DEMONETIZATION OF SILVER.

I do not believe it (the power of regulating the currency) is a safe power in the banks. I believe it is a great power which is capable of being used for the destruction of the business and interests of the people. If confided to the banks * * * the banks will issue their notes or regulate the volume of the currency according to their own interests. * * * If it be to their interest to contract, they will contract. If it be to their interest to expand the currency, they will expand it. * * *

I want no pet children of the Government and no stepchildren. Let all her children be treated alike. * * * So long as I hold a seat on this floor I shall not, under any pressure, cast a vote which will give to any privileged class, to any pet children of the Government, a privilege or an advantage denied to the great masses of the people themselves.—*Senator George's speech in the United States Senate, in February, 1884.*

SPEECH

OF

HON. JAMES Z. GEORGE,

OF MISSISSIPPI,

IN THE

SENATE OF THE UNITED STATES,

Wednesday and Friday, September 20 and 22, 1893.

WASHINGTON.

1893.

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SPEECH

OF

HON. JAMES Z. GEORGE.

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. GEORGE said:

Mr. PRESIDENT: I am well aware that the debate has proceeded to such an extent that discussion is not listened to with much patience by this body, but as I am a Democrat and happen to differ from a Democratic Administration upon this very important measure, and as I believe that a large majority of my constituents concur in the view which I take, I deem it to be my duty to state with some precision the reasons which compel me to refuse my support to the bill now before the Senate.

There is no question as to the very serious and grave financial situation in which we are placed, though there are now visible evidences of improvement. An important and essential part of our duty is to inquire and ascertain, if possible, the causes which have produced this unparalleled state of affairs, and then to enact the remedy. For any action of Congress taken in ignorance of the true causes would be a leap in the dark, and as likely to increase as to diminish the gravity of the evils under which the country suffers.

Whilst we find that the supporters of the repeal of the purchasing clause of the Sherman bill agree that the repeal is a proper remedy, we find them differing widely as to the cause and nature of the disease itself. The President thinks the cause is the Sherman law, and very logically recommends its repeal.

SHERMAN LAW NOT THE CAUSE OF PRESENT DISASTER.

The Senator from Massachusetts [Mr. HOAR] and the Senator from Indiana [Mr. VOORHEES], whilst differing widely as to the true cause, yet agree that our present troubles are not attributable to that much-abused enactment. The Senator from Massachusetts, after depicting in eloquent language the distress of the present, with equal force and eloquence described the happy condition of our country up to the 4th of March last, which day seems, in his judgment, to be the beginning of our sorrows.

In expressing his view of the causes of the present distress he uses the following language:

While I do not attribute our present disasters in any part to the legislation of 1890 (the Sherman law), I do attribute them to a serious extent to the failure of the present Executive to assure the country and the world that he would use the power given him to maintain the two metals at par. This, with the prevalent dread of what a distinguished member of this body described as a "war of extermination upon the protected industries of this country," accounts, in my judgment, for our existing condition.

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Whilst not agreeing with that distinguished Senator in his affirmation as to the true cause of our troubles, I concur with him as to his negation on that subject. I am, after the best examination I am able to give, convinced that our present disasters are not attributable in any part to the Sherman act.

I am in accord with the view of the Senator from Indiana, which attributes in a large degree the causes of our disasters to the moneyed classes of the country. If these distinguished Senators are right, no relief can come from the passage of this bill.

UNCONDITIONAL REPEAL AN AGGRAVATION OF TROUBLE AND NO RELIEF.

My judgment is that the repeal, unaccompanied with any other remedy, will be an aggravation of our troubles and in no sense a relief.

Concurring in the opinion expressed by the Senator from Indiana, that the national banks and moneyed classes are largely responsible for the precipitation on us of our present and recent financial troubles, yet I think there are causes beyond their action—causes inherent in the money system of the country and of Europe, which not only make these financial crises inevitable, but furnish the occasion and opportunity for the banks and capitalists their allies in this country and in Europe to afflict mankind at their will with these constantly recurring monetary troubles.

Two antagonistic forces exist in the financial world, engaged in never-ceasing conflict. One, the great mass of mankind—the laborers and producers—the other, those who have been fortunate enough to secure to themselves the greater part of the wealth of the world; between those who labor and those who have acquired and now enjoy the stored-up results of the past labor of mankind; between those producing commodities for exchange and consumption and those who possess the money and other machinery by which this exchange must be made and wages paid.

