THE PANIC—ITS CAUSES AND ITS REMEDY.

1. Its causes—increased debts, depressed prices, and destruction of the bimetallic base of credit.
2. Its remedy—the restoration of bimetallism.

SPEECH

OF

HON. JOHN W. DANIEL,

OF VIRGINIA,

IN THE

SENATE OF THE UNITED STATES,

THURSDAY, SEPTEMBER 14, 1893.

The mint should stand on both metals.—*Thomas Jefferson.*

To annul the use of either of the metals as money is to abridge the quantity of circulating medium and is liable to all the objections which arise from a comparison of the benefits of a full with the evils of a scanty circulation.—*Alexander Hamilton.*

I am certainly of opinion that gold and silver, at rates fixed by Congress, constitute the legal standard of value in this country, and that neither Congress nor any State has authority to establish any other standard or to displace this standard.—*Daniel Webster.*

WASHINGTON.
1893.

SPEECH

OF

HON. JOHN W. DANIEL.

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. DANIEL said:

Mr. PRESIDENT: In these troubled and exciting times no one could fitly discuss the delicate and important issues now under advisement without possessing the spirit of the ancient Greek, who, in addressing his countrymen, prayed that no unworthy word might escape his lips.

Bringing to this task such a spirit, I bring also profound sympathy with every class of our fellow-citizens who have been smitten with the afflicting hand of an evil financial dispensation. I have no denunciation for banks or bankers, troubled as they are by a constricted and a contracted currency, finding as they do a gap between obligations and means of redemption which is enough to give them infinite anxiety and pain. Deeply also do I sympathize with our merchants and manufacturers, and deeply with labor, that is standing idle begging work, and hunger that is empty, begging bread.

Yet, Mr. President, we may indulge in some degree the comforting thought that the acute stage of the panic is now over, and although depression may long remain, business is already in a state of convalescence.

OUR AGRICULTURAL RESOURCES ARE BRINGING BACK GOLD TO THIS COUNTRY.

It appears from the Bankers' Magazine of September, 1893, which is fresh from New York, that the tide of gold has so strongly set in from abroad to this country that it is coming back faster and in larger quantities than it had gone out, and that by the last of August all but $20,000,000 of the $68,000,000 exported between January and July had all been reimported, with more on the way from London.

Doubtless some who look only on the surface of things will attribute this movement to the anticipated repeal of the Sherman law, but fortunately for the cause of truth it is the acknowledged fact, as stated in the magazine which I cite as my authority, that the distinct causes of the return of gold are well identified.

First. In the sharp decline in our imports of goods after the panic broke out, and the cancellation of further orders.

Second. In the vast exportation of wheat, flour, feed, and fodder crops, including corn, oats, barley, hay, mill feed, and bran, which have been taken by the United Kingdom and the continent in quantities hitherto unknown, until nearly all of the freight room for two or three months ahead had been engaged.

Third. Added to this, during the past month the corner in provisions in Chicago collapsed, and our hog products are now being exported in double the volume of any preceding month during the year.

And well does this financial periodical say that it was these three causes that turned the tide of gold this way so suddenly and in such volume, as it was the opposite condition preventing exports of the great staples for months before that sent gold out of the country instead to such an unprecedented extent.

The farmer is called by Prof. Sumner "the forgotten man." If we have forgotten him, thank God he has not forgotten us, but has rescued "our drowning honor by the locks" and is now redeeming the prosperity and the public credit of the country.

Now that the agricultural resources of our country have given a truce to the panic; now that it is demonstrated by this revelation that it was not the Sherman law that sent gold away from us, nor its expected repeal that is bringing it back; now that disabled banks are resuming operations, and that the increase of national-bank currency by $20,000,000 has aided in rallying the markets, we have at least time to explore the causes of the world-wide monetary disturbances, and to consider remedies which may tend to alleviate them now and to prevent their recurrence.

It was a maxim of the greatest nation of antiquity that in an emergency we should "hasten slowly." It would be well, perhaps, if the greatest nation of the moderns should remember and apply it.

THE GREAT CAUSES OF THE PANIC.

Mr. President, it is my purpose now to demonstrate, as I confidently believe I can, that the world-wide monetary convulsion which confronts us is due to three principal causations, whatever may be its phenomenal or provoking incidents. That is:

1. To the enormous increase of debts;
2. To the continuous and unprecedented fall of prices for over a quarter of a century; and
3. To the contemporaneous destruction of the bimetallic base of credit at the dictation of European kings.

I may remark here incidentally that it was the destruction of this base of credit in the Orient which precipitated this panic in the West.

I shall further show conclusively that Great Britain is the leader in the policies which antagonize our interests, with the open and avowed intent—

1. To aggrandize the creditors, who compose the ruling classes of her society;
2. To depress the prices of our agricultural products, which on the one hand contribute to feed and clothe her people, and on the other hand to support alike our foreign commerce and our public credit;
3. To destroy the great silver interests of the United States; and
4. To derange and minimize our financial system to a gold basis, in order at one blow to enhance the value of her Australian gold mines, and to increase the riches of her capitalists upon the wreck of our fortunes; and,

5. Finally, to make the United States, like Egypt and India, her financial dependent.

If I am correct in defining the chief causes of the financial trouble, and if I truly apprehend the policy of Great Britain, it will be evident that this crisis is graver in its nature and farther reaching in its consequences than any monetary crisis that the American people have ever had to deal with. If my premises be correct, this is a solemn and momentous hour in the Senate, one in which responsibility rises to the highest plane, and in which a mistake made through haste, incaution or otherwise, will become the seed of many woes.

FIRST CAUSE OF THE PANIC THE ENORMOUS INCREASE OF DEBTS.

I cite now in testimony that I have justly conceived the first great cause of this panic the following facts:

In 1880 the total private indebtedness of the American people was $6,700,000,000. In 1890 it was $19,700,000,000—an increase of thirteen thousand millions of dollars.

The funded debt of the railroads of the United States in 1880 was $2,392,000,000. In 1890 it was $5,463,000,000—an increase of 129 per cent. The current debt doubled in seven years. It is estimated that railroad debts exceed by $5,000,000,000 their assets. There is one terminal point where all the railroads concentrate—that is in the hands of a receiver.

The debts of telephone, telegraph, street railway, water, gas, electric, and other companies are vast beyond computation.

The mortgage debt in twenty-one States, as computed recently, was $4,547,000,000, without counting Ohio, Texas, California, and other States of less magnitude.

Within a decade the loans and overdrafts of national banks increased from $994,000,000 to $2,171,000,000, while those of other banks (exclusive of private banks) increased from $378,000,000 to $1,189,000,000.

The aggregate debt of the individual States, and their municipal divisions in 1890 was $1,135,210,000, or $18.13 per capita of the population, an increase of about $12,000,000 as compared with 1880.

Our National debt in 1892 is reported as $585,000,000 in round numbers, carrying an annual interest charge of $22,000,000.

It would require all of our currency, greenback, gold, and silver, more than ten times over, to discharge our private indebtedness. It would require all of our gold three times over to pay interest on it at 6 per cent. It is more than all the gold and silver produced in the world since America was discovered. These are stupendous facts which we should pause to contemplate.

THE INDUSTRY OF THE SHERIFF.

There is a plank in the Chicago platform which I have not heard read in this debate, and that plank recognizes one item of the overwhelming debt of our people as one of the causes of the great depression existing:

THE MORTGAGE BURDEN.

We call the attention of thoughtful Americans to the fact that after thirty years of restrictive taxes against the importation of foreign wealth in exchange for our agricultural surplus, the homes and farms of the country have become burdened with a real-estate mortgage debt of over $2,500,000,000, exclusive of all other forms of indebtedness; that in one of the chief agricultural States of the West there appears a real-estate mortgage debt averaging $165 per capita of the total population; and that similar conditions and tendencies are shown to exist in other agricultural exporting States. We denounce a policy which fosters no industry so much as it does that of the sheriff.

Mr. President, are we to turn the sheriff loose upon these people who have won the sympathy of the nation, and at the same time contract and take away the money with which they need to escape, if they can, from his clutches? Certainly we do not wish to make the auctioneer's red flag the flag of nations.

THE SECOND GREAT CAUSE OF THIS WORLD-WIDE TROUBLE IS THE CONTINUOUS AND UNPRECEDENTED FALL OF PRICES.

Mulhall, the great English statistician and commercial expert, writing in 1885, said:

It may be said that £4 now will buy as much as £6 in 1866, the fall of prices being about 30 per cent, but as regards the United States in particular we find a fall of 46 per cent, namely, from 170 to 91, which is greater than has occurred in any other country.—*Mulhall on Prices*, page 6.

If in 1885 the fall of prices in our country had been unprecedented, 45 per cent, what shall we say now when credits and debts are piled up into a Tower of Babel, and £4 of English money are buying what £8 and £10 would have bought then?

For thirty years indeed, Mr. President, there has been a steady decline in the prices of produce, nor has it afflicted alone the agricultural and laboring classes of our people. The manufacturer buying raw material and paying labor one year, has found expenses uncovered by the sales of the next. The farmer who plows and puts his seed in the ground finds next year that, though Providence has smiled upon him, the generous fruit of the soil falls short of compensation for his labor.

The merchant buys his stock of goods, down go prices and away go profits. The investor in bonds and stocks sees the security for payment part in value with the debt to be redeemed. This is the process by which slowly and surely the forces of ruin have been accumulated, and at last the crash has come.

THE ROYAL BRITISH COMMISSION ON DEPRESSION OF TRADE RECOGNIZES THE SITUATION.

Fifteen years ago there was a widespread feeling in Great Britain that an abnormal depression of trade had set in, which, unlike previous depressions, showed no signs of recovery. All available statistics were considered and laid before the keenest-eyed and ripest-minded men of the financial world. Commission after commission has inquired into the causes of this strange change in the world's affairs. The royal commission on the depression of trade, in 1885; the gold and silver commission which sat in 1887–'88, and now member after member of the International Monetary Conference at Brussels have all reached the same conclusion.

The commission on the depression of trade in 1885 stated the following definite conclusions, upon which all minds concurred

1. That the depression dated from the year 1873 or thereabouts.

A fatal year for the destiny of the human race, marked by the movement for the demonetization of silver!

2. That it extended to every branch of industry, including agriculture, manufactures, and mining, and that it was not confined to England, but had been experienced to a greater or less degree in all the industrial countries of the world.

3. That it appeared to be closely connected with the serious fall in general prices, which even then was most observable, though it has since been more strongly marked, resulting in the diminution—in some cases even the

total loss—of profit, and consequent irregularity of employment to the wage-earners.

4. That the duration of the depression has been most unusual and abnormal.

5. That no adequate cause for this state of things was discoverable, unless it could be found in some general dislocation of values caused by currency changes, and which would be capable of affecting an area equal to that which the depression of trade covered.

It is no silver crank; it is no advocate of illimitable fiat money; it is the sagacious counselors of the greatest nation of modern times except our own, who tell you and tell the world that this prostration of the world's agriculture, commerce, trade, and manufacture dates its birth with the hour that the money of the people was stricken down, and that they can account for it no other wise, save in the dislocation of the currency of the nations.

THE NEW FACTOR IN THE WORLD OF INDUSTRY, THE ERROR IN THE COMPASS, THE FOUNDATION OF TRADE GIVING WAY.

Sir W. Houldsworth, delegate of Great Britain, said before the International Monetary Conference recently held at Brussels:

During the last eighteen years an unprecedented fall in prices has taken place (not less than 30 per cent as measured by seven independent sets of index numbers), and yet there never was a time when, by the testimony of all engaged in agriculture, manufacturing, and other trades, confirmed by the reports of two royal commissions in England and by investigations elsewhere, the profit-earning power of every industry had more seriously and persistently declined, leading, as such a state of things must inevitably and ultimately lead, "to irregularity of employment, serious reduction in the rate of wages in every department of industry, accompanied by strikes and lock-outs and short time."

It is perfectly true that, before the great dislocation of values caused by currency changes in 1873, "cheap goods" (though I can not admit they were ever the "conditions under which profitable trade" existed) did lead to profitable trade subsequently. Consumption was increased and prices again rose up to or above their previous level. Then as a result of previous cheapness there was profitable trade. In the old days in Lancashire, before 1873, when we had (as we have had for the last five years) cheap cotton, cheap bread, and cheap money, an advent of good times was as surely expected and as surely came as sunrise in the morning.

But notwithstanding that we have enjoyed these advantages for a considerable time, we are still in the night of depressed trade.

Do not fancy, Senators, that you are the only unhappy people in the world, and that you have the illimitable resources of Great Britain from which to draw gold. She is "in the night of depressed trade." Do not expect light to come to America out of that valley of the shadow.

Is it not apparent—

Says this learned and distinguished gentleman—

on my friend's own showing, that a new factor has appeared in the world of industry? Things are not as they were. The reason is plain; the foundation has given way upon which trade rests. The standard of value has been altered, and it is to rectify "the error in the compass" that we are here to-day.

THE ACCURSED SINKING OF PRICES.

There were amongst other thoughtful Americans at the international Brussels conference Prof. E. Benjamin Andrews, president of Brown University, and here are the words he uttered:

Gentlemen, as I suggested, a second powerful consideration urges the thoughtful people of the United States to try and rehabilitate silver as money of full debt-paying power. It is this: They wish to stay that baneful, blighting, deadly fall of prices which for nearly thirty years has infected with miasma the economic life-blood of the whole world. They do not desire to debase the standard of value. They would have every debt paid in gold or its equivalent; but they do not wish gold to be arbitrarily and unjustly appreciated. The everlasting fall of prices, the act of sinking, is the accursed thing. None profit from it but such as are annuitants and nothing else, and we may be sure that no civilized state is going to legislate to keep prices falling, when the fall is once seen, as it must soon be seen, to injure all but the very few unproductive people who live upon their incomes.

THE EVILS OF FALLING PRICES.

There is no better statement of the evil results of the fall of prices than that of Prof. Marshall, of the Cambridge University, who says:

A fall in prices lowers profit and impoverishes the manufacturer while it increases the purchasing power of those who have fixed incomes. So, again, it enriches creditors at the expense of debtors; for if the money that is owing to them is repaid this money gives them a greater purchasing power, and if they have lent at a fixed rate of interest each payment is worth more to them than it would be if prices were high. But for the same reason that it enriches creditors and those who receive fixed incomes, it impoverishes those men of business who have borrowed capital, and it impoverishes those who have to make, as most business men have, considerable fixed money payments for rent, salaries, and other matters.—*Economics of Industry*, Book III, chapter 1.

DEPRECIATION OF WHEAT, COTTON, AND SILVER BULLION.

Now, Mr. President, I present in this connection a table showing depreciations of wheat, cotton, and silver since 1873, which tabulates the well-known and universally recognized fact that the great staples have gone down with silver bullion, and that the whole world is suffering under this "accursed" and constant "shrinking of price," with an enlarging chasm between means and payment.

Depreciations of wheat, cotton, and silver since 1873.

Year.	Wheat.	Cotton.	Silver.	Year.	Wheat.	Cotton.	Silver.
		Cents.				*Cents.*	
1872	$1.47	19.3	$1.32	1883	$1.13	10.8	$1.11
1873	1.31	18.8	1.29	1884	1.07	10.5	1.01
1874	1.43	15.4	1.27	1885	.86	10.6	1.06
1875	1.12	15.0	1.24	1886	.87	9.9	.99
1876	1.24	12.9	1.15	1887	.89	9.5	.97
1877	1.17	11.8	1.20	1888	.85	9.8	.93
1878	1.34	11.1	1.15	1889	.90	9.9	.93
1879	1.07	9.9	1.12	1890	.83	10.1	1.04
1880	1.25	11.5	1.14	1891	.85	10.0	.90
1881	1.11	11.4	1.13	1892	.80	8.7	.86
1882	1.19	11.4	1.13	1893	.50	7.2	.75

(3) THE THIRD GREAT CAUSE OF PANIC THE DESTRUCTION OF THE BIMETALLIC BASE OF CREDIT.

The third great cause of the panic is to be found in the fact that contemporaneously with the increase of debt, and cotemporaneously with the fall of prices, war has been waged ever since 1873 against the bimetallic base of credit, when the abnormal and unrelieved depression of trade set in. Since that time the foundation of credit has been narrowing, while the superstructure has been enlarging in weight and been growing higher. It has long been evident to my humble comprehension that a great crash would come, and now that it has come, it is equally evident that these were the causes.

ROCKS AHEAD POINTED OUT AND A CRASH PREDICTED LAST YEAR.

On April 20, 1892, standing where I now stand, I uttered my feeble note of warning; I would that I had been a false prophet instead of a true one; but I will repeat the words which I uttered then, as they are unhappily realized now. I said:

Mr. President, there are rocks ahead. We are drifting upon them. Presently the ship of state will strike them. No master of finance appears to save ship, crew, or cargo. Gold is the cry; gold, gold, gold, nothing but gold, although this is the greatest silver-producing nation in the world, and although if we had financiers equal to our opportunities we might dominate the financial markets of the world. The silver men alone seem to have any appreciation or even recognition of our situation.

They offer the only remedy that is offered to rescue us from financial depression and threatened financial ruin. If you do not like their remedy, the first step in which is the free coinage of silver, what do you propose?

