money, not only in this nation, but in a sufficient number of nations to reestablish it to its original position in 1873.

I believe the cry of overproduction of silver to be designed to mislead the masses of our people, so that they may be induced readily to accept a single gold standard. I think it is a heresy which has been sifted out through the press, which has been spoken from the stump, which has been uttered in legislative halls, for the express purpose of forming the popular mind long in advance of the period when the nation was brought to a single gold standard.

[At this point the honorable Senator yielded to Mr. DANIEL for a call of the Senate.]

Mr. ALLEN. Another of the fallacies taught, in my judgment, in this discussion is the fallacy of the balance of trade. I do not mean to say that the balance of trade is not desirable under certain circumstances, but I do mean to say that a balance of trade in and of itself, bought by a sacrifice of the property and labor of the people, is a curse rather than a blessing. Too long the people of this country have been told that a favorable balance of trade was *per se* evidence of prosperity. Suppose that every gold dollar upon the face of the earth was bought by this nation at the sacrifice of the price of our labor and our property, would that be any evidence that we were a prosperous nation under those circumstances? That is precisely what the Senator from Ohio, in a speech delivered in this Chamber on the 30th of August, I think it was, advised this country to do. I quote from

the speech of the senior Senator from Ohio. Speaking of the contest for the possession of gold, the Senator says:

If the fight must be for the possession of gold, we will use our cotton and our corn, our wheat and other productions, against all the productions of mankind. We, with our resources, can then enter into a financial competition.

A competition for what? A competition for gold. We will put everything that is produced in the field and the shop, in the contest with Europe for the possession of gold: we will wage an industrial warfare; we will wage it at the sacrifice of the prosperity of our people; we will bring our people to the condition of the working people of Europe in an industrial warfare for the possession of gold. That is the language of the Senator from Ohio.

We do not want to do it now—

Says the Senator—

we prefer to wait awhile until the skies are clear and see what will be the effect of the Indian policy, and what arrangements may be made for conducting another international conference. In the mean time let the United States stand upon its strength and credit, maintaining its money, different kinds of money, at a parity with each other. If we will do that I think soon all these clouds will be dissipated and we may go home to our families and friends with a consciousness that we have done good work for our country at large.

We have done good work for the country at large when we have mortgaged the industries of this nation in the form of gold bonds, when we have put a great blanket mortgage upon the farms and the labor of this country. When we throw the products of labor, the products of the field and farm into a great industrial war for the possession of the gold money of the world, then, in the estimation of the senior Senator from Ohio, this nation has entered upon the high road to prosperity. A most singular thing, that we should wage a contest which brings our labor and our property down to the condition of European labor and European property. That is evidence of prosperity! That is the means by which we will reach our highest prosperity! It occurs to me that this is simply in keeping with the purpose of the money power to industrially enslave the masses of the people of this country. An industrial slavery is the worst slavery upon the face of the earth. It is so insidious, so far-reaching, that it is even worse than chattel slavery.

It is only when a balance of trade represents some profit to a nation that it is a favorable balance of trade; it is only when it represents some profit to its people that it is desirable. If it is bought at too great a sacrifice, if civilization itself has to be impaired, if labor has to be debased, if we are to be brought down to the conditions prevailing in Europe, then we do not desire to pay the price for the balance of trade in gold dollars.

Then, there is another fallacy taught here. Ever since the organization of this extra session of Congress on the 7th of August, Senators have talked about maintaining the parity between the two metals, gold and silver. Some Senators have said it could be maintained and others have denied the proposition. It can not be denied that both the Democratic and the Republican parties are pledged to the maintenance of the parity, whatever that may be—a relation of equality, as I understand it. They are not only pledged to do that, but to-day they are undertaking to escape the responsibility, they are undertaking to make the people of this country believe that they are maintaining that parity

by wiping out the last vestige we have of silver legislation. I ask any Senator in this Chamber when he talks about maintaining a natural parity between gold and silver, is it possible? Certainly not. If there was a natural law of equality between the two metals, would not one grain of the metal, silver, be worth as much as a grain of gold? If there was a natural parity existing, would not that be true?

The relation of gold and silver, like the relations of any other articles, must be controlled by the law of supply and demand.

As long as Senators talk about the commercial value in the money metal or the money thing, there can be no such thing as a parity between gold and silver, because to-day the demand puts the price of one up and the price of the other down, when to-morrow, next week, next month, or next year the conditions may be entirely different, and the metal that occupies one position to-day may be absolutely reversed then. That is simply following the supreme law of supply and demand. So it is mere nonsense to talk about maintaining the parity when a natural parity does not exist.

But you can establish and maintain a parity when you leave the fallacy of intrinsic value, when you come to the sensible basis, the basis which controls this matter; when you declare by statute that so many grains of silver shall have the force of money as compared with a grain of gold, when the power of the law behind that makes it perform the office of money, gives it full legal-tender and debt-paying power, and establishes a law of equality between the two metals while being used as money. That is the real parity, and the only parity that can either be created or maintained.

I regret, Mr. President, that time is so limited for discussion of this subject, but I desire to call attention to some things that have cropped out during this protracted debate that are a little singular to me as a Populist.

It has been charged here, and no more recently than yesterday, that the Sherman act was responsible, in some measure, for the crisis through which we have passed; yet it is true that every dollar of gold that left these shores during the last few months has returned, except about \$16,000,000, and that will return if these men who control the money market will permit it to return. So that if its departure was due in any measure to the Sherman act, then with equal propriety we may say that its return is due to the same act.

It is a singular spectacle to witness these two great parties, the Democratic and the Republican parties, that have fought each other for the last thirty years, marching almost in solid column, under the flag of the Administration, for the repeal of this act. It is a little singular that representative men of these parties are to be found to-day united under the flag of Mr. Cleveland in undertaking to secure the unconditional repeal of this act. Some strange fatality must have fallen upon the Republican party. Some strange spell must have taken possession of it. Mr. President, it reminds me of the Hymn of Faith, written by J. Whitcomb Riley, in which he describes the faith of the early Christians in the doctrines preached by the minister, when he says:

They was content to fall in ranks
With one who knowed the way,
From good old Jurdan's stormy banks
Clean up to Judgment Day.

The Republican party and the Democratic party are content to "fall in ranks" with Mr. Cleveland, who is supposed to "know the way" from the very inception of this matter clear up to the repeal of the Sherman act and the complete demonetization of silver. There must be something strange about the cause that has produced this singular union upon the part of the leading Republicans and leading Democrats who have contested for the mastery of this country for so many years.

Mr. President, I hold in my hand a little volume called Cheap Money, published by the Century Magazine Company, being a reproduction of a series of articles appearing in that magazine. The author of this volume—whoever he may be, and he fails to give his name—undertakes to tell what the People's party of America, which he confuses with the Farmers' Alliance, not knowing enough about the different organizations to know that they have no kinship—undertakes to tell the people of this country what the People's party and the Farmers' Alliance believe in. Now, it takes some fellow that was never within a thousand miles of a Farmers' Alliance, or within a thousand miles of the soil where the People's party prospers, to tell exactly what they believe in. Let me call attention briefly to one of the assertions of this man. Speaking of the question of the supply of money and the belief of the people this man is describing, he says:

When they are asked how they are going to get possession of a share of the more plentiful supply—

Speaking of money—

and are held down to a specific answer, their ingenuity is greatly taxed—

I suppose this fellow believes a man who belongs to the People's party must necessarily be very ignorant and can not have ordinary sense, and therefore his intellect is severely taxed by a question of that character—

their ingenuity is greatly taxed, and they turn to their leaders for a solution of the difficulty. The different ways in which the leaders whose plans we have collected have met this demand furnish most instructive material for study.

Among other things, this fellow says that one of the remedies of the People's party for financial ills is the unlimited issue of inconvertible paper. Never was a People's party convention or caucus held upon the face of the earth that declared that doctrine; never. There never was a man of that party, however wild he may be, who has declared that doctrine. It was a sheer and willful misrepresentation of a great national party that is growing stronger and stronger every day. It is a false arraignment of a great body of loyal American citizens and an impeachment of their intelligence. There never was in any organization, there never has been in any convention any argument or resolution offered or made looking to an unlimited issue of irredeemable paper money. Yet this fellow, probably sitting in a closet in the city of New York, never having been beyond the city limits, undertakes to tell the people of this country, through a great magazine like the Century Magazine, that the members of this party believe in the unlimited issue of an irredeemable paper money!

Then he tells things that are even more ridiculous than that. Among other things, this man says:

We append the more striking of these, giving the plans of the People's party as a remedy for the evils—giving the exact language—

He says—

in each instance, numbering them, for convenience of reference, but withholding the names of the originators, in order that our subsequent remarks may be free from all appearances of personality.

Now, what do they propose, according to this man? The first man that he came across is reported to have said:

1. I am not stuck on silver and gold as circulating mediums, and even paper is my idea. Geologists have had things so fine that they can estimate the quantities of silver and gold in the mountains, and the Government should issue silver certificates to an amount equivalent to that estimate. It would be far safer, as it would be easy for a foreign nation to capture the coin in the Treasury vaults at Washington, but the mountains they could not remove even by all the faith they could muster.

The author of this series of articles calls upon the American people to believe that that is an authentic statement from some representative of this party. The man who penned those words was either a liar or an ignoramus. There never was a serious utterance of that kind from the wildest member of the organization. There never was a caucus or convention that gave utterance to such a thought. Its only purpose is to mislead the people of this country and create the impression that the members of the People's party are ignorant, wild, and visionary. And yet men like this are permitted to write and palm off their stuff upon the people!

So it goes, Mr. President. I simply call the attention of the Senate to this book because I find it in the bookstores and in circulation, and I have no doubt that many an honest man has read that pamphlet, or this series of articles, and, without close investigation into the question, believed that this is a fair statement of the position of that party. It is evidently made for the purpose of putting the party in a ridiculous position, of balking its progress, of preventing it reaching an intelligent and honorable position before the people of the nation. Why? Because this party denies the right of this money power to control absolutely the destinies of the nation. This penny-a-liner must be hired for the purpose of falsifying its position upon this important question.

Now, what is the money power? The expression has been used here a great many times. It has been used by myself, and it has been used by others. I say to the Senators that the money power, in my judgment, is that class of persons who control the great debt, bonds, stocks, and mortgages of this country and of Europe—that body of men who are directly interested in a constantly appreciating money, whose fortunes are made out of bonds, mortgages, stocks, and evidences of indebtednesses of various kinds; that body of men, small though it may be, in this country and in Europe who are combined against the prosperity of the farmer and laborer throughout the civilized world—that is the money power.

It occurs to me that some people in this country have gone mad upon the subject of gold. This struggle for gold is an intense struggle. In many respects it is absolutely a senseless struggle, tending to sacrifice the prosperity of this nation. In my judgment—and I think I speak somewhat advisedly when I say it—the people who till the soil, the people who work in the shops and factories are the people who are vitally concerned in this matter, and they are the ones who demand bimetalism at the

hands of this Congress. I see that that provokes a smile from my friend from Delaware [Mr. GRAY].