The former class, being the great mass of mankind, the great mass of our own people, desire an abundance of money for which to exchange their labor and their products—they want a rise in the prices of products. The latter, possessing nearly all the money of the world, and possessing moneyed obligations of nations and corporations and individuals to many billions of dollars, desire a scarcity of money—an increase in its purchasing power. These, whilst knowing that all the gold and silver in the world are insufficient to carry on even to their advantage the trade of the world, have invented certain substitutes for money, highly profitable to them, in order to decrease metallic coinage—real money. By decreasing the amount of metallic money they have a larger field for the operation of their monetary devices; they have the opportunity to manufacture more of the substitutes for real money, which substitutes the world under the present system must use. They desire just enough of metallic money to enable them skillfully and profitably to manage their own substitute devices for money.

URGENT NEED OF INCREASE OF MONEY.

As civilization advances, as trade and commerce increase, as they have done enormously in the last hundred years, so the necessity for an increase in money becomes more urgent.

Up to the middle of this century, traders, capitalists, owners

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of money, all agreed with the great mass of the people that every increase in real money—gold and silver—was beneficial to mankind. It could not escape notice that periods of increasing volumes of money, always accompanied by rising prices, were periods of enterprise, industrial and commercial activity, of progress and advancement, and that periods of contraction were also times of stagnation, hardships, bankruptcies, and penury.

The great addition to the bimetallic money of the world about the middle of the present century—coming from the gold mines of Australia and California—caused a great rise in prices and a corresponding fall in the purchasing power of metallic money. Or, in other words, the wealth of the money classes was greatly diminished; those who had money could only buy a greatly diminished part of the commodities of the world. So it was gravely proposed to demonetize gold, that being the metal which was then so rapidly increasing in volume. But that scheme only partially succeeded. Gold, though very largely produced, became at length a diminishing production. The production of silver began to increase beyond all former precedents.

The fear was, not that the world would have too much money for its monetary needs, but that prices would continue to rise and the purchasing power of money, that is, its value, would continue to decrease.

FIRST MONETARY CONFERENCE.

This was the situation in 1867 when the first international monetary conference met in Paris at the invitation and under the auspices of the Emperor Napoleon. In the mean time—between A. D. 1850 and that year—France had exchanged her silver metallic currency for gold, though without demonetization of silver

The invitation to this conference skillfully concealed the design of its author. It invited the nations to confer about the international unification of coin, and referred to the bimetallic Latin Union—established in 1865—as the desirable thing to be followed by all nations; but it expressed next, if that were not satisfactory, a wish to confer about other means of unification. It alluded to the benefits already realized from the bimetallic Latin Union, and enlarged upon the evils coming "from the diversity of coinage which multiply the fluctuations of exchanges."

That was the feast to which the nations were invited. The United States accepted the invitation in this sense and in no other. The conference met, and without notice to the world, without notice to the governments which had sent delegates, they recommended a single gold standard.

This action excited no attention in this country at the time, for we were then using a forced paper currency.

EUROPE TURNING TO THE GOLD STANDARD.

But soon the effects of the conference began to be felt. As early as June 17, 1869, Norway, in consequence of this recommendation, began to turn from a sole silver standard to gold. (See Report International Conference of 1881, page 393.) The other Scandinavian states joined in the movement. A complete transition in these states from a silver to a single gold standard was effected in 1872 and 1874. Germany, having conquered France and exacted a billion of dollars as indemnity, largely in gold, commenced in the next year, 1871, to change to a gold standard exclusively, completing that transition in 1873.

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Republican France, humiliated and impoverished, now began to reap the fruits of the action of her late emperor, consummated by the international conference of 1867. Deprived largely of her gold by her triumphant enemy, she believed that she was to be made the dumping ground of the millions of silver which were being sold by Germany. She was also induced by the action of the United States to make that movement.

Right here I desire to correct a statement made by the very accurate and learned Senator from Iowa [Mr. ALLISON] on this subject. In answer to an interruption in his very able speech a few days ago, he asserted that there was no such action of the United States prior to the action of France which could influence or did influence her action. The record is the other way.

I might remark in this connection that in the examination and discussion of this very important, aye, momentous question, to the American people, it seems that statesmen and publicists are dwelling in a kind of hallucination, by which they mistake important and well-settled historical as well as financial facts. The fact is that France took no step toward the demonetization of silver until many months after the action of the Congress of the United States, in February, 1873. But as this point is disputed by so able and accurate a Senator as the Senator from Iowa, I deem it my duty to present to the Senate the evidence which sustains the assertion which I make. I read now from the proceedings of the international conference of 1881, which met at Paris for the purpose of investigating this question. This is a statement in reference to France made by Mr. Cernuschi, who was a delegate to that conference:

> The late legislation of the German Empire produced, after 1873, a great afflux of silver in Belgium and France. The French mints, which in 1872 had received less than a million of francs worth of silver to coin, received onehundred and seventy-three millions worth of it in 1873.