Anticipating and foreseeing this crash, seeing that the financial ship of state was driving upon the rocks which have now split it asunder, and wasted its crew and its cargo, I appealed to the men to propose something, who say now they know it was the Sherman act, but did not know it then, and they had nothing to propose, but only opposed everything that anybody else proposed. I read again from my remarks of April 20, 1892:

The chief importance of free coinage lies in the fact that free coinage of silver is necessary to enlarge and fix the metal base of our currency and credit system. It is estimated that a small percentage of business, some say 3 or 5 per cent, is done on cash payments. The rest is credit.

Behind this credit is currency which must be used in liquidation, and behind all our volume of currency, which is itself for the most part Government credit, is the metal money held for its redemption. That metal money of redemption is claimed to be gold only. Now, the gold base of this vast superstructure of currency and bond credit, Government credit, and individual credit, is too narrow to sustain it, too narrow to admit of the increase in size and weight of the superstructure. If we continue to build up business on this narrow gold foundation, we will build to our ruin. The foundation will soon crumble under the overwhelming burden imposed upon it, and when the fall of the superstructure comes, as come it must, great will be the fall thereof. To-day we are piling up wrath against the day of wrath. We are sowing the wind, and the whirlwind will be the harvest.

At last the vials of wrath have been emptied upon our people! At last the whirlwind is the harvest from the wind that was sowed.

INCIDENTAL CAUSES OF PANIC.

The facts and opinions I have cited show the general causes of the panic. It has been undoubtedly attended by many incidents each and all of which have contributed to the crisis. The periodicity with which panics occur would indicate that there are inherent causes that tend to produce them. Prosperity begets extravagance, extravagance strains credit, credit contracts and hard times result, and then panic. Commerce has its cycle of prosperity, like everything else, and after it has run into extravagance and been succeeded by liquidation there comes again the process of restoration. Economic self-denial and restored composure check it. It then returns and runs its career until again checked by like causations. If our monetary and tax systems were all that might be desired, it is probable that we should have, either now or at some earlier date, the constriction of credit that results from overtrading, and painful conditions of financial hardships to experience.

THE NEW FACTOR AT WORK ON THIS PANIC.

But it is a fact that this panic is different from all recurring seasons of depression which the world has ever known. There is a "new factor" in it recognized by the most thoughtful and studious men. That new factor is the one which will prevent a restoration to normal conditions until it has been removed and normal and natural conditions have themselves been restored. That new factor is increase of debt, the "accursed sinking of price," and the destruction of the base of credit.

LACK OF CONFIDENCE.

(1) No doubt lack of confidence had much to do with the panic. Lack of confidence has had much to do with every panic which ever happened in peace or war since the world began; but it has generally been the pressure of panicky weakness which produced the lack of confidence, and not altogether the lack of confidence which produced the panic.

THE BOOMS, EXTRAVAGANCE, AND THE TARIFF.

(2) The booms in real estate, from Los Angeles, in California, to the suburbs of Washington, and the delta of the Mississippi to Sioux City in Iowa, from Virginia to Alabama, and from Texas to the North; the extravagance of the billion-dollar Congress, the great railroad extensions, the great hotel buildings, the thousand manufacturing enterprises all over the world which have anticipated population and wants not ready to be supplied—we have in these things some plain incidental causations of financial trouble.

3. The McKinley tariff bill has undoubtedly aggravated these troubles. It came at a time when credit was already strained. Vast stocks of goods were hurried into our markets to escape its burdens. Vast stocks of goods already on hand were affected in price, as European manufacturers were jostled out of their business, and American manufacturers alike. No change of tariff laws can ever occur without disturbing business; and as yet not a year has passed since the Democratic party with nearly unanimous voice was heaping upon the McKinley bill responsibility for financial disorder.

4. The element of uncertainty attending any change of tariff is an element of the present depression. A man may move from a hut to a palace, but his household goods must suffer during the removal, and his family subjected to momentary inconveniences that are inevitable; and although his condition might be much improved in the end, the transition state must be one of confusion and annoyance. Commerce loves certainty. Even a bad law, which all men know and adjust themselves to, is better than a state of apprehension and stagnation produced by doubt as to what the law will be.

CHANGE OF TARIFFS ALWAYS PRODUCE DISTURBANCE.

Says a distinguished author (Juglar) in a recent book on panics:

> Any change in our tariff laws general enough to rise to the dignity of a new tariff, has, with one exception in our history, precipitated a panic.

It is some comfort to see that he adds to that statement:

> This exception is the tariff of 1846, which was for revenue only, and introduced after long notice and upon a graduated scale.

If we are now in that condition of uncertainty between two tariffs in which trade must suffer, let us take some consolation from the thought that as in 1846, when the least trouble was experienced, so in 1893 we may move with a minimum of embarrassment to the changes of tariff which should be conservative and cautious.

THE RECURRENCE AND COINCIDENCE OF PANICS IN ALL COUNTRIES AND GOVERNMENTS.

It is a thoughtful remark of Mr. Juglar, the author, whom I have quoted:

> What must be noted is the recurrence and sequence of the same points under varying circumstances at all times, in all countries and under all governments.

This author gives the following table of the commercial panics in the past eighty-five years:

The coincidence of panics in the past eighty-five years.

France.	England.	United States.
1804.	1803.	
1810.	1810.	
1813–'14.	1815.	1814.
1818.	1818.	1818.
1825.	1825.	1826.
1830.	1830.	1829–1831.
1836–1839.	1836–1839.	1836–1839.
1847.	1847.	1848.
1857.	1857.	1857.
1864.	1864–1866.	1864.
	1873.	1873.
1882.	1882.	1884.
1889–'90.	1890–'91.	1890–'91.

From this table it will be perceived that the successive panics have resulted from conditions with which the whole world was troubled. Thus, in 1803–1804 there was a panic in England and France; so in 1810. In 1813–1814–1815 the panic was in England, France, and America at the same time; so in 1818 in the same countries; so in 1825–1826 in the same three countries; so in 1829–1830, and 1831 in the same countries; so in 1836–1839 in the three countries simultaneously; so in 1847–1848; so in 1857; so in 1864–1866. But, mark, in 1873, while the panic struck America and struck England, who were under the influence of the demonetization of silver, the cyclone was a zephyr in France, which retained the use of her ancient silver money.

In 1882–1884 the panic came here and in England and in France, for falling price and narrowing base of credit were being felt everywhere. So in 1889 and 1890 and 1891 it was in the three countries alike. Should we not pause to reflect here, Mr. President, before we throw the whole burden of this panic upon one isolated act of legislation, that panics have been world-wide before, and that this panic is world-wide now?

ONLY GREAT CAUSES PRODUCE GREAT EVENTS.

Let us recognize the philosophical thought that great events are always produced by great causations.

A spark may ignite a tinder pile or a powder magazine, or sweep the wild fire over the dry grass of the prairie. A lamp turned over in a stable may put a city in conflagration. The hunter of the Alps speaks in a whisper lest his breath shall jostle the gathered avalanche and send it whirling down the mountain side. Let us consider not only the spark, the lamp, or the whispered breath. These trite incidents and occasions could not start the great forces in motion unless the masses of combustion, or of winter's snow, were accumulated and ready for a trite circumstance to put their mighty vehemence in motion. We may put out the spark that made the conflagration; the hunter may draw in his breath after he has started the avalanche, but destruction is neither stayed nor repaired. To prevent recurrence we must remove the great causations or put them beyond the influence of trivial or accidental influence.

THE WORLD-WIDE DISTURBANCE DID NOT BEGIN HERE, NOR IS IT ATTENDED ELSEWHERE BY A SHERMAN ACT.

While the storm center of the panic is now in the United States, it is important to remember that it did not begin here, and that its incipiency can not be fastened upon the Sherman law. It began in South America, where there is no Sherman law. It swept over Great Britain, a gold-standard country, where there is no Sherman law, where English consols, payable in gold only, and having no fear of silver before their eyes, fell suddenly as securities fell here; where gold, unprotected from going to a premium by the single standard, commanded 13 per cent a day for its loan, in addition to 3 per cent per annum, and where the castles of the British money princes came tumbling down.

It swept on to Australia, whose people are the richest in the world per capita, and who have no Sherman law. It agitated Austria, Italy, and India, and is now giving Europe the chills, without the frigid presence of a Sherman law.

ALL ADVISERS NOT DISINTERESTED.

Mr. President, it might be well for us to remember that there are some who cry "Stone him, stone him," as to the Sherman law who are not entirely disinterested. Our friends, the enemy, the Republican party, are delighted to attribute the panic to the Sherman law in order to escape their responsibility for the McKinley tariff. The McKinley act goes quietly to sleep in the sheltering arms of the Sherman law, which soothes it to slumber. The gold monometallist is delighted to lay all the burden on the Sherman law in order to hide the work of his own hands behind it.

The bankers are, perhaps, interested to say "Sherman act," but their desire is to save the country by issuing more paper money, and by destroying the metallic base of credit in order to make way for its emission. We were told by the Senator from Ohio [Mr. SHERMAN] two years ago, that "the speculators" were the people who had prevented the wise operation of the Sherman act. Perhaps those speculators are again at work, and do not want the people to be relieved, in order to force the President to issue new bonds and give them a new basis of operation upon the market.

PREMONITIONS OF PANIC BEFORE THE SHERMAN LAW WAS ENACTED; 1888 THE INCIPIENT YEAR.

Let us look now at some of the premonitory symptoms of this panic. The panic began before the Sherman law was enacted. I call attention to the commercial failures and liabilities involved in the United States and in Great Britain alike during recent years, which show that their increase began before the Sherman act, and that they had been steadily accumulating, piling up until the crash came, although retarded by the Sherman act in coming to the crisis by the issue of more money from the Treasury of the United States.

Here are the failures and the liabilities in the United States for the last decade. In 1888 they sprang up from 9,000 to 10,000. They were over 10,000 in 1889, over 10,000 in 1890, 12,000 again in 1891, a little less in 1892; then they again burst up like the flames of a slumbering fire which die down and then catch dry timber and spread.

Here is the gathering avalanche:

Number and per cent of commercial failures and the liabilities involved in failures in the United States for each calendar year from 1879 to 1892 inclusive.

[From the annual circulars of R. G. Dun & Co., New York.]

Calendar years.	Number of failures.	Number of business concerns.	Per cent of failures.	Liabilities.
1879	6,658	702,157	.95	$98,149,053
1880	4,735	746,823	.63	65,752,000
1881	5,582	781,689	.71	81,155,932
1882	6,738	822,256	.82	101,547,566
1883	9,184	863,993	1.06	172,874,192
1884	10,968	904,759	1.21	226,343,427
1885	10,637	919,990	1.16	124,220,321
1886	9,834	969,841	1.01	114,644,119
1887	9,634	994,281	.90	167,560,944
1888	10,679	1,046,662	1.02	123,829,973
1889	10,882	1,051,140	1.04	148,784,337
1890	10,907	1,110,590	.98	189,856,964
1891	12,273	1,142,951	1.07	189,868,638
1892	10,344	1,172,705	.88	114,044,167

Just as the panic began to creep upon us here, starting in its severity in 1888, it began also in Great Britain, as appears from the Annual Statistician, page 608. In that same year there was a sudden increase of failures and liabilities there as here, the total for that year there exceeding any previous year since the stringency of 1883. In 1890 the stringency in Great Britain turned into panic. The panic began with the tremendous failures of the Argentine Confederation and with stringency in Spain.

When it was announced upon the bulletin boards that the Barings had failed the announcement fell upon America like a snowstorm in midsummer, and enterprise was suddenly paralyzed.

THE BLACK DAY OF 1890—"THE BARINGS HAVE FAILED."

I had personal reason to observe the moment when the panic burst upon us in its fury. I was in the city of Baltimore upon that very day, and was engaged in meeting, as the attorney for some friends in Virginia, certain capitalists in that city who were proposing to invest in my State a large sum of money. The preliminaries had been arranged, the outlook was satisfactory, and at 3 o'clock on that day we were to meet hopefully for final arrangements.

As we were going to the office where the transaction was to take place we looked upon the bulletin board and read the momentous news, "The Barings have failed." Instantly they said, "We must stop," and from that day to this, owing to our monetary trouble, which has its deep seat in gold-standard England, we have seen no hope save in the restoration of our American money.

CONDITIONS IN EUROPE AND AMERICA AFTER THE BARINGS FAILED.

Within the space of the two years following the financial markets of the world Paris, Berlin, New York, and London suffered severe shocks. As soon as the failure of the Barings was announced "the atmosphere was charged with storm in London. In New York a terrible financial crisis came at the end of October, and the beginning of November accumulated ruin and failure. The Stock Exchange felt the effect very severely; and

One great speculator, with assets of $50,000,000, had to ask for time to meet his engagements; the interest on loans was raised to incredible figures in

New York; 3 per cent a year was paid, with an addition of 13 per cent a day in London; and the stringency increased, and the liquidation at the end of October was marked by five failures.

These words I copy from financial sources.

In the United States the decline in railroad values was enormous, and in the Bankers' Magazine, for January, 1891, page 501, will be found an itemized statement of the decline in railroad stocks during the preceding six months, showing an enormous loss.

I will presently produce this table of the losses of securities in the United States, from which I shall deduce the conclusion that if there were a little more silver money in the world to sustain their price capitalists and investors would themselves be better off at the present time.

NO SENATOR ATTRIBUTES THE CONVULSION TO THE SHERMAN ACT.

It has been contended, though, that the Sherman law brought on the panic. But let me mark the fact, that while there is an outcry that the Sherman law has produced this panic, no Senator of the United States has been bold enough to make that declaration on this floor. Indeed, the able chairman of the Finance Committee, who is asking us to repeal the Sherman law, on the theory that it produced the panic, himself repudiates and denounces the theory invoked for the action, and tells us, what is the truth, that the American people have full confidence in all their forms of money.

Will anyone contend that it was the Sherman act which took gold from this country and is preventing it from coming back?

GOLD CAME TO US AFTER THE SHERMAN ACT.

I will reply in the remarks which I had the honor to make here January 7, 1891, six months after the Sherman law was enacted, and in which I pointed out that although it was an ill-concocted act, which I had opposed, it was then subserving a purpose of benefit to the people of the United States. I then read the following report, made at that time, from the Treasurer of the United States:

In the fiscal year—

He said—

1889 there was a loss of nearly twenty-six millions of gold, a gain of thirty-four millions of silver, and a contraction of forty-one millions in the national-bank circulation, resulting in a net decrease of thirty-three millions in the effective stock.

But mark the change in 1890 after the passage of the Sherman act.

The past year witnessed the recovery of fifteen millions of gold, an increase of forty-three millions of silver, and a withdrawal of twenty-six millions of bank notes, a net increase of thirty-two millions in the aggregate supply.

Commenting upon that report at that time I had the honor to say:

Thus under the silver legislation as it has emanated from this body you have seen the same thing happen that has happened with every increase of our silver circulating medium, that, instead of contracting the currency, just in proportion as the silver stream broadened and deepened so has the gold stream broadened and deepened, and that more silver, in the practical interpretation of finance, has invariably meant more gold.

Mr. President, if we turn back to the year 1878, at the time when the first impulse was given by the Bland act to the increase of our silver currency, we find that on July 1, 1877, not long before its passage, there was less than $200,000,000 of gold in circulation, in fact only $167,000,000, and that ever since then gold has been increasing just as silver has been increasing. The truth is, we see here illustrated the important fact of economic science that money produces money. Like to like is the law of affinity in all things the world over.

THE MOVEMENT OF GOLD IN RECENT YEARS, BEGINNING IN 1888.

Now, Mr. President, let us trace the movement of gold more definitely: Let us shadow its footsteps and see where it went and what it went for.

A heavy movement of gold from the United States commenced in May, 1888, the time when the commercial failures in England began, and, as the Director of the Mint said in his report of 1889, "has created a profound stir in the American commercial world, and excited some apprehension of a serious strain upon the gold stock of the United States, as this is the first loss of gold of any magnitude since the resumption of specie payments in this country." (Page 122, report of 1889.)

The Director of the Mint explains the movement by saying that displacements of specie from one country to another always occur when international accounts, established by the balance of trade, must be settled, and as the balance of trade between the period embraced in May, 1888, and September, 1889, was against the United States, the excess of the imports of merchandise into the United States over exports of the same amounted to $47,000,000.

THE MONOMETALIST WANTS GOLD BECAUSE IT WILL CIRCULATE ABROAD AND GETS IN HYSTERICS IF IT GOES ABROAD TO CIRCULATE.

You tell us, gentlemen, that you want a gold currency that is good and will circulate in all the markets of the world. Why, then, do you get so alarmed, why does Wall street get in hysterics, when it does circulate in all the markets of the world, according to your projection and according to the inevitable courses in the balance of trade? If you did not want it to be so that it would go abroad, and if the country is to be thrown into trepidation every time it goes to the point you aimed at, is it not evident that something is wrong; had we not better look out for some sustaining standard that will not run away so quickly from the people who want to use it?

We need gold, indeed, for our foreign trade. But why shall we not have silver, too, to rely on for our immense local trade? Why not balance and supplement the use of gold?

MOVEMENT OF GOLD FROM 1889 TO 1893.

The Director of the Mint further accounts for the movement of gold abroad at the particular time, 1889, of which I am speaking, by stating that some 120,000 people from the United States visited Paris during the exposition, and nearly all of them carried bills of credit, which necessitated settlement by New York bankers with their London correspondents. In this wise he explains our loss of gold, though he candidly confesses that the specific cause of erratic movements of gold is sometimes difficult to ascertain.

It will be seen, at least, that the movement of gold from this country commenced two years before the Sherman law was enacted, and its initiation can not be attributed to that measure.