Mr. PALMER rose.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. ALLEN. Certainly.

Mr. PALMER. What does the Senator mean by "bimetallism"?

Mr. ALLEN. I mean the use of two metals, gold and silver.

Mr. PALMER. I ask if the Senator means gold and silver of equal exchangeable value?

Mr. ALLEN. As money, yes; having the exchangeable or money value, or function, but not commercial value. I have discussed that proposition, and I do not propose to consume much more time in discussing it.

Mr. PALMER. I shall not ask it.

Mr. ALLEN. Now, Mr. President, what do we see here? We are threatened with another panic.

I am reminded of the fact that I was diverted from the thread of my discussion by the question of the Senator from Illinois, and I will proceed. I was about to say at that time that, in my judgment, a majority of the resolutions and petitions and memorials that have come into this Senate since its organization, upon the subject of the repeal of the Sherman act, have come from banks, corporations, boards of trade, commercial clubs, and organizations of that kind. While I do not dispute the right of these persons or corporations to petition the Senate of the United States for the repeal of this act, or the repeal of any other act that they may deem detrimental to their interests, yet I must remind the Senate that the repeal of the Sherman act is calculated to make their bonds, their securities, and their mortgages more valuable than they otherwise would be, and therefore they have a direct pecuniary interest in the repeal of this act.

But I was about to say, and I say now, that I think the great masses of the common people of this country want this Sherman act retained on the statute book until the Democratic party or whoever controls the legislation of this nation, lays down some plain proposition looking to the continued coinage of silver. They do not want simply empty promises. Senators who have charge of this bill will not even promise us anything. We are to be treated like boys. We are to be kept in ignorance of what the Administration intends to do. We are told that the repeal of this act is to be made without any promise, without any advice of an official character, that anything will be done looking to the coinage of silver.

Mr. WHITE of Louisiana. Will the Senator allow me to ask a question?

Mr. ALLEN. Certainly.

Mr. WHITE of Louisiana. I dislike very much to disturb the Senator in the brief time he has at his disposal just now.

Mr. ALLEN. I appreciate the delicacy of the Senator from Louisiana.

Mr. WHITE of Louisiana. The Senator says that petitions have come for the repeal of the Sherman act from boards of trade and commercial bodies. It must be recollected that those bodies own stocks, bonds, and other evidences of valuable indebtedness in the country. I thought the whole drift of the ar-

gument of the Senator was that if the Sherman act were not repealed property would become more valuable. That was the gist of the Senator's argument during the whole night—that products would be more valuable, and that there would be a great rise in prices.

Mr. ALLEN. If the Sherman act were not repealed?

Mr. WHITE of Louisiana. Yes.

Mr. ALLEN. I beg the Senator's pardon. I did not say that.

Mr. WHITE of Louisiana. There may be a little doubt. I must confess I do not see it. Did I not understand the Senator to say that the repeal of the Sherman act would lessen the price of farm labor and the price of wheat, corn, and all the products of the laboring sons of toil in this land?

Mr. ALLEN. Yes, sir. The Senator from Louisiana understood me, if he understood me correctly, that it was going to depreciate property.

Mr. WHITE of Louisiana. I mean the non-repeal.

Mr. ALLEN. The repeal of the Sherman act will depreciate property, unless we pass an equally favorable silver law.

Mr. WHITE of Louisiana. Then, I want to ask the Senator this little conundrum, if he will be kind enough to answer it. How is it that the repeal of the Sherman act is going to raise the value of all the stocks and bonds in the country, and non-repeal is going to raise the value of all the farm products and all the products of toil? This is a sort of wind that "cuts gwine and cuts comin'." Everything is going to be depressed, according to the Senator, if his views are carried out, and then everything is going to be raised if his views are carried out; in other words, it is blowing hot and blowing cold.

Mr. ALLEN. The Senator from Louisiana is entirely mistaken. I am not blowing hot and blowing cold. I say now to the Senator from Louisiana, and I hope he will understand me, that the unconditional repeal of the Sherman act will have the effect to shrink the value of property and of labor—

Mr. WHITE of Louisiana. Why?

Mr. ALLEN. Please wait.

Mr. WHITE of Louisiana. I shall wait.

Mr. ALLEN. And the effect of it will be to increase the value of mortgages and notes and bonds and stocks. That ought to be plain enough. They will not shrink any; other property will depreciate. The purchasing power of money will be increased. These mortgages, notes, bonds, and stocks must be paid in money with increased purchasing power. The proceeds of these mortgages, etc., will be appreciated money, earned by the sale of depreciated products.

Mr. WHITE of Louisiana. I ask the Senator how it is possible that he is going to have it decreased on the one hand and raised on the other. If it is a general law, is it not to operate generally upon all property? How is the Senator going to say to the farmer, "if we do not pass this bill all your property will be raised in value," and then say to other people, "if we do pass it your property will be raised."

[At this point the honorable Senator yielded to Mr. WOLCOTT.]

Mr. ALLEN. Mr. President, I was about to say when I was interrupted by the calling of a quorum, that my friend from Oregon [Mr. DOLPH], who stated upon the floor of the Senate

the other day that the wheat and cotton of India was estimated in gold prices in Liverpool must certainly be mistaken in that statement. I had occasion some days ago to call his attention to the fact that he was mistaken, and now, I believe, Mr. President—if I am not consuming too much time—that it is my duty to call attention a little more specifically to this question.

I will ask the Secretary to read, as bearing upon this subject, the article of Mr. R. H. Patterson, of Edinburgh, a statistical writer of Scotland of high repute, published in the *Contemporary Review* of April, 1879, and reproduced in a little volume which I have in my hand, written by Robert W. Hughes, entitled *The American Dollar*.

The Secretary read as follows:

The expansion of Indian trade must be considered with reference to two factors into which it is divided, viz. the trade balance, representing the excess of exports of merchandise from India over imports of merchandise into that country, and the financial balance representing the difference between the annual installments of British capital paid for the construction of railroads and other public works in India on one hand; and on the other the home charges for the support of the army of India, and expenses incident to civil and military operations there, collected by council drafts.

The trade balance was the larger factor during the eleven years between 1854 and 1865. We find from Mr. Waterfield's statistics (laid before Mr. Goschen's committee) that this trade balance in favor of India during that period was \$1,035,000,000, or at the rate of \$95,000,000 a year. The entire production of the precious metals in the world during the same eleven years was, according to Sir Hector Hay (as exhibited to the same committee), \$1,830,000,000, of which sum the produce of the mines opened in the United States and Australia after 1848 amounted to \$950,000,000. Accordingly, had it been necessary to pay the whole of the trade balance to India in specie (he speaks of both gold and silver, not of silver alone), the entire produce of the new mines during these eleven years would have proved inadequate to the purpose by a deficit of \$85,000,000.

Turning now to the financial balance, the railway and like payments, due from this country to India in the earlier half of the period, 1854-1865, appear to have considerably exceeded the home charges represented by council drafts. Certainly, during the first five years, India received in specie the whole amount of the trade balance due to her, and upwards of \$130,000,000 more—the trade balance during these years being \$222,500,000, while the actual amount of specie received by India was \$353,750,000. In the subsequent years of the period, however, the home charges due from India evidently exceeded the railway and like payments due from this country (England); and in striking the financial balance there has to be added to the home charges the private remittances of money made by Englishmen in India to their families and friends in Great Britain, the amount of which can not be determined. Judging by the result, the aggregate financial balances during the eleven years ending in March, 1865, appear to have been against India to the extent of \$155,000,000; and thus, although the aggregate trade balances in her favor during the same years amounted, as already stated, to \$1,035,000,000, the actual amount of specie received by India was but \$880,000,000.

Now, as before stated, the total produce of the new mines of the world during the same period was \$950,000,000; and it is seen that the amount of the precious metals absorbed by the Indian trade was so great that of all this stock of gold and silver only \$70,000,000, or 8 per cent. were left available for the use of the rest of the world. A more remarkable fact can hardly be exhibited.

Further, let us take the whole period for which we have officially published statistics (Mr. Patterson was writing in 1879), viz., from 1855 to 1875. During these twenty-one years the aggregate exports of merchandise from India amounted to \$4,669,065,000, and the imports of merchandise were \$2,721,055,000, giving a trade balance in favor of India of \$1,948,000,000, or \$92,500,000 per annum.

How has this enormous sum of money been paid? During the latter years of the period, viz. 1865 to 1875, owing to the gradual cessation of the railway and like payments due to India from this country, and also to the increase in the amount of the home charges due to us from India, the financial balance turned heavily against India, so that the council drafts drawn by the Government in London upon that in India, which are equivalent to specie, amounted in the aggregate to \$560,000,000 (averaging \$26,666,666 per annum). Deducting this aggregate from that of the trade balance, there remains \$1,388,000,000; but the total amount of specie received by India during these

twenty-one years was \$1,266,250,000, or 90 per cent of the trade balance, leaving \$121,750,000 unaccounted for officially, but which was doubtless settled by bills upon India, drawn upon remittances from private persons in India to others in this country.

The total produce of the gold and silver mines of the world during the twenty-one years, 1855-'75, according to Sir Hector Hay, was \$3,385,000,000. Deducting the produce of mines existing before 1849, during the period, about \$1,830,000,000, there remains \$1,700,000,000 as the additional supply of product of the new mines. Thus it appears that during this twenty-one years the Indian trade absorbed \$1,266,250,000 out of \$1,700,000,000, or 73½ per cent of the entire new supply of the precious metals, leaving only 26½ per cent, or \$450,000,000 for general use to meet the great expansion of commerce and augmented demands for specie of the rest of the world.

In truth, but for the previous accumulation of specie in the Western world, it seems impossible that so vast a drain of specie as that which flowed to the East in the years immediately subsequent to 1854 could have been spared—the fact being, as already shown, that during the eleven years in question, the Indian trade required, and India actually received, no less than 92 per cent of the contemporaneous production of the new mines, leaving only \$70,000,000 of their production for the increased wants of the world at large.

It has been the drain of the precious metals to the East, to meet the requirements of Indian trade and investments, which alone has falsified the confident predictions given before 1830 by all the highest authorities as to a stupendous fall in the value of money, especially of gold. The currency of the East is silver, and consequently it is in silver that the greater part of the enormous payments to the East in specie have been made. Between 1854 and 1865, the amount of silver (observe that Mr. P. now speaks of silver only) exported to India actually absorbed the entire contemporaneous yield of all the silver mines of the world, and \$200,000,000 more. In other words, this drain of silver to the East was equivalent in its effects upon Europe and America to an actual stoppage of the silver mines, together with an actual drain and deduction of \$200,000,000 from the existing currency of the Western world.