In 1890, the Director of the Mint explains the continued movement of gold to Europe by citing three principal causes. There comes in the operation of the McKinley tariff law, which has been so much overlooked in this debate. The Director of the Mint says:

1. Importations of merchandise were heavy, in view of possible changes of tariff, so that exchange was in demand to pay for imported goods;
2. The South American disturbances had affected the London market:
3. The rate of discount was higher in London than in New York, and he

declares that it is probable that the movement of gold was facilitated by the readiness with which gold bars, of recognized weight and purity, can be obtained at the Government assay office in New York City, and he recommends that the act of May 26, 1882, which requires the Government to give in exchange, free of charge, gold bars for United States gold coin be either repealed or modified to the extent of making the exchange discretionary with the Treasury Department, and the imposition of a slight charge.

In 1891 the Director of the Mint again takes up the movement of gold, and on page 47 shows that in February of that year the movement of gold to Europe commenced again and did not cease until July, causing the most serious loss of gold which this country had sustained for years, amounting to $70,000,000 in six months.

In 1892, page 42, he makes a summary of the movement of gold, and, commenting on the large amount exported, concludes that it is "accounted for on the face of the prevailing rates of exchange by the continued efforts of the Austrian and other European governments to enlarge their stock of gold."

I here give now an extract from the Director's Report of 1892, which summarizes the matter:

SUMMARY OF MOVEMENT OF GOLD FROM THE UNITED STATES.

It may be interesting and valuable to recapitulate the movements of gold from the United States in recent years.

The heavy export of gold commenced in May, 1888, aggregating to July, 1889, when the movement ceased, $61,435,989.

In the summer of 1890 another movement commenced, which continued for only two months, with a total export, in that brief period, of $15,672,982.

In February, 1891, still another movement of gold to Europe commenced, which did not cease until the close of July, causing by far the most serious loss of gold which this country has sustained for many years. The total amount exported from the port of New York during these six months was $70,223,494.

In the month of February, 1892, gold exports again commenced and have continued until this time, aggregating from February 19, 1892, to February 15, 1893, from the port of New York, the sum of $90,728,839, an amount in excess of any prior export movement of gold from this country. The movement still continues, the shipments for the first six weeks of the present calendar year reaching about $20,000,000.

The amount of the exports is unusual, and is accounted for, in the face of the prevailing rates of exchange, by the continued efforts of the Austrian and other European Governments, to enlarge their stock of gold. It is said that inducements have been given by the Bank of France to obtain gold to replace some of its reserves that have been withdrawn.—*Report of Director of the Mint, 1892.*

So then, Mr. President, if the financial officers of this Government, who have related every movement of gold and who have explored every source of causation, know anything about their business, it is not the Sherman act, and they have never so contended, but the movement of the gold-standard nations of the Old World to draw further upon the supply of gold and to dislocate further the money of the people.

Thus, Mr. President, I have traced the movement of gold during the last year, and have traced it before and during the panic of 1890; I have shown that our resources are bringing it back now, with the Sherman law in force, and that its movement to England in 1888 was due to the stringency in the gold-standard nation not so much as in our own. Balfour has pointed out that it was from France and the United States, with their large silver resources, that gold-standard England found succor in her time of need.

PREDICTIONS OF THE EVIL INFLUENCES OF THE SHERMAN ACT—THE DAY OF JUDGMENT HAS COME.

Mr. President, I have no reason to defend the Sherman act. I was never a friend of it, nor it a friend of mine; our relations have always been considerably strained; and if I do not detain the Senate, I beg to read to it now what I said when it stood upon its passage:

If finance were the mere matter of a day I would give my adhesion to this bill. It is better, in my judgment, that this bill should become a law than that no bill should become a law, and will be better for two, three, or four years to come, in this respect: that it will increase the volume of your circulating medium, and will to that degree, for awhile, relieve to a certain extent the people of the country and do that much good. But this bill is a mere makeshift; it is a mere expedient for the nonce. It is a lawyer's plea, put in to get the continuance of a case; and when the witnesses are ready and the jury are about to give a verdict against his client, it is fancied that if you make this experiment with silver and put it there as bullion, and then put out some paper money, you will throw a sop to Cerberus; that you will quiet to some degree the anxieties and respond to the demands of the people for more money. But, Mr. President, there is a day of judgment not far off that will sit upon this bill.

On the one hand, it will soon be contended that this had been a mighty effort to restore silver, and that it had failed; that paper money was being emitted instead of hard money, and the first administration that could get the power to do it would go to work and contract that currency and draw in the greenbacks, copying the unhappy experience which this nation went through just after the civil war.

* * * * * * *

For two or three years, for a little while, this will in some degree please the people by the declaration that they have more money, and by actually giving it to them, but silver is not going to rise to par under this bill. New difficulties are going to beset and thicken upon our pathway. In the mean time it will be contended, just as we see the gold men undertaking to contend here now, in the face of law, in the face of precedent, in the face of the plain truth, that we have adopted the single standard.

The Secretary of the Treasury, instead of correcting his ill-conceived and misused language, will go along and declare again that our bonds are payable in gold. The world will be deceived by our action. The mystery of interpretation will evolve out of the smoke and cloud of this statute ideas not contained in it. The New York papers and the financiers of the world will so iterate and reiterate their views of it, it will be twisted and tortured and turned in this direction and that; and mean time silver will be degraded as a mere commodity to be warehoused, not a dollar of it being coined, not one dollar of it more being sent out in its paper representative according to its dollar capacity.

Mr. President, three years have passed since I had the honor to deliver those words and the day of judgment has come. And singularly enough it is the first time that I have ever seen a criminal driving himself to the gallows and singing songs of hallelujah over his self execution.

Every word of prophecy which I then uttered is now history, and a sad history at that. The bill, which I denounced as a makeshift, was so denounced by the national Democracy at Chicago, and is now confessed to have been such by its authors. It pleased the people for a while with the idea that they were getting more money, and by actually giving it to them, but it has run its course and the day of judgment has come, and none are now more severe in their judgment or more anxious to set it aside than those who propounded and passed it. While it was ostensibly a silver bill, and was called such, the contention that I predicted has been made, that while seeming to be for silver, it was really a sly quasi adoption of the single gold standard. The mystery of interpretation has evolved out of the smoke and cloud of the statute just as I anticipated, a construction at war with silver, and not in its favor.

The New York papers and the financiers of the world have so iterated and reiterated their views that it has been twisted and tortured in this direction and that, and meantime, the silver which it pretended to be the friend of, has been degraded as a mere commodity to be warehoused. Not a dollar of it has been coined beyond the limit fixed by the bill, and not a dollar has been emitted, even in its paper representative, according to its dollar capacity. Never did retribution follow so swiftly and so surely upon the ill-concocted measure of the time-server.

THE GOOD AND ILL OF THE SHERMAN LAW.

The Senator from Ohio [Mr. SHERMAN], who addressed us a few days ago, begged that we would give the devil his due and make acknowledgment of the virtues, while condemning the ills of the measure which has become associated with his name.

I have no hesitation in giving the individual his due as far as it can be administered in this world of abbreviated equities and small opportunities. It is undoubtedly the fact, and for my part I candidly admit it, that with all its ills, the so-called Sherman law did confer upon this country a substantial benefit. It must be remembered in considering it that it had a two-fold projection; the one was an effect on silver, the other on the volume of the currency.

In so far as it affected our currency, the result up to a recent date was beneficial. It helped to stay the panic of 1890, and to fill the gap caused by the flood of gold which went to the rescue of English investments when the Barings failed. It is in its effect upon silver that it has had the most injurious operation, and that effect has been caused not by any necessary operation of the act, but by that mystery of interpretation which I foresaw would be evolved out of the smoke of the statute.

WHY NOT REPEAL AND NO MORE?

My friends in Virginia have asked me, and gentlemen here have put the proposition to me, "no man was more opposed to the Sherman law than yourself, why shall you not vote to repeal an evil measure whose consequences you predicted and whose evils you denounced?" Mr. President, that is sophistry and not logic, Is there a man who having a ragged coat will throw it off in the dead of winter before he can get a new one? Is there a man who is riding a spavined horse and will cut his throat because he has not an Arabian charger to ride on? Is there a man with an old shoe who will fling it into the gutter and go barefooted upon the stones before he can make connection with leather and a shoemaker? Is there a peasant living in a thatched cottage through which the winds blow and the rains descend who will burn down his cottage in the midst of a snow storm because he has dreamed of a castle in Spain or a palace in the skies when he has nowhere else but in the cabin to lay his head?

Mr. President, I am not in favor of the Sherman law; neither am I in favor of going hatless, coatless, shoeless, barefooted, and naked out into this winter storm.

THE EFFECT OF REPEAL—THE BLAND-ALLISON ACT.

Let me ask as to the effect of its repeal, do you propose to restore the conditions existing at the time of its repeal in repealing it? Oh, no, you repealed the Democratic measure, the Bland-Allison act, which put forth $2,000,000 per month, by the Sherman act, and you propose now, by repealing the Sherman law, to destroy the Bland-Allison act, whose place it took, and not issue, as it did, the $2,000,000 per month.

REPEAL WITH A SUBSTITUTE DEMANDED BY THE DEMOCRACY.

Ah, but you say the Democratic platform said: "Repeal the Sherman law." So it did. It also said: "Repeal the McKinley tariff act"; but will you repeal the McKinley tariff act and leave us without revenue in the Treasury and with no tariff? Why, then, should you repeal the Sherman law and leave us with no law for continued silver money? The Democrats called for a reduced tariff instead of the McKinley act, and for coinage of silver and gold without discrimination instead of the Sherman act.

SOME TEMPORARY BENEFITS FROM REPEAL ACKNOWLEDGED.

Mr. President, I do not doubt that the repeal of the Sherman law would have some beneficial effect in many directions. It would give some immediate ease to business transactions, partially through the hurrah that would be made that confidence was now restored, partially also because there is no doubt that some capitalists who wish to force the country to its repeal have refused the loan of money until it is repealed.

Go to a bank, Mr. President, and ask to have your note discounted. "My dear sir, we will be happy to accommodate you, but let us wait until the Sherman law is repealed."

Transiently there would be some relief through the movement of money, either purposely withheld, or frightened into retirement. But this monetary effect would soon wear off. Existing mostly in the emotional nature of man, though to a degree promoted by a scheme to contract our currency, it would soon dissipate its influence, and the excited people who have been persuaded to expect great relief from repeal would ere long stand confronting the merciless conditions of a contracted currency without a corresponding contraction of either taxation or debt.

THE EFFECT OF REPEAL ON BUSINESS WOULD BE LIKE THE TEMPORARY INFLUENCE OF THE ACT ON THE PRICE OF SILVER BULLION.

The effect of repealing the Sherman law and putting nothing in its place would act upon our commerce very much like the passage of that bill acted upon the price of silver. Momentarily the price of silver went up under the influence of the declarations so vociferously made by the friends of the bill that it would go up, but when this influence was exhausted bullion again went down. I much fear that commerce would revive in very much the same manner under the influence of the declarations that the repeal of the law would revive it; but I also fear after this emotional influence was over it would again drop just like the price of silver dropped. The effect of the repeal in the excited condition of the public mind would be very much like the effect of a patriotic air of music on a column of weary and hungry troops. It would quicken their steps and lighten their countenances, and as long as the music lasted, the cheery feeling would run along the line, but when the music ended they would be weary and hungry still, and would quickly realize, as weariness and hunger increased, that they had a still longer march before them, and were still without rest or nutriment.

DEMONETIZATION PROPOSED IN 1893 AFTER THE FASHION OF 1873.

In the next place, we should remember that the unconditional repeal of the Sherman law is the abrupt and total discontinuance of silver coinage, and that it is fashioned after the Republican legislation of 1873, which we called demonetization because it quietly dropped silver from our coinage laws. That legislation went through the House of Representatives with a soft and catlike tread, and even the Speaker who sent the bill to the President of the United States, and the President of the United States who signed it, did not know it. But this demonetization, patterned on that very one which we have denounced for twenty years, will go through the Senate, if it goes at all, without a substitute, with the lion's roar.

PRESENT CONTRACTION OF CURRENCY UNLESS THERE IS A SUBSTITUTE.

Mr. President, the unconditional repeal would contract the currency. The people would soon realize that some fifty-odd million dollars, which the Sherman act supplies annually, would as suddenly stop its flow into the currents of trade. With a diminishing supply of money, is it not evident that the drooping energies of trade could not be long sustained, and that we would not profit by decreasing our resources at a time when the whole country is calling for their expansion?

WOULD NOT SILVER FURTHER DECLINE IN VALUE?

Let me ask the question if the absolute repeal of the Sherman law would not lead to a further decline in the present price of our silver bullion? There is a solemn statute upon the statute books of the United States to-day declaring for the preservation of both metals at a parity. I ask you to mark its phraseology: "Both metals." The writers of that statute knew the fact that if you would keep the metals at a parity the dollars would take care of themselves, and that you can not take care of the dollars without taking care of the metals out of which they are made. So it did not say it would keep the dollars at a parity, but would keep the two metals that make them at a parity, because then parity was in the very heart of nature established and insured.

Now, then, will that pledge be redeemed if we shall pass a law leading to the possible or probable decline in silver bullion? Our silver currency in specie and in certificates representing bullion is now about $600,000,000. They have declined some 40 or 45 per cent. Their further decline, and we can not estimate to what extent it would go, would futher separate bullion and legal values. This result will not only apply to our silver money, but would apply to the silver of the world.

Silver bullion fell under the operation of demonetization in Germany and the United States twenty years ago. It fell again abruptly under the demonetization in India but a short time ago. Would not history repeat itself if we followed those examples now? Certain it is that our British friends on the other side of the water are anticipating this result.

GREAT BRITAIN ANTICIPATES DECLINE ON SILVER FROM REPEAL WITHOUT A SUBSTITUTE.

In the report of the British commission, which is known as the Herschel report, it is said, on page 14:

> A strong agitation exists in the United States with respect to the law now in force providing for the purchase of silver. Fears have been and are entertained that there may come to be a premium on gold, and a strong pressure has been brought to bear upon the Government of that country, with a view to bring about an alteration of that law.

No one knows any better than our British friends, who wrote that report, how strong a pressure has been brought here; and certainly they ought to know, for they were the persons who assisted to bring it, and inspired it, and are still sustaining it now. This report continues:

> In December last a bill was introduced in the Senate to repeal the Sherman act, and another to suspend purchases under it.

That was when the honorable Senator from Ohio led off in this new anti-silver movement.

Whether any such measure will pass into law it is impossible to foretell—

Says the report—

but it must be regarded as possible; and although, in the light of past experience, predictions on such a subject must be made with caution, it is certainly probable that the repeal of the Sherman act will be followed by a heavy fall in the price of silver.

Again they say, page 26:

The closing of the Indian mints would no doubt make it more likely that the United States would give up buying silver, and if the apprehension of this were added to the cessation of the Indian demand, the effect might be a panic in the silver market.

Mr. President, it was a double-barreled gun that was shot at silver. It was of longer range than any that guards our native coast. The trigger was pulled by a gunner who sits near the British throne. One barrel struck in far-off India and another struck in the miners' camps of the West, aimed for the purpose of making that panic in the silver market which has ensued, and which will probably yet ensue if you do as they ask you, and repeal without any substitute the Sherman law.

It is possible that the decline in silver has been discounted. It is possible that the destruction of our mines may so lessen the quantity of production as that prices as at present may remain. No one can tell amidst such confusing conditions. But the proposed experiment is dangerous indeed.

WILL NOT INCREASE OF TAXATION BE NECESSITATED?

What next? Increase of taxation is another apparent probable consequence of the repeal of the Sherman law without a substitute. The British Commission on the Indian currency, page 40, points out this consequence from such legislation. It says:

The alteration in the relative values of gold and silver has so increased the liabilities of the Indian government, in comparison with its revenues, as to make it necessary, in the absence of other remedies, to impose fresh taxation.

The same effect is being felt here. There is shrinkage of revenue as money grows tight. There will be more shrinkage as silver is further degraded by the repealing bill, and there will be further shrinkage in property valuations as money and property value are further parted. Mr. Alfred de Rothschild acknowledged this in the monetary conference. Present assessments of real and personal property will have to be reduced and, meanwhile, the property-holder will be compelled to pay a tax no longer represented by corresponding value or productive power.

My distinguished friend, the chairman of the Finance Committee, evidently appreciated these facts as to the sequal of a repeal without a substitute, for in his speech he contemplates and argues in favor of two things: First, the repeal of the Sherman law; second, the creation of an income tax.

WILL NOT SECURITY-HOLDERS AND PROPERTY-HOLDERS SUFFER?

Security-holders and income-gatherers will here again find that not only are their securities reduced in value by a war on silver and by shrinkage in the property which supplies them, but a continuous shrinkage will follow the imposition of a new burden on them, nor will that burden cease when levied on them in the shape of an income tax. It must extend itself to embrace increased taxation on real and personal estate in the States. It will spread itself to the excises of the Federal Government, and to every department of State and municipal taxation throughout this nation. It was but this morning that I read in one of our journals that the experts were hard at work to see how much more revenue might be squeezed out of increased whisky and tobacco tax through the internal-revenue laws.

WOULD IT NOT LEAD TO REVISION OF PENSIONS AND SALARIES?

There is another result of this movement against silver which Mr. De Rothschild pointed out in the monetary conference at Brussels; which is that pensions will have to be revised and cut down.