But, as already indicated, there has been since 1865 a restriction upon the flow of silver to the East in the natural course of trade, occasioned by the large increase in the payments which the Indian Government has to make to the home Government in London, represented by the council drafts issued by the latter against the former. These drafts, being equivalent to silver *pro tanto*, enable our traders to settle trade balances due to India without sending silver; and thus the requirement for silver for the purpose of shipment to India has been proportionately diminished. Another diminution of specie remittances to India resulted from larger remittances from Englishmen in India for the support of their families in this country; a change which has occurred partly in consequence of the increase of British troops kept in India since the mutiny of the Sepoys in 1857, and partly from the opening of the Suez Canal, whereby Englishmen in India can more readily send home their families for health and education, and also can visit them more frequently than was possible when our only communication with the East was by the long sea voyage around the Cape of Good Hope.

The diminution of specie payments to India from these causes was long obscured and overbalanced by the large investments of English money which were made in Indian railways; but after 1863 the railway payments from this country decreased, and they became wholly exhausted by 1870. Thereupon the home charges appeared at their real and full amount. For a quarter of a century previous to 1863 these charges had averaged only \$11,250,000; but during the subsequent eight years they averaged \$31,250,000, and during the six years ending with April, 1878, they averaged \$61,250,000, which is \$50,000,000 in excess of their annual amount down to 1863, and almost equal to the contemporaneous yield of the whole silver mines of the world. The council drafts, being equivalent to silver, have correspondingly diminished England's requirement of that metal for payments to India, and have prevented the large export and utilization of silver which would otherwise have occurred in connection with the Eastern trade.

This course of things is highly disadvantageous, not only to the Indian Empire, but to the world at large, by producing a fall in the value of silver, which not only lessens the value of labor of the silver miners, but of the entire amount of the vast stock of silver existing throughout the world—the accumulated result and legacy of many generations of past labor. (Mr. P. appends as a foot note the following sentences:) Whether there has been any real and absolute fall in the value of silver even in the countries of the West, or whether the fall is merely apparent and occasioned by a rise in the value of gold, the chief standard money of the West, is a question that lies beyond the scope of the present discussion.

Mr. ALLEN. I desire now to read a letter published in the

San Francisco Examiner of November 7, 1885, by Mr. G. Pellew Paul, an Englishman, bearing upon the subject under discussion. He says:

In connection with the present annual depreciation of silver there are several matters to be borne steadfastly in mind, and are axiomatic:

First. The chief cause of the depreciation in price of American silver has been, and continues to be, the deluge of British council drafts issued by the Secretary of State for India in London for the purpose of patronage. The drafts are now sold for 1s. 6½d. per rupee in gold in London, whereas their proper price should be 2s., as they were a few years ago.

Second. This discount on the drafts acts as an export bounty of 20 to 25 per cent in favor of the English importer of Indian produce, to the detriment of the American wheat and cotton exporter.

I desire to have the Senator from Oregon listen to this as disputing the position he has taken:

Third. The greater portion of the American silver dispatched to London is used to pay for Indian wheat, cotton, and other produce, and enters necessarily into competition with the council drafts that are used for the same purpose—one of them killing the other, the real offender being the council drafts.

So it seems that these English council drafts and American silver come into competition with one another and that produces the price over in India, instead of gold, as stated by my friend from Oregon.

Fourth. All silver sent from London to India for the purchase of wheat, cotton, and other produce produces competition with American wheat and cotton, and lowers their prices, so that, paradoxical as it may seem, American silver is used in England to lower the price of American wheat and cotton—at present as much as 20 per cent.

Mr. PALMER. Will the Senator from Nebraska please state the date of the paper he is reading?

Mr. ALLEN. This was published on the 7th of November, 1885, and I suppose substantially the same condition of affairs exists to day, as I think I shall be able to show before I get through.

Fifth. American silver should be withheld as much as possible from London, and diverted directly to its ultimate markets in Eastern Asia, if American wheat and cotton are to escape competition with the Indian articles.

Now, it occurs to me, Mr. President, that these letters from two prominent Englishmen upon this subject ought to be put at rest this question, so far as my friend from Oregon is concerned.

Let us look at this matter briefly—and I do not desire to consume too much time on it:

The exports of cotton from India have increased from \$33,570,000 in 1879 to \$82,655,000 in 1891, while the export of cotton goods in the same period has increased from \$4,658,500, to \$33,135,723, and other manufacturers of cotton from \$8,229,625 to \$14,318,810, in 1891, and are increasing every year.

So, Mr. President, it is observable to the most ordinary mind that depreciated American silver has been used by the British Government and brought in contact with discounted council drafts to develop the industries of India to an enormous extent, until the wheat productions of India to-day come in contact with the wheat productions of the American farmer and fix the price for the American farmer in the Liverpool market. In other words, the United States have been engaged in the pleasing occupation of developing the interests of Great Britain in India, raising up a great wheat-producing and cotton-producing people to come in contact and in competition with their own farmers and laborers.

Mr. PALMER. Will the Senator allow me to interrupt him for a moment?

Mr. ALLEN. Certainly.

Mr. PALMER. Will he tell the Senate what are the wages of laborers in India?

Mr. ALLEN. I think something like 5 or 6 cents a day.

Mr. PALMER. I think so, where silver is the standard.

Mr. ALLEN. But the Senator from Illinois forgets that India has the lowest per capita circulation of any nation upon the earth. It has only about \$3 a head. It is the lowest per capita nation upon the earth. I say to my distinguished friend from Illinois, whom I so highly admire, that wherever legislation touches a nation and develops anything like poverty upon the part of the people it will be where the policy of the controlling and governing power is to reduce the per capita circulation of money to a minimum.

Mr. PALMER. Will my friend from Nebraska allow me to make one statement?

Mr. ALLEN. Certainly.

Mr. PALMER. In Mexico, as I have a paper here to show, the wages of miners are 75 cents a day. In every country on the globe where silver is the standard wages are lower and labor is most degraded.

Mr. ALLEN. What has silver to do with the productiveness of the soil or the salubrity of the climate or the nourishing influences of the rains and the sun? The world is just as well off if industries are developed under a silver standard as under a gold or under a double standard. I think I have shown almost conclusively that the value of a contract does not reside in the medium of exchange which exchanges property for property or property for labor, but it resides in the articles exchanged. I have at least undertaken to show that, and I think I have done so.

Mr. PALMER. I think the Senator is mistaken in the opinion that he has succeeded in showing it.

Mr. ALLEN. Possibly I may be mistaken.

Mr. PALMER. I have given attention to the question of wages in India, Egypt, Mexico, China, Japan, and the South American States, and the wages are lower relatively in the silver states than anywhere else on the globe. In European states where the gold standard prevails wages are far in excess of the wages in the countries I have mentioned. Perhaps there is nothing in the history of nations more lamentable than the wages in India and Egypt where silver is the standard. Will the Senator tell me why, when that is the case, he insists that a silver standard means high wages?

Mr. ALLEN. Oh, no; I have not insisted that that was the case at all. The Senator is mistaken about that.

Mr. PALMER. I beg pardon, then.

Mr. ALLEN. I undertook to show that the question whether we had a silver or a gold standard or a bimetallic standard does not necessarily enter into the question of our prosperity.

Mr. PALMER. Not into the question of wages?

Mr. ALLEN. Not necessarily into the question of wages.

Mr. PALMER. What does necessarily enter into the discussion? If the contrast between silver and gold does not enter into it, what does? I think, with the permission of my friend from

Nebraska, I have stated what I believe to be true, that in every country on the globe where the silver standard exists wages are lower, labor is paid less, and the conditions of the people are worse than the European nations where the gold standard prevails. I am not defending the gold standard, but I am stating that fact for the information of my friend from Nebraska. Why is it the case, I ask?

Mr. ALLEN. I should like to ask the Senator from Illinois, if he has no objection to answering, whether he attributes the condition he speaks of to silver legislation or to the fact that silver is used as money in those countries?

Mr. PALMER. I do, because I consider the silver circulation of those countries as an evidence of impotency and feebleness. I believe those countries where we sell our wheat and our pork and beef, the active, energetic countries where the gold standard prevails, are those to which we should adapt our monetary standard.

Mr. ALLEN. Permit me to say in reply to the Senator from Illinois, that the real value is not the number of dollars a man gets for his wages or the number of cents he gets, but it is the purchasing power of the money which it commands over the necessities or the luxuries of life if he is enabled to buy them. It is the amount of bread, the amount of food products, the amount of clothing, the amount of shelter that his wages will afford him and afford his family that makes the real value of the wages and not whether they are 75 cents in gold or \$1 or \$1.25 in silver. That is simply looking at the surface of the transaction.

Mr. PALMER. Mr. President—

The PRESIDING OFFICER (Mr. BLACKBURN in the chair). Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. ALLEN. Certainly.

Mr. PALMER. I am not going to trespass on my friend from Nebraska for more than a minute. Our commercial intercourse with the United Kingdom and with Germany, France, and the countries where their peculiar monetary regulations exist, gold being the standard of value, is far beyond all our intercourse with other countries.

I maintain that it is the policy of our country to harmonize our monetary relations and regulations with those countries, and that in the countries where silver is the standard there exist degradation, ill-paid labor, ill-fed people, ill-clothed people. I believe that the European civilization to which we belong is a bold, manly, elevated civilization, while all the other is degraded; that wages are poor, that the people are ill-fed and ill clothed, and that it is our interest to contest with the United Kingdom and with all creation and not adopt Asiatic monetary systems.

Mr. ALLEN. Then I understand the Senator from Illinois to mean that the true interest of this country is to put the gold of the world upon an auction block and have the United States enter the list as a competitor for that gold and bid for it.

Mr. PALMER. The Senator states me correctly.

Mr. ALLEN. I am glad the Senator from Illinois acknowledges that I state his position correctly. What does that mean? It simply means that the nation that gets that gold will be compelled to debase its labor the most, which gives the least re-

muneration to those who produce the corn and wheat and products the gold is purchased with. It is a direct blow at the prosperity of the laborer and farmer of this country. It chains him to the destiny of the farmer or laborer of England, so that it is impossible for him to rise above the condition of that class of people in Europe. Then, what becomes of the glory of living under a republican form of government?

Not only that, but I call the attention of the Senator from Illinois to a fact which certainly can not be disputed: that all marches of the British Empire and of the governments of continental Europe to grandeur and glory, and all the marches in civilization of this nation to grandeur and glory have been under a bimetallic standard.

Mr. PALMER. May I answer?

Mr. ALLEN. Certainly.

Mr. PALMER. I do not know what the Senator means by a bimetallic standard. If he means the bimetallic standard as defined by the Chicago platform, where the moneys of the two metals are coined of equally exchangeable value, I am with you. But it is a fact, and I wish to invite particular attention to the fact, that this great Republic is not seeking an alliance with the Asiatic countries. We are seeking not alliances of submission, but we are seeking competition with the civilized nations of Europe. We are their equal in every respect.

Mr. ALLEN. Oh, yes; we are superior to them if we will only suffer ourselves to be.

Mr. PALMER. Not superior, I think.

Mr. ALLEN. I think so.

Mr. PALMER. I am descended from the English race myself.