Here is a war against your pensioners; not against the fraudulent ones, but against the bronzed and war-beaten men of battle, whom every generous heart the world around loves to see crowned with their country's honors and receiving its just rewards. You will have to cut down their pensions if you cut down the values which support them. The salaries of all the Government officials will have to be reduced next under the accursed shrinkage of the world's property, under the immense weight of a debt to which you deny the means of redemption.

WOULD NOT UNCONDITIONAL REPEAL LEAD TO FURTHER CONTRACTION OF THE CURRENCY OR INCREASE OF THE PUBLIC DEBT?

As soon as the Sherman law was repealed it would be immediately claimed that all of our silver money was a mere subsidiary money, to be redeemed in gold.

Our stock of gold in the Treasury available for redemption purposes is about $103,000,000, and it is now charged with the redemption of $412,000,000 of uncovered paper money. In addition to this, it would be instantly charged with the redemption, also, of some $600,000,000 of silver certificates and silver dollars, making over $1,000,000,000 of subsidiary money resting on a gold basis of $100,000,000, or an inflation of a billion of paper money on the unbankable basis of 10 to 1.

If there be lack of confidence now in silver money, would not that lack of confidence be immediately intensified? Would it be possible for this slender and overstrained stock of gold to redeem this vast volume of other money? Might not the shock which we now feel be merely a tremor compared to that which would possibly result from the contraction of our metallic base, it being impracticable with present resources in gold to support the redemption of so large a volume of money? Confronting that condition, two alternatives would be presented to us to follow:

1. The Congress and the President would be urged to withdraw the greenback circulation of $346,000,000, an idea which was recommended by Daniel Manning, when Secretary of the Treasury, and which may now lurk behind the silent statesmen who demand unconditional repeal of the Sherman act and no more, although none are bold enough to say that it was the cause of this trouble.

2. If this further contraction of our currency, with all the miseries in its train with which we are familiar, is not the mysterious plan behind this movement, then the increase of the national debt must become the other inevitable alternative.

In order to provide gold to save the Treasury, should there be a rush of silver or greenbacks for redemption, the issue of bonds would be proposed. Will confidence then be restored when the already overtaxed gold resources are thus assailed? On the contrary, confidence will be weakened, and those who have been urging the President to order or recommend the issue of bonds to provide gold will renew their demand, and it must be granted or the attempted gold system will collapse and fall and bury the honor of our country in its ruins.

PANICS CAN NOT BE ALLEVIATED BY CONTRACTION.

A panic can not be arrested by a contraction of the currency any more than a panic in war can be arrested by the abolition of troops. It occurs from lack of money; and if we were now to contract the currency by stopping the emission of silver or silver certificates under the Sherman act, and put nothing in its stead we would do a thing unprecedented in the history of financial legislation, and the very reverse of what England did when the recent failure of the Barings occurred.

HOW WE TREATED THE PANIC OF 1890.

In 1890, when the panic that has now burst upon us was threatening, it was retarded and prevented from then coming to a head by the action of the Secretary of the Treasury, who used the surplus to buy bonds, and threw a million dollars of fresh money into the New York market for seventy days successively.

This $70,000,000 which went from the Treasury was reënforced by the Sherman act, which sent nearly five millions a month, as the Bankers' Magazine, which I have before me, states; and such was the demand in New York for the notes that were printed under the Sherman act that the printers' press had to print them in hundred and thousand dollar notes. So eager was New York to devour them in the money famine that she could not wait for the press to turn them out in small bills. So we come to the rescue of the panic of 1890 with more money, and Great Britain recognized her emergency in the same way.

HOW GREAT BRITAIN TREATED THE PANIC OF 1890.

On September, 1890, when the Bank of England received notification of the difficulties of the Baring Brothers, they went at once to work to reënforce the falling market and supply it with money. By the 15th of that month the Bank of England had secured from a syndicate composed of the great London houses, and guaranteed that it would be protected from loss to the amount of £4,000,000 if it would liquidate the Barings' account, and had also secured from the British Government the right to issue seven millions of notes, provided that sum was used to loan the Barings.

Thus on both sides of the water, and according to universal experience, practice, and wisdom, they did not attempt to put out the fire by pouring on the oil of contraction, but they did help to assuage its flames by turning on the hose with more money.

PROOFS THAT WE NEED MORE MONEY.

We are constantly told by many of our advisers that this country does not need more money, that there is abundance in existence, and that the only trouble is that those who own it will not allow it to circulate, preferring to hoard it. The phenomena of the present situation, as well as certain settled conditions of the country, alike show that they are mistaken in their diagnosis.

THE MAKESHIFTS ARE SUBSTITUTES FOR MONEY.

That we need more money is evidenced by numerous current circumstances:

First. That all sorts of makeshift contrivances and inventions are issued to take its place—certified checks, interest-bearing duebills in large but unknown amounts, and in New York and Boston alone as much as $50,000,000 of clearing-house certificates.

THE NATIONAL BANKS HAVE INCREASED CIRCULATION.

Second. It is proven by the fact that the United States bonds are being hurried from all directions to be hypothecated at the Treasury as a basis of national-bank notes, and that the national-bank circulation based upon them has increased $20,000,000 since this panic began.

THE NATIONAL BANKS ARE ASKING FOR MORE CURRENCY.

Third. By the fact that the national banks and their patrons are all urging Congress to issue to them 100 cents on the dollar of currency instead of 90 cents, which they now have. Surely, if we had plenty of money these institutions, who would be the first to command its use, by reason of the guaranties which they can give to depositors, would not be knocking at the doors of Congress clamoring for more.

SOLVENT SECURITIES CAN NOT COMMAND MONEY.

Fourth. That there is not enough money is evidenced by the fact that the most solvent and certain securities can not command it. I have heard a gentleman within sound of my voice declare that he had offered $150,000 of first-class securities for a loan of $30,000, thus making the collateral 5 to 1. The situation is such that in all the money centers the question of safety in the security has no effect in commanding currency.

NO DISTRUST OF CURRENCY OR SILVER MANIFESTED.

Fifth. If it were distrust of the currency which led to its abstraction from the marts of trade, surely those who are afraid that it would spoil on their hands over night would be rushing, like a green grocer who wishes to sell his perishable fruits and vegetables while the dew of the morning is on them and ere they wither during the day. But, Mr. President, the people who are charged with distrust of their currency are hoarding away their silver dollars in their stockings and cherish them as the one thing in life to stick to now. Furthermore, it is said, there are capitalists who have got money and are afraid to risk it for fear of payment in silver. Why do they hoard it when there are millions of men who are ready to give them gold notes in return, and it is perfectly legal to do so?

THE HIGH PREMIUM FOR MONEY.

Sixth. If there were plenty of money, how is it possible that money commands so high a premium? How is it that if the silver dollar is avoided and distrusted, men are ready to pay a premium of from 3 to 5 per cent to get possession of it? How is it that the Secretary of the Treasury tells you that gold has been tapping at the door of the Treasury during this panic, begging to be exchanged for the silver dollars that lie there uncirculated and disused? How is it that the rate of discount is so high in London? All these phenomena point unmistakably to the fact that there is not enough money in the country or in the world.

SETTLED CONDITIONS SHOW WE NEED MORE MONEY.

The settled condition which needs to be relieved, and that which lies behind all of these phenomena, and most rivets the conclusion that there is not enough money, is the fact that there has been a continuous fall of prices in the staple products of the soil for a quarter of a century, the greatest fall of prices in such a time ever known in the history of the world.

Whatever tendencies of modern society may exist to promote the fall of prices, whether it comes from the increase of productiveness by machinery or the increased area of production or otherwise, the fact that prices have fallen from whatever cause, the fact that debt has so greatly increased from whatever cause—these two things reveal to you that between credit and redemption there is now a gap which the gold bridge can not cover, and it is necessary, no matter what may have been the causes of this recognized ill, to address yourselves to the unhappy condition and to endeavor to meet its equities in enabling the world to better bear its burdens.

UNCONDITIONAL REPEAL WOULD STRENGTHEN MONOMETALLISM.

Would not unconditional repeal vastly strengthen the cause of monometallism, and put bimetallists at a disadvantage? I will read just here from the report of Edward Atkinson, who was a special commissioner sent by President Cleveland to Europe during his first Administration to investigate the conditions of finance, and whose report, with Secretary Bayard's approval, was submitted to Congress some years ago.

It has seemed to me suitable to use every means in my power to remove the discredit of silver, and to call attention to the powerful forces which are now just beginning to act, but which can not fail to increase the demand for silver coin over great continents.

I have reason to believe that my efforts in this direction may have partly removed the dread of a prospective "avalanche of silver," as it is sometimes called, from the continent of North America, especially from the United States, and that this fear, which has been perhaps the most potent cause of the unwillingness even to consider the question of bimetallism may be wholly removed by the further investigation as to the relative production of silver and gold which may ensue.

Another dread may also have been removed, to wit, that of a sudden change of policy in the United States leading to the cessation of silver coinage, and also to the possible attempt to dispose of a considerable part of the present stock of silver coin. The people of Great Britain are so wholly unaccustomed to the use of any representative paper money of less denomination than the five-pound notes of England or the one-pound notes of Scotland, that I think there has been no real appreciation of the manner in which the silver certificates of the United States have passed into the circulation, or how easily they are now maintained at par in gold, taking the place of bank notes as they are disused, and of legal tender notes as they may be of necessity, rather than choice, withheld in the Treasury.

Thus it will be seen that he recites the European dread of our cessation of silver coinage and ensuing sale of discarded silver as one of the great impediments to bimetallism in Europe. This dread, which has so long retarded the opening of European mints to silver, would now become a realized fact and an immediate impending danger, for with the vast sum of discarded silver in our Treasury we would be enabled at any time to deluge Europe as she was once deluged by Germany, and she would understand and interpret our action as an abandonment on our part of bimetallism, and a falling into line with her movement to monometallism.

Those who in America have masqueraded as bimetallists would instantly unfurl the flag of monometallism. It would be heralded over the boards of exchange; it would be rejoicingly boasted by all the organs of the money power, that this country had deliberately discarded silver, and turned the prow of the ship of state toward the mainland of monometallism.

That honest and sincere bimetallists would abandon their cause, I do not believe; but instead of being masters of the situation, as they are here and now to-day, if they will but stand by the convictions which they have so often professed, they will be at the mercy of their enemies; instead of being nearer the end of their goal, they would have to begin anew their battle.

It would require an act of Congress to restore the field, and we would be where we were in 1873, when silver was first demonetized, with the disadvantage of knowing that it had taken place openly and deliberately.

MR. A. DE ROTHSCHILD'S VIEWS.

In this connection let me read the words of Mr. Alfred de Rothschild in the monetary conference.

To sum up the situation in a few words—

He said—

London being the center of the financial world, we have to be doubly careful to protect our stock of gold; but if bimetallism were introduced throughout Europe we should have much greater difficulty in doing so and should be obliged to increase our stock of silver whether it suited us or not.

So if America stands by bimetallism, England will have to stay nearer to bimetallism in order to protect her stock of gold; but if we go to the sole gold basis, with a knowledge that English investments in America may at any time contract the gold market and plunge us into a panic, it will be we who will be at the mercy of the British money kings, and not they within the range of our control.

THE REMEDY SUGGESTED BY DEMOCRACY.

Having now described the situation as I understand it, what should be the remedy? I will answer.

First. In general terms, more money; and that it should be silver money, as there is not enough gold, and too much paper already, is the inevitable conclusion which, as I think, should follow.

Second. Speaking specifically as to remedy, I would say the remedy which was recommended by the Democratic convention of 1892; that is to say, the coinage of gold and silver without discrimination against either metal, or charge for mintage.

Third. The removal of the tax of 10 per cent on State banks, that the people may employ their own energies in their own behalf; and, I will add, the banks, out of the very necessities of the case, have been employing them notwithstanding the tax.

Fourth. The reduction of the tariff to a revenue basis.

These plans stood the assault of their enemies in 1892, and was approved by the people, and the initial step should be the restoration of silver, because all our paper currency, whether issued by Federal or State government, must rest on a metallic base.

A SOUND AND STABLE CURRENCY SHOULD BE ESTABLISHED.

I am in favor of a sound and stable currency, every dollar of which should be maintained at par with every other dollar. This currency should consist of gold and silver, the hard metallic money of the Constitution to which our people have been accustomed for an hundred years, and also of paper money to such extent as it may be made redeemable and payable in gold or silver coin. Every unit called a dollar of the whole money mass should be preserved of an equal value with every other unit, whether the material which represents it be gold, silver, or paper. Any departure from these principles of sound finance is sure to bring confusion to commerce and to precipitate disasters upon all classes of the people.

As our mintage laws now stand no gold dollar pieces are coined, and our workingmen and retail dealers, who are compelled to take silver in quarters, halves, and dollars, by reason of the fact that gold is not coined in such valuations, are not guaranteed against their depreciation; they must inevitably suffer.

The power of Congress to pass all laws necessary to maintain the parity of all our dollars can not be questioned. The Constitution says it shall have power "to coin money and regulate the value thereof." This "regulation of value" should not stop short of the maintenance of the parity of all varieties of money.

THE PRESIDENT'S VIEWS IN HIS LETTER OF ACCEPTANCE COMMENDED.

The Democratic party has never preached any other doctrine than this, and in the Chicago convention of 1892 it gave to this doctrine explicit and emphatic utterance. When the President accepted his nomination upon the Democratic platform, he expressed himself in terms well chosen. Instead of adopting the precise language of that platform, he adopted its principles and he declared for the coinage of both metals well guarded by wise laws "on equal terms," and for the equality of their "intrinsic value or their purchasing power."

That utterance of the President in his letter of acceptance I commend. It is in a straight line with the platform on which he was nominated, and is a decided improvement upon it in clearness of language. Indeed, I welcomed the President's words for they took somewhat of the cloud out of the inapt phrase of the Democratic platform and put light in its stead; and it fixed his regard for bimetallism.

I was a member of the committee that framed the Democratic platform at Chicago, and at one time that committee had agreed that its declaration should read in favor of the "free coinage of both gold and silver, without discrimination against either metal, but the dollar unit of both metals must be of equal exchangeable value," etc., etc., to my best memory.

But it was contended that there were many who were prejudiced against the word "free," and who attributed to it a deluge of silver, and a more enlarged meaning than was necessary; that the words, "without discrimination against either metal, or charge for mintage," meant free silver coinage, and that in that shape and form it would be acceptable to the country.

Mr. President, a distinguished gentleman from New York, Mr. JOHN DE WITT WARNER, a near friend of the President, and who is now a member of Congress, and who attended the Chicago convention, has, in a recent speech, declared that this meant free coinage, and I presume there is no one who can read that language understandingly who can attribbute to it any other meaning than that.

WHAT IS MEANT BY SOUND AND STABLE CURRENCY.

When we use the adjectives "sound" and "stable" in reference to currency, we must remember that we are not applying them to an exact science. In the abstractions of mathematics we employ exact terms, and 2 equal to 2 is absolutely exact world without end. In things concrete equations can only express approximations. All men are equal, we say in political phrase. That means "before the law" only, for we know that in no respect are any two men equal otherwise. Even twins differ in every faculty and feature. No two leaves in the forest and no two grains of sand upon the seashore are "exact" counterparts of each other.

The words "sound" and "stable" as applied to money, mean simply that money must have fixity in its materials and equality of function or faculty before the law; and that the units of the mass be preserved at their parity of "intrinsic value or purchasing power." This is what the President has defined himself to mean, and this is what intelligent men everywhere mean when they use those terms.

THE PARITY OF MONEYS A LEGAL AND COMMERCIAL TERM.

The par of money or the parity of coins, it must be remembered, is a legal and commercial term. It does not mean that the law can or will maintain one gold dollar at all times and circumstances in parity with itself, for this is a world in which "the moth and rust doth corrupt," and the abrasion of the coin may destroy the parity with which it began with another gold coin of the same material and denomination, and may cause it to be rejected at its value.

When $100,000 during the panic was tendered at the Treasury in coin it lost $3,000 of its value by abrasion. So you do not mean by parity that you are going to preserve, guarantee, and keep at all times any dollar which you emit at a measurable equality with every other dollar.

A DOLLAR NOT A DEBT BUT A REDEEMER OF DEBT

Then, in the next place, parity of money does not mean that one metal dollar should be redeemed in another metal dollar. Such an idea has never had a place in the finance of any nation.

It is a modern invention, a reversal of all sound finance that ever existed, by the Republican party in order to destroy the value of silver. If the silver dollar be treated as a promise to pay a gold one why not write the promise on paper? If the gold dollar is redeemable in a silver one why not write the promise on paper? The idea that one metal dollar is to be redeemed in another metal dollar is an utter destruction of the meaning of the terms and a revocation of the dictionaries of all languages. It is done upon the assumption that a dollar is a debt. A dollar has never been a debt. It is not made for redemption but is made to be the redeemer. If the dollar is a debt then the United States is a repudiator, for the Treasury is refusing to-day to give silver dollars for gold ones.

If the silver dollar is treated as a debt, then also the gold dollar must be treated as a debt, else the one dollar is not at parity of function with the other dollar. Then one has a quality that the other does not possess. Then the two metals are not treated on equal terms. Then there is no sound and stable money, of which every unit is legally equivalent to every other unit.

If both gold and silver dollars be treated as debts, then the more dollars we coin the deeper we involve ourselves in bankruptcy. We would have to keep our silver money in the Treasury to redeem our gold dollars of debt. We would also have to keep the gold dollars in the Treasury to redeem our silver dollars of debt.