Mr. ALLEN. I have a little touch myself, and yet I think my country is superior.

Mr. PALMER. I will not shrink from competition with them anywhere, and I will not seek an alliance with the ill-fed, half-clothed people of the Orient.

Mr. ALLEN. I do not suppose anybody desires my honorable friend from Illinois to become a competitor of the Chinaman who lives upon a bowl of rice and a rat a day, but what I contend is that this country is of continental proportions. We are a continent, not simply a small empire. We are a continent of inexhaustible resources, containing a class of people who are capable of almost inconceivable advancement if we will permit them to advance. Under those circumstances are we to change the destinies of America to the destinies of England or any European power? Why not cut the strings that bind this nation to the powers of Europe and set all the forces of nature at work in this great continent of ours, giving every man, woman, and child who desires labor an opportunity to labor and to earn an honest living? Why not do this and push our civilization away beyond the wildest dreams of continental Europe?

I am an American, Mr. President. I believe in the prosperity of my nation. The prosperity of America is dearer to my heart than the prosperity of England or any other nation on earth. I believe in the prosperity of every man, woman, and child who is an American citizen. The interest of the humblest man who can be found upon this continent is as sacred to me as the interest of the most exalted. The same law that protects the Car-

negies of America must protect the humble laborer who works for him; and I am not willing, if my distinguished friend from Illinois please, to chain the prosperity and the destiny of the people of this country to the destiny of continental Europe.

Mr. PALMER. Will my friend allow me interrupt him?

Mr. ALLEN. Certainly.

Mr. PALMER. The Senator owes me an obligation for that magnificent burst of patriotic oratory. But the proposition is, shall we adopt a degraded currency, or shall we look to England, of which the Senator from Nevada [Mr. STEWART] speaks so earnestly, and invite a contest with them? We are their descendants; we are their equals. If gold is the most precious of all the moneys, we have a right to demand our share of it, and we have a right to contest with them our right to a share of it. I do not shrink from the encounter. Will my friend allow me one word more?

Mr. ALLEN. Certainly.

Mr. PALMER. The claim that the farmers of Nebraska, Kansas, or Illinois are a suffering, humiliated, degraded race that needs protection is a fallacy. The farmers of my State are the bone and sinew of Illinois, and we do not shrink from this encounter. We are not beggars, we are not poor people, we are not seeking cheap money; we are seeking a manly, open conflict with Great Britain, or any other people in God Almighty's creation, for a share of all the good things of this life. We are a free, independent, earnest, self-reliant people in Illinois; and so are the people of Nebraska. My friend is altogether mistaken in supposing they are in the sad condition he describes them to be.

Mr. ALLEN. I have certainly said nothing against the people whom I have the honor in part to represent in this Chamber, and it is a little strange to me, leaving the thread of my discourse for a moment, that every remark I have made about any State in this Union, which was clearly within the bounds of truth, has been the subject of constant misconception upon the part of certain Senators, every one of whom maintains the single gold standard theory. Several Senators have undertaken to make me assault my own State. Let me ask the Senator from Illinois, because it touches me upon a tender point, does he say that I have uttered one word against the State which sent me here?

Mr. PALMER. I think not.

Mr. ALLEN. I would not want the Senator from Illinois to make the statement that I have done so.

Mr. PALMER. I will not make the statement if it is at all disagreeable to the Senator from Nebraska.

Mr. ALLEN. It is not only disagreeable, but it is not true.

Mr. PALMER. I will admit it is not true, but I hope the Senator will admit that I have not made the statement. I will say nothing disagreeable to the Senator from Nebraska. He has my personal kindly regards. Still I have heard so much on this floor about the poverty of the farmers and the poverty of the West, will the Senator allow me to say, that I am profoundly disgusted with it? We have no such condition in Illinois. The price of our wheat is low, I suppose because nobody wants it. Some of our products are selling at prices that do not pay for their production, but we suppose it is because nobody wants them, or people would pay a higher price for them if they needed them

more. But we are not beggars. We do not want a depreciated currency to pay our debts in. We are an independent people.

Mr. ALLEN. I am glad to hear it.

Mr. PALMER. Yes, sir; we are perfectly able to compete with Great Britain. I have said that I am a British American, and we do not shrink from an encounter with Great Britain on any field. I must say that during the war, they made a little fight over Mason and Slidell, and I have been hungering and thirsting for an opportunity to pay them that debt. I would have given my life, after we had submitted to that humiliation, to have fought them anywhere. Still we are their equals. If they desire gold, so do we. If they struggle for gold, so do we. If they command gold, so can we. We are not their inferiors. We are not the poor, beggarly people we are described to be.

Mr. ALLEN. Oh, Mr. President—

Mr. PALMER. I ask pardon of the Senator for taking so much time.

Mr. ALLEN. The Senator from Illinois certainly misconceives me in what I have said. I am perfectly willing that the Senator from Illinois shall fight Great Britain if he desires to do so. I have no objection to it whatever; but I have no desire to engage myself in any unnecessary war with Great Britain or any other country. If the higher prosperity of the people of my nation can be assured without entering into an unnecessary competition with Great Britain, I am perfectly willing that Great Britain should go her way and the American Union should go hers. I am not seeking an opportunity to quarrel with somebody. I do not want this nation to engage in either an armed contest with any other nation or an industrial contest unless that armed or industrial contest may be essential for the preservation of our institutions. I am seeking nothing of that kind.

Now, let me call the attention of the Senator from Illinois to the fact that the prosperity of the nations of Europe and especially of England, which the Senator from Illinois seems now to desire to have a contest with, all the great civilization of that country was produced at a time when silver was money in that Empire and the greater portion of it when silver was the exclusive money. That is true of Germany or the Prussian Empire.

Mr. KYLE. Or the United States.

Mr. ALLEN. It is true of France; it is true of the United States; it is true of every nation that stands to-day at the head of civilization upon the face of the earth, that its primary development and its first impetus to civilization were produced at a time when silver was—I was about to say the principal money, but it is hardly correct; certainly, however, at a time when silver was recognized throughout the world as money as sacred and as precious as gold. So there is nothing in the statement of the Senator from Illinois.

Let me call the attention of the Senator from Illinois to another proposition. Gold will shift from America to England, back and forth, according to the demand for gold itself, whenever the rate of interest is the highest. If there is a greater demand for it in England than there is here, it will go there. Like anything else, whenever the demand is greater for it here than it is in Great Britain, when it is worth more here, it will come here. So we are engaged in the enterprise of putting the gold of the world upon an auction block and entering upon a

wild, nay, a senseless, bidding for the possession of gold, sacrificing our property and sacrificing the prosperity of our people in a senseless race of that kind.

I do not believe, Mr. President, that I am unfriendly to my country and my countrymen when I say I do not desire to see an unseemly and sacrificing contest of this kind go on. The American home, the American laborer, the American farmer, his wife, his child, the prosperity of the family, the prosperity of the people of this country, are too sacred to me to see a useless sacrifice and a useless contest of this character; and when I say I desire to see my country preserved from a contest of this kind I do not believe that I am an enemy of my country or that I am speaking disrespectfully of my country or my countrymen.

When the Senator from Illinois interrupted me I was undertaking to show that the development of India was made by American silver that was depreciated by consent of this Government, and which was brought, depreciated as it was, in contact with silver council drafts, drawn upon the Indian government and discounted at from 20 to 25 per cent. Through that means and through the demonetization of silver we have been suffering the British Empire to build up and develop the industries of India, until the product of India is to-day a constant menace to the price of the wheat and cotton of this country.

Mr. PALMER. Unquestionably. England constructed the Suez Canal, which vastly increased the introduction of the products of India into Europe.

Mr. ALLEN. And England built railroads in India.

Mr. PALMER. Unquestionably extensive developments were made in India; and the construction of the canal brought in one year—I forget the year—23,000,000 bushels of wheat in competition with our wheat.

Mr. ALLEN. Oh, yes; more than that quantity.

Mr. PALMER. I mean in one year, and that was several years ago; I happen to have the figures in my mind. It is perhaps more now. What is the quantity now?

Mr. ALLEN. I thought I had the data here; I have them on the subject of cotton.

Mr. PALMER. It is undoubtedly larger now than it was.

Mr. ALLEN. Oh, yes; I think it has increased more than 100 per cent.

Mr. PALMER. The construction of the canal and of internal lines of communication have brought immense quantities of wheat to the English market; but still it must be remembered that we have there a market much larger than in any other country in the world for beef, pork, and all our surplus agricultural products. I made a calculation last night and found that our sales of agricultural products in Great Britain, in the United Kingdom, as the phrase is used in the Treasury returns, are probably greater than that of all the world besides. It is there that we find the market for our surplus agricultural products, according to the Treasury returns.

Mr. ALLEN. It occurs to me that a man acts very queerly if he seeks a competitive market when he can get a non-competitive market. It occurs to me that if a man has anything to sell he should avoid a market where competition is strong.

Mr. PALMER. I should like to ask the Senator one question,

which will be of very great interest to me. Where is that market to be found?

Mr. ALLEN. Let me call the Senator's attention to the fact that a few years ago we had a Pan-American Congress here for the purpose of developing the western hemisphere and producing closer relations between the different North and South American governments. Let me ask the Senator if it would not be wiser for this country to develop its trade with the countries of South America and adjoining countries where it can be developed efficiently and effectually rather than to go into competition with Great Britain or some other nation of that character?

Mr. PALMER. Will the Senator allow me to interrupt him?

Mr. ALLEN. Certainly.

Mr. PALMER. The South American States produce more beef than we do. They are not consumers of pork, I judge, by the Treasury returns. They do not buy our wheat or our corn to any extent. They buy small quantities of these products from us. If the Senator will take the trouble to look at the Treasury returns—I have them on my table—he will find that our sales of agricultural products to the United Kingdom and the British possessions in America and to Germany and France are enormously greater than any sales of products in the South American Republics.

Mr. KYLE. I should like to ask how long that is liable to continue so?

Mr. PALMER. I am not able to say.

Mr. KYLE. Is it not a fact proved by the statistics that before 1900 we shall be importers of breadstuffs instead of exporters?

Mr. PALMER. I do not care what the statistics show, I do not believe it. It is impossible for it to be so. Why? But I mention the fact to the Senator from Nebraska that much more than half of our commerce in agricultural products is with the United Kingdom and continental Europe, and that our commerce in agricultural products with South America, China, and Japan is a very small matter. I have the statistics right here. If we were deprived of our market for our wheat, and our pork, and our beef in Europe, there would be a condition of things in this country that would be most lamentable.

Mr. ALLEN. The Senator does not seem to comprehend my position. I am not seeking, as far as I am concerned, a competitive market. I am not seeking a competitive market for American products. I do not regard it as business at all to do so.