Then, too, bimetallism by which it is designed to make gold share the burdens of silver, and silver share the burdens of gold, would double the burdens it is intended to divide. Then our money, instead of being a sound and stable currency to circulate amongst the people, would become a stagnant Treasury pond.

BIMETALLISM AND ITS THEORY.

Mr. President, I am in favor of bimetallism, and bimetallism can never be established except by following its theory throughout all of its legitimate conclusions. Bimetallism, as I understand it, is the use of both gold and silver as money at a fixed ratio of value and as a legal tender for all debts and taxes, with equal rights of coinage at that ratio. Monometallism is the use of one metal as money. There is also a mixed system in which one metal is used as a standard and the other as subsidiary coin. This has been fitly termed humpbacked bimetallism.

TWO PREVAILING SENTIMENTS: 1. REPEAL THE SHERMAN LAW; 2. RESTORE BIMETALLISM.

I will call attention just here to an important fact. There are two sentiments in this country which have had the approbation of every political party in it. We have been at the millenium for more than twelve months on two propositions. They are to be found expressed or implied in every political platform; they have been advocated by nearly all orators upon the hustings. There is a consensus of the American mind on these two propositions; that the Sherman law shall be repealed and that you shall use gold and silver not in humpbacked bimetallism, not as subsidiary coin, but as standard money of redemption, sustained by wise laws, with a power to defend itself in the market and to discharge taxation and debt.

I stand here ready to carry out here and now both of these ideas. I repeat at this juncture what was said so aptly and well by the Senator from Mississippi [Mr. WALTHALL], that if you will but change the promise in the pending measure to the word "enact" I am now here to carry out the will of the American people as it has been interpreted through all three parties who have represented the people, and it can now be accepted so far as I am concerned without another word of debate.

THE ESSENTIALS OF BIMETALLISM.

But, Mr. President, speaking of bimetallism, let me say that under existing humpbacked bimetallism it is not intended to nor can it keep the two metals at a parity, for the refuse of the one not coined as freely as the other must at once fall to commodity value. It is necessary to bimetallism that these things shall be established:

1. That a ratio of value between the two metals be fixed by law;
2. That they be impartially coined at that ratio;
3. That they be made a legal tender for debts and taxes impartially;
4. That they be impartially collected and disbursed in payments;
5. That the more plentiful metal be freely used when there is a scarcity of one of them.

1. THE LAW MUST FIX RATIO.

The ratio must be fixed by law. This is because there is no natural ratio between the two metals, either as to amount or value. The production and supply of them is constantly varying in quantity. The demand for them is constantly varying in intensity. Were there no ratio fixed by law and enforced by law, in so far as it deals with them, the mercury in the thermometer would not be more changeable as temperature rises and falls than would be the value of those metals as the supply and demand rises and falls.

As conservatories, dwellings, and hospitals are kept at a certain temperature to preserve vegetable and animal life, so a ratio is fixed by law between the metals to preserve the parity between the units of the monetary mass.

2. COINAGE MUST BE IMPARTIAL—THE HAMMER TEST.

Unless the two metals be impartially coined at the legal ratio, it is evident that the one or the other must sink in value, and the one that is preferred in coinage will rise, and the one that is slighted must fall. Impartial coinage may be "free coinage," or coinage at an equal seigniorage.

Seigniorage is charged for one metal and not for the other; the one that has to pay it will, of course, fall in value, and the one that is given free coinage will rise. If one is given free coinage and the other denied the right of free coinage, of course the preferred metal will rise and the slighted metal will fall. As our laws now stand the legal value of gold can neither rise or fall, because the Government insures its legal value.

To say that it is stable is simply to say that measured by itself it is always the same before the law in the same measure. Anyone who has the quantity of grains that make a dollar can take it to the mint and it is coined into dollars for him at the expense of the public. Anyone who has the amount of silver which constitutes a dollar when coined can not have it coined in similar manner at public expense, or even at his own expense. In short, the law is partial to gold. Hit your gold dollar with a hammer and it becomes a shapeless piece of bullion. Take the disfigured lump to the Mint, and at public expense it is reshaped for you into a dollar. If you knock the life out of it, the law puts the life back into it; consequently, its life and legal value are guaranteed by law. Hit your silver dollar with a hammer, and the law will do nothing to restore it. It is flung aside as rejected and useless.

In other words, Mr. President, gold has a vitality and an immortal soul put into it by the law. Silver is left soulless like the beasts that perish.

Edward Atkinson has written an article upon this subject in the North American Review. He says:

> The only definition of good money is that it consists of coin which is worth as much after it is melted into bullion as it purported to be worth in the coin.

Admit it. He says "gold is good money because it is worth as much in bullion as it is in coin," and "silver is bad money because it is not worth as much in bullion as in coin." I admit all of the plain propositions of this great statistician and metallic philosopher. Why did he not add a word and say that the gold was as good in the bullion as a dollar because the American people would pay for putting it back into the dollar if the dollar was knocked out of it, and why did he not add the plain inference, that if the law will simply put the dollar in the silver it will always find sufficient silver in the dollar?

BOTH METALS MUST BE MADE LEGAL TENDER, IMPARTIALLY.

Evidently this is necessary, for if a man may loan one of many kinds of currency, and require gold in return, it is easy for traders to turn the country on a gold basis while the laws are declaring for bimetallism. Legal tender is the balance-pole of money. We leave the country like a dancer walking the golden rope without a balance-pole if we do not make both moneys full legal tender for all debts, and especially should it not be allowed that one money be loaned and another demanded. All this has been pointed out by Justice Miller in an able opinion in the Supreme Court well known, in which he dissented from the statutory construction of our legal-tender laws, and announced the true philosophic view of the subject.

4. THE TWO METALS MUST BE IMPARTIALLY COLLECTED AND DISBURSED IN PAYMENTS.

Unless there be impartial collection and disbursement one metal will be preferred by administrative influences disturbing the operations of an equal law.

5. THE MORE PLENTIFUL METAL SHOULD BE USED WHEN THE OTHER IS SCARCE.

To use that article which is most plentiful when another is scarce is the universal instinct of private and public economy, else we make more scarce what is already so, and discard the bounty which is ready at hand.

Peculiar circumstances may vary the application of these principles, but they are principles not to be ignored.

THIS IS A BIMETALLIC COUNTRY.

Mr. President, this country is in favor of bimetallism, and it is to its interest to be so. It produces about two-fifths of the silver of the world, and is the largest silver-producing and gold-producing nation.

The great men who framed our institutions were bimetallists. Our system was devised by Hamilton and Jefferson and approved by Washington; and it existed, flourished, and fulfilled its functions from 1793 to 1873, during a period of eighty years. While it led to some perturbations, these perturbations were readily corrected. When silver went away from us, gold stayed by us, and when gold went away from us, silver stayed by us, and using that metal which was more serviceable, we flourished as no other nation has ever flourished since time began.

BIMETALLISM CONTEMPLATED FLUCTUATIONS OF PRODUCTION.

Bimetallism was not fashioned upon the supposition that there would be equal production of the two metals, according to the ratio of value fixed. Jefferson and Hamilton knew just as well as we know now that when the system was established the production would necessarily vary thereafter as it had varied before.

And it was because of the fluctuations in production of both metals that bimetallism, rather than monometallism, was adopted. If we had a monometallic gold basis, and our exchanges, assessments, and taxes were based solely upon gold, any decrease in the production of gold would be calamitous, and any hoarding or cornering of it would be equally so; for the moment the gold stream ceases to flow into the channels of trade there would be utter stagnation of commerce, with panic and bankruptcy impending.

So, if only silver were used as money, any causation which curtailed its supply would be disastrous.

One hundred years ago, when we stood upon the threshold of our career as a nation, these facts were fully comprehended by the sagacious men who framed our monetary system. They knew that, in the nature of things, the supply of gold would fluctuate, and that the supply of silver would fluctuate, and they concluded that these fluctuations would be less shocking to society if our system were built upon two metals rather than one. If the supply of gold failed, the supply of silver might be bountiful. If silver failed, gold might be bountiful, while, in the long run, through the tract of many years, there might be an approximate equality in the production of the two metals. In the history of our country from 1792 to 1892 their wisdom is demonstrated.

For the first fifty years, or from 1792 to 1841, the production of silver in the world was greater than that of gold. From 1841 to 1848 gold predominated. In 1849 silver a little predominated. In 1850, owing to the discoveries of gold—in Australia and California—gold production took the lead and held it for thirty-two years, until 1881, when the two metals were nearly equal. In 1882 silver took the lead and still leads it. But when we sum up the whole tract of time from 1792 to 1893 we find that throughout that period the production of gold has been $5,633,900,000, the production of silver $5,104,961,000, a total of $10,738,869,000, in which vast sum gold exceeded silver by $528,947,000. This small variation in so long a time shows that present troubles are not due to fluctuations in the production of the metals.

A SINGLE STANDARD CAN NOT MAKE A SOUND AND STABLE CURRENCY.

The experience of the world has shown that a single standard of gold or silver can never make a sound or stable currency. In single-standard Great Britain the price of gold has varied thirteen times within a single year. Gold goes to a premium in itself at some junctures. Statistics show that there is more fluctuation in the value of one metal used as money than can occur with two metals used as money.

SINGLE STANDARD DOES NOT PREVENT PREMIUM ON GOLD.

There seems to be some vague dread going on in this country that if you have the full coinage of silver gold will go to a premium. Gentlemen, you are dreading something that has already happened. You are afraid of a ghost which has already flitted before you. You are afraid of a ghost which the single standard does not prevent from troubling you again. If the premium on gold is not expressed in another metal it will express itself in gold, and while at the single standard. Although it would seem paradoxical to say so, you can never keep gold at a parity with itself. A premium of 13 per cent on gold has recently obtained in gold-standard England. Why do you say, then, that you dread the coinage of silver because you will have to pay a premium on gold. Is it not already being required in all countries whether of the single or double standard, and does it not show the scarcity of gold? You will eventually reduce the premium gradually on gold if you have silver. Why? Because gold will not have that monopoly that it enjoys when you have silver.

ILLUSTRATIONS FROM MECHANICS AND NATURE.

The bicycle turns over with the slightest jostling, and the two-wheeled carriage moves smoothly along, even if there be not mathematical exactness in the perimeter of the two wheels. A one-legged man must hop unevenly in his gait, but a two-legged man may go at an even gait, even if one leg is a little shorter than the other. The two ears of man are never precisely the same in detecting sound, but each ear rests the other, and both together are more astute than one. There is hardly any man who has not some stigmatism of one eye or the other, yet each eye rests the other, and human sight is keener and more enduring from the possession of the two organs than if we were a one-eyed Cyclops race.

The price of coffee is steadied by the production of tea; the price of corn by that of wheat, rye, and oats; the price of beef by that of pork; the price of wool by that of cotton; the price of brandy by that of whisky and wine; the price of railway transportation by that of water transportation. In short, the value and use of everything in nature is affected by the value of other things which have a similar use. And the Creator of the universe, wisely providing against perturbations, or reducing them to a minimum on their ill consequences, has not relied upon a single standard in anything for the continued processes and progress of the world.

DEAD SILVER BULLION AND LIVE SILVER MONEY HAVE NO RATIO.

The Senator from Oregon [Mr. DOLPH] yesterday uttered a great argument against silver upon the idea that silver bullion was depreciated. What has silver bullion rejected and depreciated got to do with live silver? There is no more comparison between silver bullion refused and discarded and the silver that is invested with debt-redeeming and tax-paying power than there is between "the dark, deserted house" when the soul of man has gone from it and man created in the image of his Maker with his senses keen and his intellect bright and his energies summoned for effort and encounter.

WHEN IT IS MOST CERTAIN THAT REFUSE BULLION, IF COINED, WOULD RISE TO PAR, IT WILL BE CHEAPEST. UTILITY MAKES VALUE.

The following proposition, which I now make, will seem at first blush a paradox, and yet no proposition is more capable of demonstration, either by logic or by the observations of experience. The proposition I make is this: That at the time when it is most certain that bullion, if coined, would rise to par value, that portion of bullion which is refused the right of coinage will be cheapest, and may indeed be cheaper than staple commodities of consumption, because it is a luxury and not a necessary of life.

At the time when money is most dear men are ready to make the greatest sacrifices to get it. They will sell property for a song. They will make superhuman exertions of labor. They will do anything in reason to get the one thing that will relieve them from oppression of debt and taxes. At such a time all property values are lowest, and as the bullion that is denied the right of coinage is mere useless property, unless used in the arts, it is quite certain that it will be lowest at the time when money is most dear. Aye, it will then, in all likelihood, be cheaper in proportion than wheat or corn, or meat, which men must get in order to live, or than wool or cotton, which they must also get in order to be clothed. It becomes a mere luxury, useful only in jewelry and in the arts of ornamentation.

Men forego such uses in hard times, and hence the refuse bullion will fall below the plane of value of the things which they must have. It should be borne in mind by those who seek understanding of the money question that it is only the refuse bullion that is low in value. Let a man order a suit of clothes, and have a scrap of cloth left over; let him buy bricks for a house, and have a pile left over; let him order a dinner and leave a dish but partially tasted; let him build a bridge, and have enough timber to build a span left over. Does not everyone know that although the intrinsic elements of cloth, of brick, of food, of lumber are all still there, that they have been, by the refusal of use in the manner for which they were procured, suddenly dropped in the scale of value, to be sold for a song to the junk dealer or the scrap hunter?

Who cares for the silver scraps that are not made into money? Who would turn on his heel to pick up the discarded and rejected metal? But, the next day, let the man who got the suit of clothes need more cloth and be unable to get it; let the man who built the house need more brick for an addition; let the man who feasted be hungry and without food; let a span of the bridge be swept away by high waters, and at once that which would have been thrown into waste finds its value restored by the circumstances which surround it. The muskets of Grant's and Lee's armies had every intrinsic element in them the day after the surrender of Appomattox that they had before, but where was their value? The old warships of the world had every element of intrinsic value when the iron-clads came upon the deep that they had before, but where was commercial value when they were no longer useful? It is utility that makes value.

When we destroy the utility of silver you crush out of it the elements of value that it possessed before the destruction. It is we, not silver, that is to blame that it is discarded and refused to be made into money at a time when the hungry world is holding up its hands and begging us to give it the silver tool to work with the silver redeemer to relieve the bondage of debt.

FIXITY IN VOLUME OF MONEY DOES NOT MAKE A SOUND AND STABLE CURRENCY.

Fixity in volume of money is not an element of a sound and stable currency. On the contrary, fixity in volume would destroy it. Population, business wants, products, increase every day. The volume of money is the measure of their value. If money remain at a fixed figure, while its uses increase, prices go down, money goes up, and soundness and stability are lost. A ship must be sound and stable in all its timbers, but if it is so rigid in its course that it will not rise and fall with the waves it is not a sound and stable ship, but one that will go to the bottom in the first storm. So with money. If it does not increase in volume with multiplied uses prices will fall, and if it decreases with falling prices panic is inevitable.

LIMITATION IN VOLUME OF MONEY NECESSARY.

But while fixity is fatal to the beneficent functions of money, limitation to its volume is indispensable.

But for the limitation money would lose all value.

If golden or silvery apples grew on trees, who would care for them? If diamonds fell in rain showers or grew like daisies, who would care for them? Would their "intrinsic elements give them intrinsic value"? Oh, no. For if everybody had them in abundance they would give nothing for them in exchange.

The natural limitation upon the production of the precious metals induced mankind to make money out of them—that is to say, the two things combined: 1. Their intrinsic elements, which are capable of manifold uses; 2. Connected with the limitation upon their quantity which nature has made—and out of their suitability for purposes of exchange grew up the almost universal theory and practice of bimetallic money. In this we contemplate and take the chances of nature, the equitable mother of us all.

IF NOT SILVER MONEY—WHAT?

If we do not increase our money in silver, what are we going to increase it with? What else is there to look to? There is a condition and not a theory for us to confront. If any are opposed to increasing the money of our country in silver, let the chairman of the Finance Committee—let some of these able statesmen who recognize their responsibility to meet this condition—answer my question and let me carry to my people some information or hope. If you will not take silver, tell me what will you take? Is there any one here who can answer me? "Don't everybody speak at once." [Laughter.] In lack of information as to anything else, I must confront this condition as best I can with all my imperfections of information and experience.

SILVER OR PAPER THE ALTERNATIVE.

It is either silver or paper we must choose. Then who is it who stands here for sound and stable money? It is not you who are proposing to embark this country now with its billion of paper money with only $100,000,000 of gold to redeem it upon a still broader expanse of paper? You can not call yourselves advocates of sound and stable money with such a plan before you. It is the monometallist who proposes to carry our people again upon the dark, uncertain, unsound, and unstable waves of more paper money; without a sufficient metallic base, or, in the other alternative, he does not propose to give the people any at all. It may be that this is the idea. If that is the proposition it has never been disclosed; but hope has been held out that we will come to silver after awhile. When?

GOLD INSUFFICIENT, WHY NOT SILVER?

Why shall we not have free coinage of silver, or coinage on equal terms, properly supported now; and why should trade be alarmed at the idea of restoring a money to which we were accustomed for eighty years? Evidently gold is insufficient as a basis of a larger amount of paper money. Then we have an insufficiency to sustain the volume of money necessary in the discharge of such vast debts as are due from our people.

In 1892 the United States produced $33,000,000 of gold, of which $16,000,000 was used in the arts, and there was little difference in the figures of 1891, leaving in each year not as much as $16,000,000 to go into coinage from current stock.

The world's product of gold has only been $130,000,000 in 1892, $120,000,000 in 1891, and $113,000,000 in 1890, and with probably about one-half of this quantity consumed in the arts. It is quite evident that if we were looking to gold alone to rescue the world, and if the whole world should go on the gold standard—England on the gold standard, Germany on the gold standard, Austria on the gold standard, Australia on the gold standard, and France quivering upon the edge of the gold standard—if all these great nations are to be gathered around the small lump of

$60,000,000 of gold per year, this is indeed "a dainty dish to set before the king"—this is the seed of anarchy, despotism. and ruin.

The paper money of the world now is about $2,500,000,000.

NO JUST FEAR OF SILVER DELUGE FROM EUROPE.

Ah, you say, there will be a deluge of the silver of the world to America. I wish I could believe it. I should be still more in favor of silver than I am now, for I think a little deluge is just what the famishing and crying world is needing; but, Mr. President, there is no such hope. Are the opinions of our financial experts worth anything? Did Secretary Windom know what he was talking about when he advised the American Congress that there is no accumulation of silver bullion anywhere in the world; that Germany had long since disposed of her stock, and that there was no danger of an avalanche?

In a report which I have, but will not read in full, it appears that the fact is, so far as a deluge is concerned, that Europe has some reason to fear, but we none. Why? Because we are a silver-producing nation and a silver-possessing nation, while Europe is not silver producing and can not share what she is using.

THE EUROPEAN FEAR OF SILVER DELUGE NOT UNFOUNDED.

Europe is naturally afraid that we are trying to unload our silver upon them, but we know that they have little or no silver to unload upon us.

Here is an instructive statement from Secretary Windom's report of 1890:

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

NO AVALANCHE POSSIBLE FROM PAST PRODUCTS OF SILVER.

The Secretary continues in his report:

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

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

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

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

And I may well associate with this statement the following remarks and analytical statement of W. P. St. John, esq., president of the Mercantile National Bank of New York. Says he:

Indisputable records prohibit the assumption of an excessive production of silver in the world. The entire world's coinage of silver during any period of five years, counting our Treasury absorption as coinage, has exceeded by average the annual production of silver. For the five years ending with 1889 the average annual coinage of silver has exceeded the annual production of silver by $10,700,000. In 1889 the production exceeded the coinage; but in 1890 (for which I have not figures) our required Treasury absorption was enlarged. The world's records thus manifest a recoinage of foreign moneys by one or more nations, for which a sufficient explanation is India's and China's absorption of Mexican dollars.

Estimates, too moderate to be disputed, of the world's annual gross requirement of silver by average of the five years ending 1889 (ending 1890 for India), are as follows—all at our coin value:

Art consumption in Europe and the United States	$32,500,000
Art and money use of silver in China, Japan, Ceylon, and Africa.	17,000,000
Retained at home, of their annual production, by Mexico, Central and South America, exceeding	8,000,000
Spain and Austria's full tender and subsidiary, and the subsidiary coinage of the other continental States	12,500,000
British India's net absorption, exceeding	35,000,000
United States mint absorption prior to 1890, about	32,500,000
World's average annual requirement of silver prior to our purchase act of 1890	137,500,000
Increase of United States requirement now 54,000,000 ounces, coin value $70,000,000, less $32,500,000	38,500,000
Total average requirement	176,000,000
World's greatest annual production of record	165,000,000
Average shortage of annual production of silver for present requirement	11,000,000

This present yearly excess of gross requirement over the largest production of silver in the world seems to be verified by the record of the United States imports and exports of silver for 1891. During the nine months to October 1 our exports of silver have exceeded our imports of silver by $5,526,846. It seems further to be confirmed by the year's decrease of about $7,000,000 in the supply of silver bullion accumulated in New York. The New York accumulation of silver has been caused by fluctuations in the price occasioned by speculations upon the predicted legislation, and was greatest in amount before the act of 1890 became a law.

THE QUESTION OF WAGES.

Ah, but it is said, you will hurt the laboring man and destroy wages if you give him a cheap dollar. I have never heard that argument from a laboring man, and silver can never be a cheap dollar. It has been invented for him and used in his behalf by those who wanted monometallism. Are wages higher in America, which has stuck to silver, or in gold-standard England, which has stuck to gold? Are wages better in the silver United States or in gold-standard Germany, which has stuck to gold?

The gold protectionists who would outlaw silver to enhance gold value use the same delusive arguments to workingmen that all protectionists use when they discuss the tariff. The tariff protectionist says, make the manufacturer rich at the expense of the people and he will share his profits with the workingman and give him high wages. This bubble burst in 1891–'92, and the story of lower wages that came on with the McKinley bill is now historic, and helped to overthrow the Republican party that preached the fallacy. The gold protectionist is now dressed in the old clothes of the tariff protectionist, and is saying "Help me to protect the gold owners of Australian mines and gold creditors and I will give you gold wages." Have these protectionists of all classes forgotten that last year the workingman was told how low the wages were in England, a gold-standard country, and in Germany, a gold-standard country, and how much better they were here, where we were still clinging to silver? Has not the laborer yet learned that monopoly never does divide fairly with him, and that his chance in life is only under free and equal laws?

The Royal Commission of Great Britain, appointed to inquire into the changes in the relative values of the precious metals, in 1887, replied to the argument, "that low prices and dear money help the wageearner," and said:

That a fall in prices benefits the capitalists who have lent money for fixed periods at a fixed rate of interest, and in such cases a smaller share of the product of labor is left to be divided between the producer and the wage-earning classes. It is difficult to suppose that the latter can for any length of time receive larger real wages out of the smaller share of the gross product of labor which is divisible between themselves and the producer.

This argument seems to me to be conclusive that the interests of the wage earner is not on the side of those who are contracting and appreciating money, and who are leaving to the producers of wealth who employ them a less profit for division between themselves and their employés.

HONEST MONEY IS THE MONEY OF THE CONTRACT.

But we are told that we must have honest money. So say I—honest money. What is honest money? "What is truth?" asked Jesting Pilate, and turned away, not waiting for an answer. I will give answer. I know of no money which can be described as honest except the money of the contract. The money which a man promises to pay is honest money, if that money, not another kind, be required in payment. It is quite obvious that, whoever else we may injure, it is impossible, in the present condition of things, to injure the creditor classes generally.

THE NATIONAL DEBT SCARCE A FACTOR NOW.

I eliminate out of all discussion here our national debt. It is no longer a factor upon the question of our Federal currency. It is but $585,000,000, and there are $22,000,000 per annum of interest charge. Not by law, but by custom, we have reversed by Treasury interpretation the theory of bimetallism, and have given the creditors of the Government an option, which belongs to the people, and they have chosen gold.

So insignificant in proportion is the remaining volume of our public indebtedness, so misunderstood and misrepresented should we be if we at this late day adopt another rule, that I lay aside that common-law maxim, *malus usus abolendus est;* I would do no injustice to any public creditor; I would not quibble over a forced condition, the reversal of which, at this late day, might injure our credit; I would not make enemies of those who should be friends; I would not revive a useless controversy.

MORE SILVER DEBTS THAN GOLD DEBTS DUE, AND NO DANGER EXISTS OF INJURY TO THE CREDITOR CLASS.

As to the great mass of general creditors, there are more men who hold debts that are solvable in silver than debts that are solvable in gold, and as to the great mass of credits that are solvable in any kind of metal, if the creditors could get to-day silver bullion, rejected, dishonored, demonetized, unstamped as legal-tender money, they would then generally get an equivalent in value for all they have loaned. Now, if you put the stamp upon it and make it a dollar, they would get something more in value than the dollar which they lent.

I agree that all creditors should get the value of the dollar loaned. But that value by the contract is to be in the dollar and not in other things. In short, a contract to pay a dollar is fulfilled literally, truly, and equitably by paying the dollar that the contract called for. If we go beyond the contract, and if it is to be contended that we are to give to the creditor a dollar, measuring its value by the things that a dollar will buy, if this is the construction to be put upon the contract, and we are to look beyond its terms for its solution, then the contract is twofold, and we are only required to pay the creditor the value of his dollar in other things.

Now, if we are to pay a dollar valued in other things for the dollar borrowed, my reply would be manifold:

First. That silver bullion will to-day buy as much of anything that a man can buy with his dollar, as any dollar ever borrowed would have bought at the time it was loaned; for silver bullion will to-day get as much wheat, corn, cloth, or other commodities as it ever would.

Second. If we make a dollar to pay our creditor out of silver bullion, the dollar function imparted to the bullion will undoubtedly increase its commercial exchangeable value, and if we were to pay every creditor, private and public, in a silver dollar, we would pay him something that would buy him more of this world's goods than the dollar he loaned would have bought at the time; and there is nothing that we can do with regard to silver that will not through its agency return to the creditor as much or more value than he loaned.

Third. If the creditor shall insist in looking beyond his contract to the alleged equity, and insist that he possesses a right extraneous to his contract, and demand the equivalent in commodities of the dollar he loaned, the debtor must, on the other hand, possess the like equity to look beyond the terms of the contract and pay the creditor, as measured by commodities, only the value that he loaned; and if the principle shall be applied of looking to extraneous equities, even the silver dollar that will be paid for anterior debts would have to be scaled and cut down in order to administer the equity between the parties.

HOLDERS OF BONDS AND STOCKS SHOULD SUSTAIN SILVER.

The holders of bonds and stocks are now suffering from the financial conditions by which we are surrounded far more than they could possibly suffer if all the silver in the world were coined by the United States. If the banks that have failed, and their names are legion, could pay their depositors in silver money, how much more valuable would be their stock? If the railroads, which are in the hands of receivers, could pay their bondholders in silver, how much more valuable would be their securities? If the mortgagors, whose shrunken lands are now unable to bear the burden of the mortgages upon them, could only get silver to pay them off, how happy would be the mortgagees?

Mr. President, I have a statement here taken from the Bankers' Magazine for January, 1891, which gives a table of the decline in the leading railroad stocks during the six months preceding the panic of 1890, when this storm was getting its work well in:

Stocks.	Highest price last spring.	Lowest price December 8.	Loss in value.
Atchison, Topeka and Santa Fe	$50,746,373	$25,626,919	$25,500,052
Canadian Pacific	54,762,500	44,525,000	10,237,500
Cleveland, Cincinnati, Chicago and St. Louis	21,898,299	15,110,508	6,787,791
Chicago and Northwestern	36,711,494	30,749,798	5,961,696
Chicago and Northwestern, preferred	33,053,136	30,038,154	3,014,982
Chicago, Milwaukee and St. Paul	36,649,207	20,769,802	15,879,405
Chicago, Milwaukee and St. Paul, preferred	27,090,836	21,277,823	5,813,013
Chicago, Rock Island and Pacific	44,771,320	30,462,960	14,308,360
Chicago, Burlington and Quincy	85,170,055	64,068,505	21,101,550
Chesapeake and Ohio	11,727,450	6,668,550	5,058,900
Central Pacific	24,820,000	19,645,000	5,175,000

Table of the decline in the leading railroad stocks during the six months preceding the panic of 1890—Continued.

Stocks.	Highest price last spring.	Lowest price December 8.	Loss in value.
Delaware, Lackawanna and Western	$39,161,000	$32,215,500	$6,945,000
Delaware and Hudson	42,875,000	32,340,000	10,535,000
Erie Railway	23,010,000	13,357,500	9,652,500
Erie Railway, preferred	5,933,145	4,012,343	1,920,802
East Tennessee, Virginia and Georgia	3,162,500	1,787,500	1,375,000
East Tennessee, Virginia and Georgia, first preferred	8,910,000	7,850,000	2,060,000
East Tennessee, Virginia and Georgia, second preferred	4,041,250	2,543,500	1,497,500
Illinois Central	47,620,217	37,488,259	10,131,958
Louisville and Nashville	44,400,000	32,049,000	12,360,000
Lake Shore	56,453,643	49,961,165	6,492,478
Michigan Central	19,628,264	15,552,706	4,075,558
Missouri Pacific	37,649,297	25,178,710	12,470,587
Missouri, Kansas and Texas	9,571,030	5,046,540	4,524,490
Missouri, Kansas and Texas, preferred	4,046,250	2,275,000	1,771,250
Manhattan Consolidated	27,957,887	22,342,414	5,615,473
New York Central and Hudson	99,265,413	85,180,456	14,084,967
New Jersey Central	23,938,522	17,325,156	6,613,366
Norfolk and Western	1,741,250	910,000	831,250
Norfolk and Western, preferred	17,921,250	13,905,000	4,016,250
Northern Pacific	19,355,000	9,310,000	10,045,000
Northern Pacific, preferred	31,843,146	21,450,194	10,392,952
New York, Ontario and Western	13,220,931	8,135,957	5,084,974
New York and New England	10,450,000	5,650,000	4,800,000
Ohio and Mississippi	5,150,000	3,575,000	1,575,000
Oregon Navigation	25,950,000	18,240,000	7,710,000
Oregon Short Line	13,906,578	4,461,242	9,405,336
Oregon Transcontinental	20,094,100	3,815,946	16,278,154
Pacific Mail	9,475,000	5,415,000	4,060,000
Philadelphia and Reading	19,089,965	10,334,362	8,755,603
Richmond and West Point Terminal	19,775,000	9,161,250	10,613,750
St. Paul, Minneapolis and Manitoba	23,000,000	18,400,000	4,600,000
Southern Pacific	38,963,617	29,763,874	9,199,743
Union Pacific	41,542,751	24,347,400	17,195,351
Union Pacific, Denver and Gulf	12,032,314	5,373,668	9,658,646

Look at that table, with its shrinkage of millions upon millions of value. The Atchison, Topeka and Santa Fe Railroad Company lost $25,000,000 in trying to keep up to the gold standard. Look at my own State, where the Chesapeake and Ohio Railroad Company lost $5,000,000. Look how the great Richmond and Danville line lost $10,000,000 in the twinkling of an eye. Ah! if those stockholders and bondholders could only have a little silver money, or even silver bullion, to fill that aching void, would not they be happier than they are now, looking down the great gold canyon and seeing nothing at the bottom.

THE PRODUCTION AND THE VALUE OF SILVER.

It is claimed by some, and not without plausibility to the minds of the uninformed, that the increased production of silver has been the cause of the decline in the value of silver bullion. In the case of commodities which are sold upon the open markets of the world at such prices as they may command, undoubtedly the law of supply and demand controls the price. When they are scarce the price goes up, and when they are low the price goes down; but this law has little effect upon the value of the precious metals when they are allowed the right of coinage at a legal ratio.

That the existing increase in the production of silver is not the cause of the fall in its bullion value is abundantly demonstrated by the fact that silver bullion fell at a time when there was a continuous excess of gold production. In round numbers the world's production of gold and silver from 1870 to 1880 was as follows:

Year.	Gold.	Silver.	Year.	Gold.	Silver.
1870	$123,000,000	$64,000,000	1877	$116,000,000	$93,000,000
1871	119,000,000	68,000,000	1878	120,000,000	97,000,000
1872	113,000,000	71,000,000	1879	114,000,000	99,000,000
1873	112,000,000	75,000,000	1880	108,000,000	101,000,000
1874	111,000,000	79,000,000			
1875	111,000,000	82,000,000		1,258,000,000	817,000,000
1876	111,000,000	88,000,000			

In 1870, gold $123,000,000, silver $64,000,000; 1871, gold $119,000,000, silver 68,000,000; 1872, gold $113,000,000, silver $71,000,000; 1873, gold $112,000,000, silver $75,000,000; and so on all down the line, showing that in the decade between 1870 and 1880 there was produced $1,258,000,000 of gold and but $817,000,000 of silver. Thus in one decade the production of gold exceeding silver was nearly $500,000,000.

Nevertheless, silver bullion did not increase in value, which would undoubtedly have been the case if excessive production of gold necessarily cheapened it and lesser production of silver necessarily enhanced its value.

Clearly we must look beyond the relative productions of the two metals for the cause of depreciation in silver bullion. Between 1687 and 1873 the lowest ratio of silver to gold was 16.25, in 1813, and the highest ratio was in 1760, 1 to 14.14.

As long as mints were open to both metals and debts could be paid in either metal, there was stability in price regardless of the variations in production. The yield of silver between 1800 and 1840 was forty times that of gold, yet there was but slight variation in the metals from the legal ratio, and when, as between 1850 and 1870, silver was but 4.5 times that of gold, there was also but little variation.

In the forty years between 1833 and 1873, which include the period of the great gold discoveries and the consequent increase in the available supply of that metal, but little change in the gold price of silver can be observed.

In the ten years from 1831 to 1840, the proportion which the value of the silver produced bore to that of gold was 1.86 to 1. In the five years from 1851 to 1855, the proportion had fallen to .288 to 1; the market value of silver only varied between 15.75 to 1 in the first period, and 15.41 to 1 in the last.

In the five years between 1871 to 1875, when the production of silver, as compared to gold, was .710 to 1; and in the five years from 1876 to 1880, when the proportion was .794 to 1, the change in production was insignificant, and yet in the last five years the market value of gold was 17.81 to 1, while in the first it was 15.97 to 1.

From 1861 to 1872 gold diminished and silver increased without any variation in the price of silver.

CAUSE OF DECLINE IN SILVER CLEAR--ACTION OF LAW THE CAUSE.

Evidently we must look for the causes of variation in value of the bullion metals for causes extrinsic to that of ratio of production; and these causes are obvious when we look for them. "He that hath eyes to see, let him see."