Mr. PALMER. Will the Senator allow me to say that we must send our products to a market where they are needed and where they will be purchased? We can not send them to the Asiatic countries. We can not sell them there. We must sell our beef, and wheat, and flour, and all our great agricultural products to somebody who will eat them. Those people do not eat them. They do not eat pork or beef. They do not buy flour. I refer my friend to the report from the Treasury to show that our commerce in agricultural products with the states to which he has referred is a mere bagatelle.

Mr. ALLEN. I do not doubt the Senator's position, so far as his statement of fact is concerned, is correct, but that is not the question. Why not make an attempt to develop trade in other directions? Why not make an attempt to avoid that competi-

tive market? Why go, like the night moth, constantly against the light where you are to be destroyed?

Mr. PALMER. They do not eat what we have to sell. They do not eat our pork, nor our beef, nor our flour. They buy nothing substantially from us.

Mr. KYLE. I should like to ask the Senator from Illinois whether it would not pay the United States to become a manufacturing nation?

The PRESIDING OFFICER. To whom does the Senator from Nebraska yield?

Mr. ALLEN. Certainly; I yield.

Mr. PALMER. It would undoubtedly pay us to become a manufacturing people.

Mr. KYLE. Is it not a fact that Mexico and many South American States are to-day dealing in United States manufactures by—

Mr. MANDERSON. We are unable on this side to hear the interesting triangular talk that is going on.

The PRESIDING OFFICER. Senators complain that the colloquy which is going on after such an irregular fashion can not be heard. The Senator from Nebraska will indicate to the Chair to which Senator he yields.

Mr. KYLE. I believe he yielded to me.

Mr. ALLEN. I have yielded to both Senators.

The PRESIDING OFFICER. The Chair can not recognize two Senators at one time.

Mr. PALMER. I certainly yield to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota will proceed.

Mr. KYLE. The plan I think would be a wise one ordinarily not to maintain an attitude of hostility toward England, but if England's interest is not our interest to let England alone. We can deal with South America, Mexico, and the Central American States and provide them with our manufactured goods. The time will come very soon when all the agricultural products raised in the United States will be needed to supply the laboring men who will be employed by the manufactories that will exist then in New England—

Mr. GRAY. May I be allowed to interrupt my friend to say a word?

Mr. KYLE. Certainly.

Mr. GRAY. I should like to suggest to the Senator from South Dakota whether it would not be better to let the people who do the trading trade where they can make their profits and use their own judgment and not attempt the governmental coercion or leading strings that he proposes to put upon a free people. All profitable trading has sought the channels directed by those who carried it on, where profit could be made. We trade not as a nation; we trade as individuals in the nation; there is no national trade. The Senator from South Dakota traffics where he in his judgment finds that he can do so to his own advantage. What is the use, then, of talking about coercing trade here and there? Our great prosperity has grown just in proportion as we have had the liberty of individual choice free from coercive measures and leading strings.

Mr. KYLE. But is it not a fact that we have had a Pan-American council—

Mr. GRAY. Yes; a great humbug.

Mr. KYLE. For the purpose of developing trade with South American countries?

Mr. GRAY. A great humbug.

Mr. KYLE. If that can be secured it would be a grand thing for the United States, and at the same time perhaps be the means of bringing forward all the South American States to a higher grade of civilization.

Mr. WOLCOTT. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Colorado will state his point of order.

Mr. WOLCOTT. My point of order is that if the Senator from Delaware is to denounce an association of other nations which has met in the capital here, in Washington, upon invitation of the United States Government, such denunciation should come in executive session at least, and not in open session. He has denounced it as a humbug.

Mr. GRAY. Will the Senator from Nebraska yield to me?

Mr. ALLEN. Certainly.

Mr. GRAY. I understand perfectly the motive that lies back of all this suggestion. We are to sacrifice the trade that has proved profitable with the great populous European nations in order that we may build up with the less civilized countries of South America which use silver, a trade that shall inure to the benefit of those who are seeking to increase the use of silver.

Mr. KYLE. At the same time England and Europe are bound to be purchasers of our breadstuffs for many years to come, as far as I can see.

Mr. ALLEN. It appears to me that this discussion is drifting a little from the subject under consideration, and getting dangerously near at least to a protective tariff, and I think I will recall the discussion to the subject of the pending measure.

It occurs to me that there has been a purpose in this country on the part of the money power as I have defined it to bring about another panic or to revive the panic through which the country has now happily passed. I take the New York papers as indicating the sentiment of the New York bankers and brokers. In the New York World of September 11 of the present year it was announced that there was a "Turn of the tide:"

THE TURN OF THE TIDE—CONFIDENCE AND PROSPERITY STARTING IN TOWARD FULL FLOOD—EVERY GREAT CHANNEL OF INDUSTRY CLEARED FOR A PROFITABLE BUSINESS SEASON—THE DARK DAYS OF FINANCIAL DOUBT GIVE WAY TO BRIGHT PROMISE AND CHEERFUL PROSPECTS—PROMINENT TRADESMEN ALL ECHO THE SAME REFRAIN OF GOOD TIMES AHEAD—EVERYWHERE THE SOUND OF INDUSTRY IS HEARD IN THE LAND.

At that time, Mr. President—

[At this point Mr. DUBOIS raised a question as to the presence of a quorum.]

Mr. ALLEN. When taken from the floor I was speaking upon the subject of the return of the tide of prosperity, as announced in the New York World of September 11 of the present year. It seems that the mysterious something called confidence we have heard so much about in the last few months, which has a particular hiding place known to no man, was on the 11th of

September returning to this country; business was beginning to be stimulated among the banks and moneyed institutions of New York, and everything indicated a return of confidence and prosperity, and the relief of the stringency of the money market. Nothing has occurred since that time to change that condition.

It may be said that the money centers had a right to suppose that the Senate of the United States, following the example of the House of Representatives, would unconditionally and promptly repeal the purchasing clause of the Sherman act; but it occurs to me that the bankers and brokers of the cities of New York, Boston, and the other money centers ought to understand that the Senate of the United States has an equal voice in this matter and is a coordinate branch of the law-making power. They had no right to suppose that the Senate would promptly obey the lash of the President, the lash of the press, or the combined lash of the press and President, and respond with undue haste in the repeal of the act of 1890. If it be true that the President of the United States is to dictate the action of Congress then it were fully as well if not better for the prosperity of the country that this branch of the Government be entirely dissolved and the President be invested with both legislative and executive power.

It soon became apparent to the money center which had over-estimated the action of the Senate that it was necessary to frighten the people of this country again. I do hope Senators will maintain a quorum. They thought it was necessary to frighten the people of this country a little more to make them call upon this branch of Congress to join in the crusade against silver. I am happy to state that the very first paper in the United States which announced that purpose on the part of the money power in this country was a paper advocating the cause of the People's party, the American Non-Conformist, published at Indianapolis, Ind. I think for the edification of the Senate I will read an extract taken from that paper of September 28, 1893:

From reliable sources we are informed that the bankers are preparing to give the country another squeeze. They are determined to force the fight against silver which they can not control. When silver is relegated to the position of old junk we'll have another panic. At a certain stage the plutocrats will discover that more money is needed. In a few weeks the press can convince the people that there is a scarcity. Then the banks will be in shape to furnish a currency which they can control. They can't control the output of silver, nor can they draw interest on the greenbacks, hence they hate them worse than a tramp does work. Thomas H. Benton, in his great work, Thirty Years in the Senate, shows conclusively that the bankers deliberately planned the panics of 1811 and of 1833. Panics that cost the country millions of dollars, paralyzed business, and ruined thousands. They are alone responsible for this one.

With just as much wealth in the country as there was last year, with every element of prosperity in abundance, except money, these merciless blood-suckers in the great Eastern cities deliberately went to work to perfect their diabolical plans, which should end in destroying silver, enriching themselves, impoverishing the people, and bringing millions to the verge of destruction. What cared they if all the little banks, which are a necessity, as business is now conducted, went down? It simply made more business for them. The pages of history do not record more atrocious acts than can be laid at the door of the organized bankers of the world. That the President of the United States should be their most valuable ally is sad beyond description.

So a return of the panic was predicted. Now, let me call the attention of the Senate to a little advice given to this class of persons by the New York Tribune September 29, 1893, a day

later than the publication I have just read. The editorial is not long, and I will read it:

The Tribune trusts that bankers of this city will permit a suggestion which is for their own as well as the public interest. Several of them are reported as having made particularly alarming statements regarding the disasters which they venture to predict, will follow a failure of the Senate to pass the pending silver-purchase repeal bill. Such statements are not likely to do any good whatever, but are eminently calculated to do much harm. It is not to be supposed that these influential bankers are deliberately trying to get up another panic, with all its distressing consequences.

No, of course not. Here is one of the leading journals published in the city of New York, right in the midst of these fellows, and of course there must be some apology offered; it was not supposed they were undertaking to get up another panic to squeeze and scare the people and induce them to call for a repeal of the purchasing clause of the Sherman act, but that is exactly what they were doing. They were meditating another panic, and this great metropolitan journal advised the bankers and brokers (who know a good deal about the mechanism of finance and nothing about its science, and who know nothing about the country outside of the gambling shops and gambling rooms) that the temper of the country was such that it would not stand a reproduction of the panic. So it advised them against its reproduction.

What was the threatened panic for? It was for the purpose of making the people of this country believe that there was a real cause for the repeal of the purchasing clause of the Sherman act. It was for the purpose of sowing broadcast the thought that the purchasing clause of the Sherman act was responsible for the panic through which we have just passed, and that the purchasing clause of the Sherman act was the thing that precipitated the new panic they were talking about. In other words, it was to be an object lesson to the people. It was for the purpose of educating the people, to formulate a sentiment upon this subject. The Tribune proceeds:

They might well remember, however, that the remarks they are reported as having made might, in a certain contingency, prove extremely costly to the banks and to the business men of this city.

It is not as if there were any important end to be gained by such alarming utterances. On the contrary, it is highly probable that the urgency of New York bankers may go far to prejudice the very cause they desire to aid, particularly with some members of the Senate from the West and South whose support of the repeal bill is essential. Senators of the United States ought to be far above mere prejudice against a measure because any worthy body of citizens advocates it with peculiar zeal. That some Senators are not is the unfortunate fact. The idea that a measure is passionately desired by New York bankers, in the judgment of those who know the Senate best, is apt to damage that measure more than it will help it. If bankers of this city wish to do their utmost to assist the passage of the repeal bill, they may find it wise not to talk vehemently for publication.

It is a less important fact that sound business men are not by any means agreed about the necessity of action on the silver question at this time.

It seems that even the New York papers are changing their mind upon the subject.

There was such agreement some time ago, before the widespread disasters which it was hoped to avert had come. But it is not so clear now as it was then supposed to be that a single act of legislation would unlock countless hoards and bring untold millions hither from England, and restore confidence, and set all the mills at work. Whether all these things would have resulted at once is not the question. There have been many thousand failures. More than seven hundred banks have failed with liabilities amount-

ing to more than \$170,000,000. A considerable part of the manufacturing force of the whole country has stopped operations. In many ways the conditions have changed.

One of the ablest bankers in this city, having charge of a very important bank, recently remarked that it was no longer clear to him that repeal of the silver act would accomplish what he had expected. Its anticipated effect, he said, would have been largely sentimental, but it was no longer possible to restore confidence entirely and instantly, as he had thought it might be restored some months ago. What this banker thinks many other sound business men are thinking. It does not seem to them wise any longer to hold out the idea that all our fortunes in this great country must turn upon an event which is not certain to take place. The repeal bill is, as we believe, a wise and highly desirable measure. But it is hardly wise or desirable to stake the future of all business upon the action or inaction of the Senate of the United States.

Mr. KYLE. From what paper is that article?

Mr. ALLEN. From the New York Tribune of September 29, 1893. The same thing is in substance foreshadowed in an article in the New York Journal of Commerce and Commercial Bulletin of the same date.

DANGER OF A RELAPSE.

I will ask my friend from South Dakota to read it.

Mr. KYLE read as follows:

Were there reasons for supposing that the Senate minority on silver repeal have any earnest care about the business interests of the country, it might possibly serve a useful purpose to ask their attention to the renewed dangers which their persistent obstruction is creating. As, however, it is beyond hope to produce any impression upon such callous material, it may not be entirely out of place to bring the facts to the attention of the leaders of the majority, who, the public begins to think, might very properly show more concern for imperilled public interests than for misplaced amenities towards grossly factious debate.

The emphatic vote of the House for unconditional repeal so strongly encouraged the country to expect like action from the Senate that the revival of confidence in all branches of business was immediate. Considering the extraordinary severity of the depression, the recovery was also rapid and promised to be soon complete. The attitude taken by the Senate, however, has checked these hopes, and the process of repair is arrested by the suggestion of a fear lest repeal may either totally fail or be substituted by a compromise worse than the present law.

This apprehension has caused a dead halt in the recuperative process, and unless something is speedily done to stay the discouragement, there is reason to fear an early relapse toward the late condition of utter prostration. The larger operations of finance, whose results extend into the future, are now held in absolute abeyance; long-date commercial notes as well as time loans on collateral are discriminated against; and merchants are returning to the late policy of rigid hand-to-mouth buying. This arrest of demand has checked the recovering tendency in prices, which acts as another motive for deferring operations. The resumption of work at factories and mines is diminishing, and the mills that have already resumed begin to find that they are producing for a market which may again fall them.

Not the least dangerous effect of the Senate's trifling falls upon our foreign credit, which throughout the past depression has been the most sensitive point in the situation. The assuring action of the House enabled us to procure, in the way of indirect loans, the large amount of foreign gold which has been the chief means of restoring confidence in financial circles and strengthening the reserves of the banks. It was hoped, when these loans were made, that the completion of repeal by the Senate would enable us to settle the indebtedness through the export of securities—an operation which would have proved entirely feasible had the Senate done its duty. Now, these debts are beginning to mature, and as the uncertain attitude of the Senate is shaking European confidence in the future of our silver policy, the lenders begin to hesitate about renewing the loans.

The advance of foreign exchange to rates close upon the gold-export figure is largely due to this special cause rather than to the trade balance; and the longer the Senate encourages distrust as to its final action the stronger will be the motive for our foreign creditors to demand gold in these settlements. A greater danger could scarcely befall the situation. The crisis has been primarily and essentially a monetary one; and therefore a movement that would drain the banks of the very gold that has just saved them might easily run into a most serious form of relapse. It is to be kept in mind, too,

that we do not face these revived dangers with the courage inspired by generally healthy conditions. Everybody and every interest is feverishly timid after our recent experiences, more cautious and more yielding than under the first attack of the disease, and any cause of disturbance will now produce worse effects than it would then. Distrust feeds not only upon external sources but equally from its own effects, and is far more difficult to heal when it comes in the form of a second attack.

Is it possible to get the serious attention of the United States Senate to these threatening facts? Is it possible that Senators really understand the significance of a crisis that has prostrated over five hundred of our banks and closed a large proportion of our factories? Do they really think that crisis such a trifle that they may regard with equanimity the near possibility of the ruinous experience being repeated? The people are seriously and angrily asking these questions, and if Senators wonder at not hearing more on this matter from their constituents, let them know that the silence is due to their own contemptuous disregard of the loudest protest that has ever thundered at the door of the Capitol. Of course, this insult to public opinion comes in its worst form from the Senate minority. But the repealers, who claim an unquestioned majority, have wholly failed to convince the public that they have effectively used the power which that majority gives them. Timid fears of retaliation, respect for Senatorial friendships, super-sensitiveness about rules of debate, and temporizing regard for party interests or for secondary measures—these are a lot of the sort of excuses the suffering people are in a mood to accept in lieu of the prompt action they have so unanimously demanded.

We owe it to this Senate that the most urgent appeal ever presented to Congress has been treated with the most trifling disregard; and, with all respect to many highly honorable Senators, we owe it to the majority that this affront has been permitted. The ever-reiterated excuse that the majority "has not the power to force action" is not to be credited. If that excuse means anything, it is that repeal is a parliamentary impossibility; and if such really be the case, of course it is certain that the minority will defeat it. In that view, the position is as bad as it possibly can be, and it therefore can not be made worse by forcing a revision of the rules of debate forthwith. That is what the country now demands. If, with a two-thirds majority and the Vice-President on the side of the popular will, that will can not be put into execution at pleasure, everybody wants to know the reason why without further delay. The country before tolerance to factious obstruction. The salvation of trade before amenity to its enemies. An end to parley. War to the knife against factious obstruction. These are the demands of the outraged public sentiment.

Mr. ALLEN. It would seem from these excerpts that there is a purpose upon the part of the organized banks, the moneyed interests of the country, probably backed by the moneyed interests of Europe, to precipitate another panic. But fortunately for the country it has not yet been precipitated, and we have happily emerged from the great panic which threatened us, and which materially affected our prosperity thirty or forty days ago.

Passing, then, from that question, I desire as briefly as I can consistently with the full discussion of this question, to consider the failures in this country produced, as I believe, by a contracted volume of money. I have here prepared a table, running from 1857 to 1892 and embracing the first nine months of 1893, showing a constant increase in the number of business failures and a constant increase in the total amount of those failures in dollars. I have no desire to be wearisome in this discussion, but it occurs to me that this table is of so much importance that it ought to be read and I will take the pains to read it.

[At this point the honorable Senator yielded to Mr. WOLCOTT.]

Mr. ALLEN. When I was interrupted for a roll call I was about to read a table showing the number and amount of the business failures in this country from 1857 to the present time. Although the table may seem somewhat dry to Senators, I think it is of sufficient importance to be read, and I think it bears di-

rectly upon the proposition that business failures have increased with the decrease of the volume of money in this country.

Failures in the United States.

Year.	No. of failures.	Amount of liabilities.	Year.	No. of failures.	Amount of liabilities.
1857	4,932	\$291,750,000	1876	9,092	\$191,117,000
1858	4,225	95,749,000	1877	8,872	190,669,933
1859	3,913	64,394,000	1878	10,478	231,383,132
1860	3,676	79,807,000	1879	6,658	98,149,053
1861	6,993	207,210,000	1880	4,735	65,752,000
1862	1,652	23,049,000	1881	5,582	81,955,932
1863	495	7,899,900	1882	6,738	101,547,564
1864	520	8,579,000	1883	9,134	172,847,172
1865	530	17,625,000	1884	10,968	255,343,427
1866	1,503	55,782,000	1885	10,637	154,250,321
1867	2,780	98,668,000	1886	9,834	114,644,110
1868	2,608	63,694,000	1887	9,634	167,560,944
1869	2,799	75,054,051	1888	10,679	123,829,973
1870	3,546	88,242,000	1889	10,882	148,781,337
1871	2,915	85,252,000	1890	10,907	189,856,964
1872	4,069	121,056,000	1891	12,273	189,868,638
1873	5,183	228,499,909	1892	10,344	114,044,167
1874	5,830	155,239,000	1893 (9 months)	11,174	-----
1875	7,740	201,000,000			

Number in business in 1892, 1,172,545.

So it occurs to me, with all due respect to Senators who entertain a different view of this question, that there is some relation between the number of failures and the amount of liabilities, and the amount per capita of circulating medium in this country. There is a close relation between the two, and I think I am perfectly warranted in drawing the conclusion that the constant shrinkage of the volume of money has had a very large effect in producing the condition of business failures contained in the table I have read. It occurs to me that not only is that condition produced in some measure and probably in an important measure in consequence of the shrinking volume of money, but I believe the people of this country are thoroughly convinced that there is a very close relation between these two important facts, and so important is it that it seems to me I ought to call the attention of the Senate to it.

It appears to me that there is another thing which ought not to be lost sight of in the discussion of this question. We all understand that last year the peace of this country was almost constantly broken in consequence of riots and strikes. I remember the occurrences upon the North Pacific Railroad, at Coeur d'Alene; where the laboring people of that country were engaged in a lawful protest against the reduction of wages and the introduction of certain rules in the management of the shops. We witnessed the spectacle of Federal troops called out to shoot down honest workmen because they protested against the wrong.

No protest went up from any responsible authority in the country. The people deprecated it; the people knew it was wrong; and yet the military arm of the Government was resorted to for the purpose of shooting down honest men who protested against a system which was the natural outgrowth of vicious legislation, and vicious legislation upon this subject. We

all understand how it shocked the country. Not only that, but there was an invasion of Wyoming by a body of armed men. These things ought not to be encouraged by this country, all exhibiting constant disintegration, all exhibiting a spirit of defiance to our laws, all evincing a purpose on the part of certain moneyed interests in this country to rule it and its people regardless of the right.

The "rustler" out in Wyoming, who was the actual settler, who went out there and occupied the Government lands lawfully, and was there met by an armed band of lawless marauders, whose chief occupation was to unlawfully occupy the public domain and drive off every actual settler; and the military forces of the United States were appealed to again in behalf of a lawless band threatening the peace of the nation. Let us take a view of the condition of affairs in the State of New York. A great organization, the Knights of Labor, numbering hundreds of thousands of men in its membership, were denied the right to work for the New York Central and some other railroads because they belonged to a labor organization. I do not now recall the names. The Pennsylvania Central was one of the roads, if I am not mistaken; but at least by the New York Central; they were denied the privilege of working for that corporation.

For what reason? Because they had violated the laws of this country? No, but because they belonged to an organization designed to protect their lawful interests as citizens of this country. The same law that the corporation invoked for its own preservation was invoked by its humble employes, and yet those corporations were permitted to voluntarily throw out of employment thousands of men for no other reason than resorting to lawful combination to protect themselves, their wages, and their families. Then, when a railroad strike occurred in the city of Buffalo, what did we witness in the State of New York? A tin soldier, Peter Doyle, at the head of the military force of the State of New York, and at the same time, I think, the superintendent, or at least one of the important officers, of the corporation whose property it was pretended the military force was to protect.