In 1871 Germany suspended free coinage of silver and adopted the gold standard. In 1873 the United States suspended free coinage, provided for an issue of trade dollars, and stripped silver coins of legal-tender function in sums exceeding $5. In 1873 Germany threw a great mass of demonetized silver bullion on the market, purchased gold, and provided for the retirement of silver coins, while France the same year restricted silver coinage.

In 1874 Norway and Sweden demonetized silver; in 1875 Holland suspended it: in 1876 Russia, France, and Spain discontinued it. In 1892 Austria-Hungary adopted the gold standard and began to buy gold, and recently, in June of the present year, India suspended free coinage

In parallel lines to these movements of the law against silver, its bullion price declined, although in perpendicular lines the gold production was in excess through the period of its declination up to 1882.

The royal commission of Great Britain, composed of financial experts, who in 1887 inquired into the causes of changes in the relative values of the precious metals, showed conclusively that the depreciation of silver was not due to its increased production. They called attention to the fact (page 78) that in the case of other commodities, the effect of changes in supply and demand was more marked and more immediate; that those commodities are generally produced for the purpose of consumption at an early date, or within a comparatively short period; that the supply at any time available for the market, or being capable of being placed on it, was, therefore, a very important element by which its value is fixed. While, on the other hand, the precious metals were but to a slight extent consumed, and the available supply consisted of the accumulation of previous years.

They also declared that an important consideration with regard to the precious metals was the relation between the total stock then in existence and the then existing demands upon it. The increased demand for gold, made by the extension of the gold standard, and the decreased demand for silver, caused by its demonetization, are obviously the causes which have put silver down and gold up.

Mr. de Rothschild said before the International Monetary Conference that the action taken by Germany and the action of the three great money powers and the several minor powers had materially tended to accentuate the downfall in the prices and value of silver.

The great Humboldt, whose master mind read and interpreted the secrets of nature, declared that the enormous mass of precious metals already accumulated in Europe render any considerable or continued variations in the relative value of gold and silver impossible. Experience, he says, has shown this. In England, for instance, in the ten years more than 1,294,000 marks of gold, $180,959 (in dollars), were converted into money, and yet this monopoly of gold only raised a proportion of it, that of silver from 1 to 14.97 to 1 to 15.60.

Humboldt did not anticipate, and neither could he take into account one new factor, which has come into the world's economic concerns contemporaneously with the factor of falling prices and depressed trade, the change of law which operated upon the base of credit and disorganized all things which depend upon that base to be sustained.

THE RATIO OF COINAGE SHOULD NOT BE CHANGED.

The existing ratio between silver and gold ought not, in my opinion, to be changed.

It would involve the recoinage of our present mass of silver money at the immense cost $112,000,000, as shown by the letter of Secretary Carlisle; but more important than this are the philosophical considerations.

No other nation of the whole world has proposed to change its ratio. We would not be in closer affinity with any one else by changing our ratio than we are now. On the contrary, we would be moving away from those affinities and likenesses of commerce, which have so much more force in old countries, like those of Europe, than in our own. The silver and gold of England are coined at a less proportion than we have now. It is so with the silver of France, of the Latin Union, of Germany, and all the European nations. Why, then, should we further complicate and confuse this problem by moving further away from existing conditions rather than by moving closer to them?

Indeed, Mr. President, I believe that a change of ratio and the putting of more silver in the dollar would be an increased impediment to bimetallism. It has been pointed out by all financial writers and experts that if any European nation were opened to the free coinage of silver to-day our silver dollar would go to Europe, go into coinage, and make at least 3 per cent by turning into foreign money out of our own; and it is the fact that we are now putting too much silver into our dollar which has helped to close the mints of Europe to the free coinage of silver, because over there they fear not only the silver bullion which comes from our mines, but also that our silver money will go there to convert itself into their silver money at a premium of exchange of not less than 3 per cent.

Albert Gallatin originally advocated the ratio of 15½ to 1. That ratio would to-day be far better than an increased ratio and would put us in closer relations with the great silver-using nations. It would create a money level, in which the money of one nation would have no intrinsic motive to go to another nation's mint for profit in exchange.

In the report of the British Indian Currency Committee, page 48, these views obtained for reasons well stated, and I quote their comments against the change of ratio in India. They said:

> The coinage of a new rupee of greater weight than that at present existing has been suggested as a remedy for the difficulty. If for this purpose the plan were adopted of recoining the existing rupees it is evident that the expense, which must be calculated on at least 1,000 to 1,500 millions of rupees, would be very heavy, even if the measure did not attract to the mints hoards in excess of the amount in circulation; and after the recoinage had been completed there would be no security that it would be effectual, since a further fall in the gold value of the rupee would produce difficulties of the same kind as have now arisen. If, on the other hand, in addition to the existing rupees, heavier rupees were issued, there is the objection that, for some time at any rate, two kinds of coin would be in circulation, of different intrinsic worth, yet professedly of the same value; and there does not appear to be any advantage in this plan over that proposed by the government of India.

THE DEMOCRATIC PLATFORM.

A few words, Mr. President, about the platforms. Everybody in the United States, as matters stand to-day, is committed to silver as standard money. I will speak now of the Democratic platform. It said: "We denounce the Sherman law as a cowardly makeshift." A makeshift is a kind of bogus substitute. Now, the Sherman law was a makeshift and a bogus substitute, but for what? For the free coinage of silver. So, if you take the language in its proper and accepted sense and inject into it the meaning of the thing that it applied to, it means that you denounce the Republican party for making a "cowardly makeshift" for the free coinage of silver and for not giving us the genuine article. The next sentence is equally significant:

We—

The Democracy—

hold to—

"Hold to," Mr. President. A good word that—"hold." Whatever other meaning "hold to" may have, I beg to suggest to the learned grammarians that it does not mean "let go." If it be acknowledged that "hold to" does not mean "let go," we ought to hold on to the silver that we have and look forward faithfully and hopefully to that which we desire, for we said—

We hold to the use of both gold and silver—

Now, I say you promised to hold on. Let us hold on—to what?—

both gold and silver—

In what character?

as the standard money of the country—

"The standard money of the country!" How long has the patron of the Sherman law been trying to convince this people that we want the single gold standard? How long has he been trying to subvert all ideas of historic finance by regarding dollars as debts redeemable and convertible into each other? We are not on the gold standard and we do not intend to go to the gold standard, but we hold to gold and silver "as the standard money of the country." Now, how are we going to sustain the standard?

and to the coinage of both gold and silver—

For that is the way it reads. They would coin both metals. They were not going to float a lot of paper on bullion uncoined. That is what the Republicans had wanted to do, but the Democrats were going to coin both metals. They said: "We are going to coin both metals," and I say do it. How are they going to coin them?

without discriminating against either metal—

Without discrimination against either. The Republicans have been discriminating against one metal, but the Democrats would not do it, and not only without discrimination against either of the metals, but the platform says:

or charge for mintage.

That is, they were going to have free mintage without charge.

But—

They said—

the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value.

I did not like that language, because if a dollar is of equal exchangeable value it is all one wants, commerce is exchange and value is ratio in exchange, and there is an equal ratio between the dollar and exchange; but some gentlemen like to accumulate words; they are fond of a little ambiguity; and they put in the words "intrinsic value."

EQUALITY OF PURCHASING POWER IN DOLLARS THE THING NEEDFUL.

It was just there that the President of the United States in his letter of acceptance, put a little of the white of an egg into the coffee grounds and clarified them by a clear expression. He said that he was in favor of "equal intrinsic value or purchasing power." There is the true theory of the proposition. If the money has the same purchasing power we do not care about intrinsic value. If both metals have the same intrinsic value they will always have the same purchasing power. The purchasing power is the thing that is looked to, whether it is a national-bank note resting on a bond, whether it is a greenback resting on the Treasury, and on taxation, whether it is silver, or whether it is gold.

Then, be it noted, the Democratic convention did not insist it should be positively and absolutely of equal intrinsic value, but the platform added:

Or—

With emphasis on "or."

It was going to get gold and silver money without discrimination, and if it could not get there by one road it was going to take another, and it said:

Or be adjusted through international agreement—

Let it be remembered that an international convention had been called; it was about to meet; and if it could be adjusted there, well and good. But it was not adjusted there, and the Democrats at Chicago contemplated that it might not be adjusted there, and they added another clause:

Or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal power of every dollar, at all times, in the markets and in the payment of debts.

These are the words. If other nations did not do it this nation would do it; and as this is the nation that is responsible for its promise, now is the time to perform it. It can not be performed unless we restore bimetallism with all the legal-tender functions of, and tax-paying functions of, all metal dollars, in debt payment and in exchange.

ENGLISH AND AMERICAN INTERESTS CONFLICT.

Mr. President, many of the early people who settled and conquered England came over there under what they called the raven flag, and they boasted in styling themselves the ravagers of the world. I think the present financial conditions show that the breed of the ravagers of the world is not extinct and that the raven flag is still flying.

There are certain characteristics of the English people that make them our natural economic foe:

1. Great Britain is a creditor nation and this is a debtor nation.

2. Great Britain is a consumer of our agricultural products. We are the producers.

3. Great Britain is a gold-producing nation and this is more than gold producing, a silver-producing nation.

4. It is the interest of Great Britain to make silver low. It is the interest of Great Britain to make gold dear.

5. It is the interest of Great Britain to make wheat, cotton, corn, and produce cheap.

6. Our interests are the antitheses of hers.

Now, then, I propose to make good the three assertions with which I began this discussion. I propose to prove that Great Britain seeks to enrich her creditor class by opposing silver.

1. PROOF THAT GREAT BRITAIN PROPOSES TO AGGRANDIZE HER CREDITOR CLASSES BY DESTROYING SILVER.

England always goes to battle with drums beating, colors flying, and bugles blowing. She avows her purpose to conquer when she declares war. It is sufficient proof that she is warring upon our silver to enrich her creditors, to take the avowals of her prime mininster, William E. Gladstone, made in February last in the House of Commons. It is a confession, it is an avowal, and he who runs may read. His speech will be interesting to those who are still deluded to follow the *ignis fatuus* of international conference.

A motion being made looking to the reassembling of the Brussels conference and to the restoration of silver money, Mr. Gladstone replied to the member who made it in plain, open British fashion:

The honorable member spoke rather with ridicule—

Said he—

upon the proposition of this country as the great creditor country of the world. It is the great creditor country of the world; of that there can be no doubt whatever; and it is increasingly the great creditor country of the world. I suppose there is not a year which passes over our heads which does not largely add to the mass of British investments abroad. I am almost afraid to estimate the total amount of the property which the United Kingdom holds beyond the limits of the United Kingdom; but of this I am well convinced, that it is not to be counted by tens or hundreds of millions.

One thousand millions probably would be an extremely low and inadequate estimate. Two thousand millions, or something even more than that, is very likely to be nearer the mark. ["Hear!" "Hear!"] I think under these circumstances it is a rather serious matter to ask this country to consider whether we are going to perform this supreme act of self-sacrifice. I have a profound admiration for cosmopolitan principles. I can go a great length in moderation [laughter] in recommending their recognition and establishment, but if there are these two thousand millions or fifteen hundred millions of money which we have got abroad, it is a very serious matter as between this country and other countries.

We have nothing to pay to them; we are not debtors at all; we should get no comfort, no consolation out of the substitution of an inferior material, of a cheaper money, which we could obtain for less and part with for more. We should get no consolation, but the consolation throughout the world would be great. [Loud laughter.]

"We should get no consolation, but the consolation throughout the world would be great," says Gladstone. Yes, how great it would be here!

He continued:

This splendid spirit of philanthropy, which we can not too highly prize, because I have no doubt all this is foreseen, would result in our making a present of fifty or a hundred millions to the world. It would be thankfully accepted, but I think that the gratitude for your benevolence would be mixed with very grave misgivings as to your wisdom.

I have shown why we should pause and consider for ourselves once, twice, and thrice before departing from the solid ground on which you have within the last half century erected a commercial fabric unknown in the whole history of the world—before departing from that solid ground you should well consult and well consider and take no step except such as you can well justify to your own understanding, to your fellow-countrymen, and to those who come after us.

England will not be philanthropic to us.

Should we not be philanthropic to ourselves?

The effects of closing the mints of India to silver coinage are acknowledged by the British commission to be "such as result from an appreciating currency, namely, first, to make prices lower than they would otherwise have been; then, though more slowly, to lower money wages and to increase the burden of debts and all fixed payments."

Mr. President, that is the programme that is laid before us for adoption. This is the music that the American people are asked to dance to—appreciation of money at the time of a money famine, lower prices at a time when prices are on a bankrupt scale, increased burdens of debt when labor is less able to bear it, lower wages when wages are most needed, more poverty in the great industrial substratums of society, more riches in frescoes on the beautiful dome!

2. PROOF THAT ENGLAND WOULD DEPRESS OUR PRODUCTS.

I have a second proposition. England wants to depress the prices of our agricultural products by opposing silver. Sir Rivers Wilson, a delegate of Great Britain, announced in the Brussels conference for himself and colleagues—and I was glad that my distinguished friend from Oregon [Mr. MITCHELL] yesterday gave to his remarks attention—that—

Our faith is that of the school of monometallism, pure and simple.

This movement here is the echo of that cry. Mr. Alfred de Rothschild, of the great Rothschild house, gave the reason of this British faith by saying that whether the fall of silver had reduced prices or not, he could not see that the fall in the prices of commodities was a misfortune for England or the world, and added the blunt but significant sentence:

"I hold that wheat at 30*s*. a quarter instead of 45*s*. is rather a blessing than otherwise.

Of course he and his can not see that it is a misfortune to America to sell wheat at 55 and 60 or 75 cents a bushel, and cotton at 7 cents a pound, and pork, beef, silver, and all the products of our soil below the cost of production, for it is as old as the hills that "It is naught, it is naught, saith the buyer; but when he is gone his way, then he boasteth." But what do our farmers see? What do American statesmen see?

Mr. Alph. Allard, delegate of Belgium and delegate of Turkey, characterized the proposition of Mr. de Rothschild in the conference to consent to small silver purchases as a sort of homeopathic consolation, intended to work upon the faith of the patient and not upon the disease. He pointed out that the crisis now extant was no birth of yesterday, and added significantly:

It dates from 1873, the moment when free coinage of silver was suspended in Europe.

The true remedy, he said, would be the reëstablishment of free coinage, though he acknowledged that for the moment it had no chance of being accepted.

Well did he answer Mr. de Rothschild's question of the prosperity of England by saying:

It seems to me that the depression of trade would not have caused such uneasiness if this were so.

And he added these words:

Unfortunately Mr. de Rothschild is not troubled by the fall in prices. He is disposed to think "that wheat at 30*s*. a quarter, instead of 45*s*., 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; 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.

I need not amplify facts. All know that England wants our produce cheap, and is trying to kill silver in order to get it cheap.

3. PROOF THAT ENGLAND WOULD DESTROY OUR SILVER MINES TO BUILD UP HER GOLD MINES.

Mr. President, I have one other charge to make against the policy which is opposing, in my judgment, the wise policy for this country. I will begin by reading a brief statistical table:

The production of gold and silver in the United States and Australasia.

	1890.		1891.		1892.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
United States	$32,845,000	$70,465,000	$33,175,000	$75,416,500	$33,000,000	$74,989,900
Australasia ..	29,808,000	10,731,300	31,399,000	12,929,300	33,870,300	17,375,677

Great Britain guards her own. She is like an eagle in a dovecote with American interests. I have the proofs before my eyes, avowed and open, that she is striking at silver in order to crush out the silver interests of this country and to build up the growing gold interests in Australasia. Here is what the royal British commission of England itself says on this subject:

It must be remembered, too—

Said the commission, telling the Queen and Parliament what should be British policy—

that this country is largely a creditor of debts payable in gold, and any change which entailed a rise in the price of commodities generally—that is to say, a diminution of the purchasing power of gold—would be to our disadvantage.

And then this royal commission adds these words:

The interests of our Australian and other gold-producing colonies, at which we have already glanced, must also be considered. Their deposits of gold are one of their principal sources of wealth, and any measure which tended to check gold-mining or to depreciate that metal would, in all probability, injuriously affect the prosperity of the colonies and react upon the trade of the mother country with them.

THE WESTERN STATES.

Colorado and the silver-producing States of the great West have not the good fortune at this juncture to be colonies of the British crown. Thank heaven they are our people, and we should be their friends. They have higher appeals for our consideration than the colonies of Great Britain have on her. A stronger consideration than any personal appeal or any local interest controls my advocacy of silver. Long before I held communication with them, long before I even knew the men who represented the West, at a time when there was not one amongst them who was not my political foe, I had a deep and abiding conviction that this should be and remain a bimetallic country; that we should build up our own national interests and restore the people's money.

But, Mr. President, I am glad that my conviction of what is right, long entertained and sincerely cherished, moves on in the same plane with personal enthusiasm and admiration for the men of the great West, who in the American Congress have shown that they represent no sectional interest, but regard all America and every American as under the ægis of their protecting care; the men of the young, fruitful, generous West; and I shall not forget, whoever else in this land shall fail to remember them. When my distinguished friend from Indiana [Mr. VOORHEES] drew that beautiful picture of the harmony of all sections in this glorious country, of the union of all hearts and all hands for common prosperity and the common good, I could but look from the eloquence of the lips that pronounced the words to the other side of this Chamber, and I could but feel my heart going out in gratitude to the noble champions of civil liberty from the great West, who stood by the Democrats here in the hour of their country's need and did not permit a President of their own party to shake them in their faith of free America and her free Constitution. [Applause in the galleries.]

The VICE-PRESIDENT rapped his gavel.