Remember this man was an officer of the corporation, and at the same time he stood at the head of the military force of that State, and as a military officer, as a brigadier-general, or whatever he may have been, he led the tin soldiers of the State of New York against the honest workmen of the railroad which he superintended. It was a brutal and uncalled-for assault upon the organized and honest laborers of this country. I do not pretend to say that any person has a right to interfere with the property of another. I would not encourage that, but what I do say is that the laboring people of this country have a right to convene in a respectful manner and enter a protest against the existing order of things if they think it ought to be done. They have a right to combine together for the protection of their interests, just as much as capitalists have a right to combine together for the protection of their interests.

But you may take a few of the money sharks who get together in a back room in the city of New York, band together for the ruin of the great interests of the country and plan a blow at the prosperity of the nation that costs millions of dollars; yet that is called a consultation of financiers; but when the honest labor-

ing men of this country, who are driven to desperation sometimes, and who meet in the streets because they have no other place to meet, enter their protest against wrongs inflicted upon them, the moment they do this they are declared to be a mob, and are set upon by the police forces and by the military arm of the Government.

Then let us look at the disgraceful affair in the State of Pennsylvania. I hope the Senator from Pennsylvania [Mr. QUAY] will not charge me with saying anything against his State. There was the disgraceful affair which occurred in the State of Pennsylvania when the mills of Carnegie were evidently fortified, a great fence around them, with port-holes and everything indicating a purpose to defend the place against the honest workmen who were engaged in work there. The men who were engaged at work at Homestead were induced to go there, to locate, and to invest in property in consequence of the promise of Carnegie and his officers and managers that they should have employment in those mills, and it was not only a moral obligation but it was a legal obligation which, in my judgment, could be enforced.

If a man says to me "if you will come to a certain place, invest your money in property there, in consideration of that you shall receive employment by me," it is a legal contract which I can enforce, or at least for which I can recover damage if he violates it. It is not only a moral obligation, but it is a legal contract that may be the subject of litigation and recovery in a court of justice. Yet here were thousands of honest people who had constructed their homes that would be worthless to them as soon as they were out of employment in the mills. The moment they refused to have their wages cut down, the moment they began to murmur, as such people will murmur and must murmur, because it affects vitally the interests of their families, the moment they began to protest, the great Carnegie who lives in Clunie Castle, Scotland, most of the time, procured through his agents an unlawful force of marauders and banditti to come upon the shores of Pennsylvania under the false pretense of protecting his property. What ensued? One of the most disgraceful scenes that has occurred in this country for many a day.

Then, Mr. President, witness the great State of Pennsylvania calling out its entire military force, amounting to some thousands of men at least. I do not pretend to recull the number, but I think eight or ten thousand. All of this military force was called out for what purpose? For the purpose of stifling the cry of hunger and the cry of distress; for the purpose of overawing American citizens who were clamoring for the protection of their rights; for the purpose of overawing one portion of the people of this country who were unfortunate enough to be compelled to labor for a living in the interest of aggregated capital. There for a month or more stood the carpet knight Snowden with his forces overawing the honest citizens of Homestead. Not only that, but similar scenes have occurred all over this country, manifesting a disposition to ignore the rights of the common people. Those rights have been ignored; and the disposition is manifested to ignore them in the legislation which has caused a constant decrease in the volume of money.

But that is not all, Mr. President. In the New York World of September 11, 1893, from which I have just quoted showing

the turn of the tide, I find a singular contradiction. Here is the turn of the tide of prosperity, confidence being restored. Here is an article headed:

EVERY LOAF A LIFE—THAT IS JUST WHAT YOUR GIFTS TO THE PEOPLE REALLY MEAN—COME DOWN TO THE FREE BREAD HEADQUARTERS AND SEE FOR YOURSELF—YESTERDAY 5,332 LOAVES WERE GIVEN AWAY OUT OF YOUR FUND—SOME OF THE POOR WHO COME FOR BREAD—ALWAYS A PATIENT, WAITING CROWD, TOO TIRED AND TOO EXHAUSTED TO MAKE NOISE—CHILDREN WHO HAVE FORGOTTEN WHAT CHILDHOOD MEANS—LENA SHANDER COMES FOR A LOAF AND TELLS HER STORY—MRS. ANNIE MALZ HAS A HARD TIME KEEPING HERSELF ALIVE—BREAD IS ALL SHE WANTS, BUT IT HURTS WHEN THE BABY CRIES FOR MILK OR MEAT—LOUIS JACOBS DOING A WOMAN'S WORK AT HOME, THOUGH THERE IS NOTHING TO COOK.

The article shows the condition of thousands of people in the city of New York. It does not seem to occur to many Senators that that class of people are entitled to any consideration. It does not seem to occur to Senators that their condition is probably the result of vicious legislation.

Mr. President, I have not selected merely isolated cases of this kind. No later than September 29, a very few days ago, the New York World contained a short editorial on the subject of the poor of New York.

There is still a cry for bread in New York.

Is it not strange that in a country like this, teeming with wealth, there should be any class of people who are compelled by force of circumstances, outside of the mere accident of sickness or something of that kind, to beg for bread?

There is still a cry for bread in New York. Hungry crowds daily besedge the World's bread-distribution depot. Sometimes there is not enough to feed the hungry. Is not this a shame to the citizens who "have enough and to spare"?

This paper had been scolding the richer class of New York for a failure to come forward promptly and furnish the means for temporary relief for these honest starving people; yet the spectacle of thousands of men and women, boys and girls, going hungry and starving in New York, not in consequence of any fault of their own, of a refusal to work, of dissipation, or anything of that nature, but honest people going hungry; yet the papers of that city were compelled to criticise the action of those who were able to afford relief for not extending it. It speaks volumes for the charity and for the humanity of that class of people.

We know of no one who has looked upon the throng of those who come for bread who doubts the fact of great destitution. Want and suffering are apparent enough. There is no question of the keenness of the hunger.

There is no question about that. They were hungry.

The revival of business is not yet so general that all willing workers have an opportunity to earn food for themselves and their families. This class of unfortunates must be fed or starve while present conditions last. Have you done anything to keep them alive?

The article admits that they were honest citizens, admits that they were unfortunate citizens, and yet the same paper which publishes those items and calls for contributions of bread for the relief of the hunger of these people in New York, was at the same time clamoring for passage of an act which would aggravate the condition of that class of people and augment their number.

So in the New York Press of October 1, 1893, I find an article covering several columns, which I shall not undertake to read, excepting the head lines:

OPPRESSIVE TENEMENT HOUSE RENTS—WARD M'ALLISTER RECEIVES ANNUALLY \$4,225 FOR DWELLING PLACES FOR THE POOR ASSESSED AT \$2,500—WHAT THE PRESS INVESTIGATIONS SHOW—A MIXED GROUP OF LODGING HOUSES, STABLES, AND FRONT AND REAR TENEMENTS OWNED BY THE SOCIETY LEADER—GRIM HUNGER IN THE HEART OF THE BLOCK—THE SAD STORY OF MRS. HEWSON AND HER FOUR CHILDREN—THREE LITTLE ROOMS' COST—SMALL AND DIRTY AND FILLED WITH FOUL ODORS—HOW HIGH RENTS BEAR DOWN—DESCRIPTIONS AND INSTANTANEOUS PHOTOGRAPHS OF A FIRST-WARD RIVE WHERE THE BEES CAN NOT GET WORK, BUT PAY WELL FOR THEIR LITTLE CRANNIES IN THE COMB.

Here follow pictures which are horrible to look at, taken upon the spot. [Exhibiting.] There is the condition of a certain portion of the people who are admitted to be honest and worthy people, but unfortunate, and yet I have not heard one word here in the Senate in behalf of th it class of people.

Mr. PALMER. Will the Senator allow me?

Mr. ALLEN. Certainly.

Mr. PALMER. Words are the cheapest possible contribution to the poor. I have not spoken for the poor, because I have felt that words were valueless. The Senator from Nebraska has given words, but, so far as I know, nothing else.

Mr. ALLEN. The Senator from Nebraska always gives, as far as he is able, to the support of the unfortunate, and it has kept him poor; but, Mr. President, it is not a question of the administration of charity. Let me ask my friend from Illinois, however, why he is not willing to join me in the passage of some wholesome legislation—

Mr. PALMER rose.

Mr. ALLEN. Wait a moment. I ask why he is not willing to join me in some wholesome legislation, which will stimulate the industries of this country, give these very people the opportunity to earn an honest living and not compel them to eat the bread of charity?

Mr. PALMER. Within the limits of the Constitution, I absolutely will.

Mr. ALLEN. Certainly! starve according to the Constitution.

Mr. PALMER. I will give \$100 out of my pocket to relieve those very suffering people.

Mr. ALLEN. The Senator from Illinois is worth, I presume, four times as much as I am, but I will give a like amount.

Mr. PALMER. But I have no words to give. Words do not satisfy hunger. I get pretty tired in hearing gentlemen affect to have all the charity and all the sensibility because they favor giving to the poor from the property of other people, the property of the people of this country. I will give of my own, but I have nothing to give from the public Treasury, except in pursuance of very well-established constitutional principles. I do not know what I can do to give these people bread; but if the Senator has any scheme he can suggest, which is constitutional, by which these poor people can be provided for, he will have my earnest cooperation and my warmest sympathy.

But, Mr. President, the gentlemen who favor free coinage claim to be the friends of the poor. They propose to give the poor cheap money; they affect to be the champions of the farmers. May I be allowed to say, without giving offense to my friend, whom I will not offend if I can help it, that there is an enormous affectation of sympathy for the poor, and a very small amount of performance.

Mr. ALLEN. Mr. President, with all due deference to the Senator from Illinois, I know of no man upon the face of the earth who has any right to judge of my motives. I am responsible to a different authority than the Senator from Illinois for the motives which actuate me in what I do and say.

I am not like the Senator from Illinois—probably fortunately for him—I am not only willing to give of my means for the immediate relief of these people, but I am willing to indulge in some wholesome legislation for them. I am willing to indulge in some legislation which will give these people an opportunity to earn an honest living, and not be the recipients of the bread of charity.

Mr. PALMER. If the Senator will allow me, will he suggest the method?

Mr. ALLEN. I will suggest the method. Let the Senator join with me, and join with other Senators, in increasing the volume of money in this country until the money which is now being hoarded is driven into manufacturing, farming, and productive enterprises of different kinds, so that there will be a demand for honest labor, so that every honest man, woman, and child, under the flag of this country, shall have an opportunity to labor and earn a livelihood.

Mr. PALMER. Mr. President, if the Senator will allow me, I have lived fifty years in active life; I have observed the effect of these expansions of the currency, based upon fancy or fallacy, and I have never known them to produce any substantial or permanent results. My life was commenced under the Commonwealth-bank system of Kentucky; I saw afterwards the State-bank system of Illinois; I saw and I lived under stay laws and various legislation intended to give temporary relief, but they produced disaster, poverty, and distress. I have never known any other method by which prosperity can be assured except by giving to the people a stable, fixed currency, as uniform and as constant as it is in the power of human skill to devise, and giving to each man the equal, uniform compensation for his honest labor. If there is any other mode than this of promoting prosperity, I do not know of it.

Mr. ALLEN. Neither do I.

Mr. PALMER. I believe in giving to the country a uniform, stable currency.

Mr. ALLEN. Certainly, I agree with the Senator from Illinois as to that.

Mr. PALMER. And that currency should be as abundant as is consistent with the laws of the country; but I have never known public or private prosperity to be advanced by mere fictitious advancements of mere currency, of currency baseless and worthless in the hour of trial.

Mr. ALLEN. I object to the implication of the Senator from Illinois, that anybody is in favor of a fictitious valuation or a worthless currency. Certainly I am not in favor of it and I have said nothing to indicate that I was in favor of anything of that kind. I am in favor of every dollar in this country—to use the language of an ex-President—being as good as every other dollar.

Mr. PALMER. We agree there.

Mr. ALLEN. I am glad we do agree.

Mr. KYLE. Will the Senator from Nebraska yield to me that I may put a question?

Mr. ALLEN. Certainly.

Mr. KYLE. I should like to ask the Senator from Illinois if he thinks the interest of the poor people of this country was advanced by the demonetization of silver in 1873?

Mr. PALMER. I do not.

Mr. KYLE. Is it not true, upon the other hand, that by the demonetization of silver in 1873 gold was appreciated, and that the price of products was correspondingly decreased?

Mr. PALMER. It is not.

Mr. KYLE. Is not that the testimony of the best gold experts of Europe to-day?

Mr. PALMER. It may be testimony which satisfies any man who chooses to believe it, but I do not.

Mr. KYLE. Mr. Robert Giffen, secretary of the Board of Trade of London, and many of his distinguished colleagues take that ground to-day.

Mr. PALMER. Mr. Robert Giffen has the right to his own opinion, and I have the right to mine. I have known of no insufficient currency in this country.

Mr. ALLEN. I suppose the Senator from Illinois will accord to the balance of us the right to have our own opinions.

Mr. PALMER. I have spent my life in endeavoring to secure for myself and others the right of free thought and free speech.

Mr. ALLEN. I know that is true.

[At this point Mr. ALLEN yielded to Mr. SHOUP for a call of the Senate.]

Mr. ALLEN. Mr. President, there are many other interesting features of this question which I have failed to discuss, yet I think a sense of duty to other Senators, who have not yet had an opportunity to speak upon this question, requires that I should give way this morning to Senators who are prepared and who are desirous of being heard. I shall take occasion hereafter, if the opportunity offers itself, to submit some observations upon some important branches of this very important question, which I have not yet discussed.

England has no silver mines of any great significance. If she had she would look after her interests. She has immense interests in her gold-producing colonies, her Australian mines alone up to the year 1875 had produced gold to the enormous amount of \$1,250,000,000. From 1881 to 1888 Australia produced gold to the amount of \$180,000,000. From 1860 to 1888 the United States produced 1,706 tons of gold, worth \$1,190,200,000. From 1860 to 1888 Australia produced 1,706 tons of gold, worth \$1,038,200,000. Saying nothing of her large interests in the African gold fields.

Is it any wonder that England wants to strike down silver, one of our greatest interests? Knowing these facts, is it not peculiar that England should receive any assistance from the United States? If England had owned the silver interests of the United States, silver would not have declined as it has since 1873.

This is a Trojan horse; but underneath and behind this whole scheme I see two monster Shylocks, like Argus, hundred-eyed, and, like Briareus, hundred-handed. One of these is England, the other the Shylocks of Wall street and the East, both alike reaching out their long, bony, and merciless hands for their pounds of flesh, regardless of the welfare of the laboring classes

and producers of this country, regardless of the prosperity of this country, but interested solely and alone in their own selfish aggrandizement.

Shall we, the representatives of the people, stand idle and see them crushed beneath the wheels of this modern Juggernaut, or shall we strangle the Laocoon before it strikes our people and our homes? Let those who answer yes go read the Declaration of Independence and answer to the people. What has been the conduct of England toward this country that it should call for such efforts from us to advance her interests by increasing the value of her gold, of the bonds that she holds? What has she done for us that we should strengthen the sinews of the harpy hands of this colossal Shylock that has the debtors of the world by the throat?

Let us see what she has done for us.

On the 6th of September, 1620, the Pilgrims, driven forth from England by religious persecution, looked from the decks of the Mayflower upon the shores of their native land for the last time. For sixty-three days they were buffeted by the storms of the Atlantic. Then they landed upon a barren and hostile shore in the dead of winter, many of them weakened by their sufferings and dying from hunger, cold, and exposure; strong men were struck down by fever and consumption until but a handful was left of that brave band to carve the way of civilization in the Western hemisphere. By their iron energy they slowly prospered, warring with savage tribes and living under the charter (the first seed of the Constitution) which they made for themselves, and in which they covenanted together to live in peace and harmony, with equal rights to all, obedient to just laws made for the common good.

God alone knows the privation and suffering endured by these people and the people of Virginia while planting the first milestones along the highways of this great Western Empire. England did not object to the Puritans leaving their native land, but she did object to their taking money out of the realm. The common dictates of humanity would suggest that a people should have been treated kindly who had established themselves in a foreign land under such adverse circumstances, but as soon as the colonies began to prosper we find England, in 1651, passing the Navigation Act requiring the foreign commerce of Virginia to be carried on wholly in English vessels and directed exclusively to English ports, and a war vessel sent over to compel submission. In 1686 the royal governor of New England visited Hartford, invaded the provincial assembly while in session, seized the book of minutes and wrote "finis" at the bottom of the page. The royal governor of New England demanded the surrender of the charter of Rhode Island, and his demand not being complied with, he repaired to Newport, dissolved the government, and broke the seal of the colony.

The English governor exacted immense revenue from the people. The people complained, and the order went forth as follows:

If there is any more murmuring against the taxes, make them so heavy that the people can do nothing but think how to pay them.

The taxes continued to be levied upon the colonies without authority, and the protests of the people were treated with con-

tempt. The people asked that they be granted the right of electing a colonial legislature; the answer was:

That popular assemblages were seditious and dangerous: that they fostered discontent and disturbed the peace of the Government.

Where in the history of civilized nations do we find a parallel to the ruin of Acadia by the English? Three thousand human beings, wives and mothers, old men and children, driven from their peaceful homes at the point of the bayonet on board of British ships, their homes burned before their eyes, and the people carried away and scattered among the English colonies!

Early in the eighteenth century, in 1733, England treated the colonies to the Importation Act, then to the Writs of Assistance, or general search warrants, then came the Stamp Act and the Boston port bill; and the colonies, unable to stand further tyranny and persecution, shouldered their flintlocks and went forth to battle for freedom, death being preferable to further submission to the greed and selfishness of England.

No American will ever forget that long and terrible struggle from Lexington to Yorktown, in which the yeomanry, raw recruits, inspired by the love of liberty, often half fed and poorly clad, contended against the trained veterans and hired Hessians of England. Lexington and Bunker Hill, Trenton and Concord, Saratoga and Yorktown; Washington and Greene, Allen and Lee, Sumter and Marion will never be forgotten while a stone stands in the temple of American liberty.

In 1812 the domineering spirit of England having been asserted against our Navy, we went forth to do battle for free trade and our sailors' rights, upon the seas and upon the land, we fought the English and their allies, the Indians. The hired Hessian was hurled against us in the Revolutionary war, but a more savage agent was used against us in the war of 1812. The atrocities of the River Raisen stand without a parallel in the history of warfare amongst civilized nations; there the wounded American soldiers and the prisoners were left to the mercy of the savages who did their work of slaughter well, with torch, tomahawk, and scalping-knife. Failing to subdue us in war, they resorted to other means.

In 1811, when the charter of the United States Bank expired, the stock of which had been paying an annual dividend of from 8 to 10 per cent, it was discovered that the English had gotten control of nearly all the stock. Since then she has gradually gotten control of our carrying trade, bleeding us of millions of dollars every year. She has gotten control of large areas of our public lands, of immense tracts of our coal, timber, and mineral lands, which she has bought for a song, and from which she will reap immense profits. She has bought large interests in our most profitable flour mills, our breweries, stockyards, and manufacturing. She holds our bonds and has made millions speculating in them. She draws annually from the United States over \$100,000,000 in the shape of interest and profits alone. Notwithstanding all these things the agent of the Rothschilds now comes in the year 1893, in the year the Columbian Exposition, and the one hundred and seventeenth year of our Independence, and demands that our Secretary of the Treasury in these United States issue \$150,000,000 worth of bonds.

The rule of England is that rule of tyrants—coercion. This rule of coercion was used with iron hand against the colonies

until they, with almost superhuman exertions, broke the bonds that made them slaves. In 1812 we again fought against coercion, and now, in the year 1893, in this month of October, we find ourselves facing the same question. Horatius Cocles, single-handed, held at bay the army of Porsena while his companions cut the bridge and saved Rome, and then leaped into the raging Tiber with his armor on. There are, here in the United States Senate, many Horatius Cocles who will battle to the last gasp, like Cæsar's tenth legion, in solid column with shield overlapping shield for the rights of the people who eat their breakfast by the candlelight, and work from sun to sun, who swing the ax and the hoe, the pick and the shovel, the cradle and the hammer, and whose hands bear the marks of honest toil; and against the Shylocks and bonded aristocracy of England and the East.

When the gallant Montgomery fell in charging the batteries at Quebec, his last word was, "Forward!"

When brave young Lawrence fell wounded upon the bloody deck of the Chesapeake, he raised himself upon his arm and in feeble breath gave his dying orders to the gallant seamen, "Don't give up the ship."

Thank God that their spirit still lives and breathes and walks abroad.

When Mardonius, chief of Xerxes's generals, desiring to get control of Greece, made seductive offers to the Athenians, the Athenians would not answer until they sent for the Spartans, and this their answer was:

We are not ignorant of the power of the Mede, but for the sake of freedom we will resist that power as we can. Bear back to Mardonius this our answer: So long as yonder sun continues his course, so long do we foreswear all friendship with Xerxes; so long confiding in the aid of our gods and heroes, whose shrines and altars he has burnt, we will struggle against him for revenge. As for you, Spartans, knowing our spirit, you should be ashamed to fear our alliance with the barbarian. Send your forces into the field without delay. The enemy will be upon us when he knows our answer. Let us meet him in Bœotia before he proceed to Attica.

So far as I am concerned, I ask no favors and wear the collar of no man; and when the Shylocks of England, Wall street, and the East, and their coadjutors, ask that the rights of the people be surrendered, my answer, so far as I am concerned, will be that not one jot or tittle of these rights shall be surrendered while life lasts, if I can prevent it; we will meet them in Bœotia before they proceed to Attica, and we will not permit them to put their shirt of Nessus upon the back of American labor. We bid the Shylocks and money lords, here and hereafter, open and bitter defiance.