Mr. DANIEL. These men of the West have more claim upon this country and all of her sons than the representatives of any other peculiar interest. Would any think that my distinguished and worthy friend from Louisiana [Mr. WHITE] would be doing an improper thing if he should stand up and speak for the subsidy to the sugar men of the South? Am I supposed to do anything that I may not do openly if I ask you to relieve the tax on the tobacco in my State which has shrunk from a production of $11,000,000 a year to $3,000,000. Are they to be looked upon as mere champions of peculiar interests when they do what all do openly and avowedly for a policy that they deem for the general good?

But the silver men of the West, they stand upon a much higher plane than other advocates of similar interests. This Government did not sell to the people of Virginia their tobacco lands. This Government did not sell to Louisianians their sugar lands. But this Government did sell the silver mines of the West to men whom they invited to go there and get the silver out of them.

But, Mr. President, suppose there be answer to this argument, there is another and stronger one. They had a stronger right to look to the protecting care of this Government about mines of gold and mines of silver than any one else has to look to their peculiar interests, because gold and silver were implanted in the Constitution of our country.

The great Webster, as we were reminded by a Senator from his own State a few days ago, expounded that Constitution to mean that whatever else was done you could not demonetize either gold or silver and strip the people of the right to use that legal-tender money to discharge debts when they had created their indebtedness in it. So these men of the West do not stand here as we do. They are not defending mere local interests. They are standing for interests upon lands which were sold them under the protecting ægis of the Constitution of their country, which they had a right to believe you would continue to regard and respect.

WE MAY ADMIRE GREAT BRITAIN BUT SHOULD NOT, THEREFORE, BE SUBSERVIENT.

I do not doubt, Mr. President, that Great Britain is the great nation and that her people are the great people the Senator from Ohio says they are. I am of the same blood that you are, and come from them. But the fact that they were our brothers, the fact that we admire them, does not result in any logical conclusion that we must agree with them for their interests and against our own. When Gen. Washington rode upon the field of Trenton he caught sight of the red line of British veterans standing steady under the Continental fire, and, admiring their valor, he said, "Look at those noble fellows; how they fight. Oh, that our men were disciplined like they." But although he admired and honored them, and paid his tribute to courage, it did not prevent him from giving them a good thrashing, and telling them to go home and mind their own business, and let the American people alone.

So there was another man in this country who had great admiration for British valor, and knew of British genius and British arts and letters, and all that sort of thing. But one fine day down at New Orleans he felt compelled to give the British red coats another lesson, and he did not forget the maxim of scripture, to "spare the rod and spoil the child." Gen. Andrew Jackson not only stood up against the British, but he stood always for the gold and silver money of his country, and his name will go sounding down in history as a great American who never at any time failed to believe in an American interest or in an American cause.

THE GREATNESS AND POWER OF OUR COUNTRY.

What and who are we, Mr. President, who must adopt a policy because it is in conformity with the policies of Europe and because we must put ourselves in line with the markets of the world? Other nations need us more than we need them.

You might build a wall around America, and she could thrive on all the necessaries and luxuries of life and live apart from the world.

Build a wall around Great Britain and she would starve to death.

I heard with pleasure some days since the declarations of the great Senator from Indiana who is now the chairman of our Finance Committee, as to the power and greatness of our country. I have no quarrel with him, neither have I any criticism to pronounce upon his course. Thirty years' faithful service to the people of this country, in which he has borne his office with the purity with which a judge wears his ermine, in which he has become illustrious as one of the foremost defenders of civil liberty that this world has ever known, has so imbued me with confidence in him that he could do nothing that would for a moment destroy my affection or abate my admiration or make me feel otherwise than his friend. His great heart has always throbbed in sympathy with the people. But, sir, if I venture to differ with him on this legislative incident, it is with diffidence, and yet I recall the great fact which he related:

Sir—

He said—

It may be stated as a fact that the interstate commerce of the United States alone is greater in value than all the foreign commerce and carrying trade of Great Britain, Germany, France, Austria, Holland, Russia, and Belgium put together.

Mr. President, this vast interstate commerce which has increased and is daily increasing in bulk and volume is a business in which silver is the chief money used; and shall we cut down our volume of money which supports this immense trade to sustain the comparatively insignificant foreign trade which he refers to?

Look at the great lines of our commercial transportation. The United Kingdom has 20,000 miles of railroad; the United States 175,000, nearly eightfold.

The area of the United States, exclusive of Alaska, is 2,970,000 square miles; as great as that of Great Britain and Ireland, Switzerland, Sweden, Denmark, Germany, Holland, Belgium, France, Spain, Portugal, Italy, Greece, and European Turkey, Palestine, Japan, and China proper.

If you want an international conference to settle this question here and now, here is the greatest international conference that ever sat in the world, with mastery over the grandest area, the most varied and richest resources and the noblest and most energetic people.

Our 1,500,000 square miles of arable land, one-half of our total area, could feed over a billion of people. For over a decade we have been, in mineral products, at the head of all the nations, and are to-day acknowledged to be the richest and most powerful nation in the world.

Well might Gladstone say that we have the "natural base for the greatest continuous empire ever established by man," and he might have added the natural base for the soundest, most stable, most ample, and self-sustaining currency.

Our wealth, as contrasted with that of the United Kingdom of Great Britain and Ireland, is of the most permanent and of the most productive form. The value of our lands exceeds theirs by $1,000,000,000; the value of houses by $400,000,000; the value of cattle is threefold.

The United Kingdom produces neither silver nor gold, while we are the greatest producers of both in the world. Our population exceeds hers by 22,000,000, and while we are independent of her in all things, she is dependent upon us both for the food she eats and for the clothes she wears.

In his Balance Sheet of the World, Mr. Munhall, statistician of the Royal Society of England, says:

> It would be impossible to find a parallel to the progress of the United States in the last ten years. Every day the sun rises upon the American people it sees an addition of $2,500,000 to the accumulation of wealth in the Republic, which is equal to one-third of the daily accumulation of all mankind outside of the United States.

Thus one-third of the world in daily productive power is here represented, and will it be argued that such a power can not sustain its ancient, its much-needed money?

GO FORWARD AND FEAR NOT.

So, Mr. President, if our souls are only as great as the bodies in which our Creator has placed them, if our national soul be as great as the body of the nation, instead of standing upon the edge of this panic trembling, helpless, afraid, we should walk upon the field with the proud mastery of a marshal who knows that he has troops who are ready to do his bidding, and instead of leading a retreat, we should order the advance of all of our American forces, blow the bugle, and sound the charge for

Americans to stand together, to give back the money of the people which they want. [Applause in the galleries.]

The VICE-PRESIDENT. Order must be preserved in the galleries.

THE GOLD TRUST—ITS AUTHORS, ITS OBJECTS, AND ITS VICTORIES.

Mr. DANIEL. Mr. President, we pass laws against trusts and combines organized to monopolize and enhance the price of the necessaries of life. The press, the rostrum, the State Legislatures, and Congress abound in denouncements of sugar trusts, binding-twine trusts, meat trusts, wheat corners, oil combines, and the like.

The Senator from Ohio [Mr. SHERMAN] is the author of an act against trusts now upon the statute books, but which, so far as I know, is a barren fig tree—it has borne no fruit. The Senator from Ohio and those who oppose trusts alike overlook the fact that the gold trust, of which they are the defenders, is the widest spread, the most dangerous, and the most oppressive of all. The despots of the earth are its organizers. The so-called shoddy aristocrats of the earth are its supporters; the usurers of the earth are its profit-takers; the people of the earth are its victims. The true Democrats are everywhere its opponents. The scheme of the gold trust is this:

1. To increase the value of money.
2. To effect this, they would decrease the volume of money.
3. To decrease the volume of money, they would permit but one metal to be freely coined. That metal now is gold. But they would as soon demonetize one metal as the other, and the only reason that they are now warring upon silver instead of gold is because Great Britain is not a great producer of silver, while America is, and Great Britain, their leader in the movement, they must follow.

In short, the gold trust would increase the value of money by limiting its supply. The demand for money increasing every day as population and business increase; and, the supply being limited or decreased proportionately, the gold trust knows full well that the value of dollars will thus be made greater and the value of labor and its products, as measured by dollars, will be made lower. As a necessary result, they know full well that the rich possessors of money are made richer and the poor producers of commodities are made poorer day by day, week by week, month by month, and year by year.

Certain features of European society indicate the inevitable trend, the increase of debt, the increase of standing armies, the increase of millionaires, the increase of paupers, the increase of failures, increase of liabilities, increase of bankruptcy, and increase of tramps.

All of these features appear contemporaneously with falling prices, all of them come from squeezing the world of finance into the little gold jacket of monometallism.

That is "the new factor" of destruction. That is "the error in the compass" which we must correct.

THE MEMBERS OF THE GOLD TRUST.

England having overthrown Napoleon I at Waterloo, found herself greatly involved in public debt to pay the expenses of war, and the Rothschilds, the Barings, and other great banking houses had supplied the funds to sustain her. The house of

Rothschild had its agent in Brussels watching the fortunes of the great fight. It was this agent, and not the courier of Wellington, that bore to England the news of victory. Before the public knew it this great house had made enormous purchases of English securities, and when the public learned it, they had accumulated great riches by the rise of those securities. To still further increase their value, they at once supported the movement to demonetize silver, and reaped by their astuteness a second golden crop.

Germany imitated the example of England when she had overthrown France at Sedan. One by one the monarchies of Europe have joined the gold trust, and the few republics or quasi-republics that live by their side have been compelled into unwilling submission to the greed and avarice of the money power; until now Europe lays prostrate at the feet of the money power, and finds in the increasing miseries of her people and in increased standing armies the inevitable consequence of their conquest.

AMERICA MAKES A STAND AGAINST THE GOLD TRUST.

One great nation of the earth has not as yet completely surrendered to the gold trust. There is one nation as yet where the flag of the people flies, though rent and torn, it is true, and now at half-mast; and never in all its history did it more need the united action of the sons of liberty than it needs them now. Like all great battles in which immense forces are struggling for ascendancy, the tides of this battle have ebbed and flowed. At one moment they who carry the standards of the people's money have borne them over the bulwarks of the gold trust in triumph, and in the next they have been stricken down. The people triumphed in the House and in the Senate in 1878, when their representatives voted for the free coinage of silver. Do you not wish now they had tried that experiment then? All do; but we can not recoup upon the past.

A Republican President vetoed the bill, and the Bland-Allison makeshift was the compromise. The people triumphed again in the Senate in 1890. Their cause was lost in a Republican House. They triumphed again in 1891 in the Senate, and were again suppressed in the House of Representatives. With an unparalleled majority they renewed the assault for the third time. They triumphed in the popular election of 1890, and a great majority of their representatives came to Washington on their side in the winter of 1891. They elected a Speaker of the House committed to their cause, passing by, to accomplish this result, the great leader of tariff reform from Texas, who had been a great leader for silver, too, but who in that campaign first gave indication of weakening in his advocacy of the white metal.

Again, free coinage triumphed here in the Senate for the third time since I have had the honor to be a member of this body, and on the eve of its complete legislative victory in the House it suddenly collapsed by a political combination between a minority of Democrats and the main portion of Republicans.

ANY MEASURE IS EXPERIMENTAL—WHAT IS SAFER THAN SILVER?

Mr. President, silver comes again to the field. I would not have this country to make any too perilous experiment, but let us look at the cold facts and confront them. An experiment now is all that we can make. Anything that we may do can not rise above the dignity of experiment. Under no standard of money can we demand a "bond of fate." We are like a solid square of troops in an open plain, with "cannon to right of them, cannon to left of them, cannon in front of them"—and cannon behind them, too; and these cannon of falling prices, increased debts, and demolished money are decimating their ranks. We can not retreat; we can not stand still. All we can do is to die in our tracks or advance. Shall we advance on the uncertain sea of paper money, whose great billows now overtide our gold, or shall we go back to the traditions of our fathers, to the laws of our fathers, to the customs of our people, to the promises of our faith, and restore that which for eighty years gave us victory, prosperity, and peace.

Mr. President, I have no war to make upon the banks, which are a most useful part of our public economy. I have no desire to array one class of the people against other classes, neither have I any desire to do anything which might possibly injure the success of this Democratic Administration, or endanger the prosperity of our country. I have loyally supported the President of these United States in three campaigns. I expect in many days of battle yet to bear his colors and to defend his cause. I honor him as a great American of honesty, intelligence, patriotism, and courage, and as the captain of the host in which I train. I shall not pay him, however, the poor tribute of the courtier who only says, "Behold a brave and honest man who has convictions." I shall imitate that example as I understand it and esteem it, and feel that we should demonstrate, too, that American Senators have their convictions and are brave, honest, and true to defend them. [Applause in the galleries.]

FORTIFY SILVER AND GATHER GOLD.

Now, fortify silver and gather gold. I would sum up in advancing this idea—fortify silver by coinage on equal terms with gold, that is free coinage; if necessary levy the tariff in gold; if necessary, issue gold bonds and buy gold and hoard gold. Do not let our gold be taken from us, and do not let our silver be discarded and disused. If it is thought we can compel international agreement, do not let us disrobe ourselves of our money to do it; do not let us aim our missiles at Europe through the bodies of our own people. In order to squeeze Europe let us not squeeze ourselves. Let us sustain ourselves with silver, and through our vast resources let us also accumulate gold, and through these means reach international agreement without starvation at home to accomplish it.

Consider these notions, Senators, modify them, and mold them, and let us grasp the situation with commensurate measures.

It is not for a class, but for all this people; not for a section, but for all this Union; not solely for a special interest, but separatively and collectively for the mutuality of support and progress in all our social and national interests that I speak.

SILVER NECESSARY FOR THE WHOLE PEOPLE.

In behalf of the impoverished farmers of our abundant land, who provide the feasts of wealth and get but poverty in return, whose products sustain our foreign commerce without affording them competence at home, and who are now sustaining our public credit with foreign gold and are without silver to sustain their own: in behalf of the great masses of labor who turn the machinery of the world's progress, and get but scanty share; in behalf of our retail merchants who behold the profits of business absorbed by the few who dictate gold notes, while of necessity they must take silver in exchange for their goods; in behalf of our wholesale merchants and manufacturers, to whom successive years of business bring successive seasons of depression; in behalf of our banks, whose creditors, sinking under the burden of gold, can not enable them to pay their depositors, and in behalf of the depositors, who find the shrinkage of payments destroying the means of redemption; in behalf of the railroads, whose freights from field, mine, and factory would increase if bountiful money enabled them to thrive, whose stocks and bonds are shrinking in their holders' hands, and forcing them to find terminal facilities in bankrupt courts; in behalf of the miners, whose machinery rusts in mines of wealth, and who have been scattered and driven from their homes to enrich their foreign rivals, and to pander to British avarice; in behalf of the myriad investors, whose only hope of recovering the billions lost by the accursed sinking of price lies through an ample volume of money to sustain them; in behalf of peace, that strikes, lockouts, and bread riots may not disturb society, and that standing armies may not become its guardian and its menace; in behalf of the great West, whose advancing footsteps have been halted, whose progress has been paralyzed, whose generous and high-spirited people have never turned a deaf ear to the cry of patriotism against the fanaticism of section, and who will never wear the yoke of any party that makes them hewers of wood and drawers of water; in behalf of the South, which is without mines of precious wealth, and without the hoarded riches of accumulated bonds, and which only asks that you divorce not man from nature and tie not the hands of labor, but stand out of her sunshine and give her a chance to gather the fruits of her honest toil; in behalf of the East, that those of our citizens who are broad-minded, liberal, and brave may not be overcome by the magnates of fortune, whose polite and accomplished society is now making the same mistake that Great Britain made when she mocked at the petitions of her weaker brethren, and is drying up the fountains from which she has gathered succor; in behalf of the Union, that it may be a union of hearts and hands, in which every citizen shall feel that his cause is the cause of his countrymen; in behalf of both political parties—Republican and Democratic—who have the public indebtedness of their plighted faith to redeem by performance here; and especially in behalf of the Democracy, the party of the people, that has carried the people's standards through storm, adversity, and defeat, and has ever found truth and fidelity its comforts in disaster, its ministers in weakness, and the heralds of its final triumph; in behalf of America, the day star of the world's hope, that it may not abandon its great traditions, dissolve its ancient policy, and become subservient to British dictation and to British power—I pray you, Senators, here and now in this accepted time, to deal with this great world-wide question in a great way, and to fulfill the great hopes which center upon the action of the American Congress. If great powers we have to resist, when did America ever shrink before them? If great efforts we have to make, when were we ever incapable of making them? If great difficulties must be overcome, have we not the genius to overcome them?

Let us renovate our entire financial system with justice to all interests and partiality to none, respecting every obligation of our public faith as it is interpreted, and let us stand together without any interest of section or interest of class, in the broad spirit of American brotherhood, with the motto, Each for all, and all for each, and America against the world! [Applause in the galleries.]

The VICE-PRESIDENT. The Chair must remind the galleries that manifestations of approval or disapproval are forbidden by the rules of the Senate.

Mr. STEWART made a brief personal explanation.

Mr. TELLER. I do not suppose the chairman of the Committee on Finance will think it necessary or even proper to proceed further to-night, after the very remarkable, excellent, and wonderful speech to which we have listened for four hours. I should like to know what his intention may be.

Mr. VOORHEES. Mr. President, after such a display of ability and eloquence, constraining the attention of everybody, I feel that it would be unjust to ask any Senator to proceed with a speech at this late hour. I therefore move that the Senate proceed to the consideration of executive business.

The motion was agreed to.

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