Here is the first step ever taken by the French Government in reference to a suspension of the coinage of silver:

> A ministerial order of the 6th of September, 1873, directed that the mintage of silver 5-franc pieces should henceforth be restricted to 200,000 francs per day.

Our action was in February of that year. About six months after the United States had demonetized silver France, through a ministerial order, restricted the coining of silver in the several mints. It is not worth while to read the extent to which they restricted it. They made the first order on the 6th of September, 1873. Then they made a second order in November, 1873, still further limiting it.

> The system of limited coinage of silver, with a contingent for each State, was inaugurated in the Latin Union by the treaty of January 31, 1874, and has been in force since then.

So, Mr. President, it is a plain historical fact, and a momentous fact, so far as we are concerned, that our demonetization of silver antedated any action on the part of France by at least six months, and was, in fact, the cause of the action of France. How the demonetization happened here I need not now discuss. By what influences—through what ignorance of this action on the part of the great body of members of Congress, including in this ignorance some of the most eminent statesmen in the Union of both parties, and including in it also the President of the United States—I need not now recall. That matter has been sufficiently

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debated. It was, however, done in such manner that our Commissioners to the International Monetary Conference of 1878, speaking through Mr. Groesbeck, felt authorized to say:

From 1792 to this day, when by a sort of inadvertence in 1873 the silver standard was superceded, not a merchant, not a banker, not a manufacturer, not an establishment, nor an interest of any kind could be cited as having raised any objection to the simultaneous use of the two metals. Bimetallism is therefore in the United States not only a tradition of the law, but has entered deeply into the habits of the people. (See International Monetary Conference Report 1881, page 21.)

Mr. Evarts, in the conference of 1881, called the demonetization of silver in the United States in 1873 an "unlucky incident" in the legislation of that year.

CONSPIRACY FOR DEMONETIZATION.

At that time, it is hardly necessary for me to remark, as everybody knows it, that on the ratio of 16 to 1 silver was at 3 per cent premium; but after these events silver fell rapidly as compared with gold, but not as compared with anything else. Well was Mr. Carlisle justified in saying that this demonetization was the result of a conspiracy, and the conspirators, sir, were monarchical Europe, the money-lenders, the holders of money securities in Europe and in this country. Money was about to become too abundant, as was complained in 1850; the prices of agricultural and other products were too high. Labor was about to be too well rewarded. The autocratic control over human affairs by money was threatened. The emancipation of the masses of the people appeared to be imminent. God's gifts to the human race for their progress and welfare were about to become through their munificence dangerous to plutocratic sway. So one-half must be destroyed. This work was done by kings and emperors and the holders of money.

This destruction was not demanded, as Mr. Groesbeck stated, by any single business interest in this country. It had not been discussed in the newspapers. Our Congress, without knowledge of what they were doing, by a simple provision—an omission rather than affirmative action—in a very long and complicated bill, demonetized silver, and the act was approved by a great President, not knowing at the time what he was doing.

EFFORTS TO REVERSE DEMONETIZATION.

From the time of the discovery of the deed of demonetization the people of the United States have persistently agitated to secure back what they had thus furtively or, if that term be preferred, inadvertently lost. In 1888 and 1892 the Republican national convention unequivocally pronounced in favor of the coinage of both gold and silver, and in the former year condemned in vigorous language Mr. Cleveland's administration for what they were pleased to say were its efforts "to demonetize silver."

In 1884 the Democratic national convention declared in favor of "honest money," which they declared to be "the gold and silver coinage of the Constitution, and a circulating medium convertible into such money" (gold and silver, not gold alone), "without loss."

In 1888 the Democratic convention, without mentioning gold and silver specifically, "reaffirmed the platform adopted by its representatives in the convention of 1884." In 1892, the last utterance of the party on the question, it was distinctly affirmed

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that "We hold to the use of both gold and silver as the standard money of the country and to the coinage of both gold and silver without discriminating against either."

The Populists' convention, in 1892, demanded "the free and unlimited coinage of silver and gold at the present legal ratio of 16 to 1."

On more than one occasion free coinage, a restoration to the people of their ancient right, has passed one House and been defeated in the other. Three times, in 1890, in 1891, and in 1892, and if I did not misunderstand the Senator from Iowa in his speech the other day, at another time has a free-coinage bill passed the Senate and failed in the House of Representatives. Once in 1877 a free-coinage bill passed the House and was defeated in the Senate by an amendment which created the Bland-Allison act.

RISE AND FALL OF PRICES.

From that fateful day, when in 1873 silver was demonetized, the people have suffered and decayed, and money owners and holders of money obligations have flourished.

Prices rose from 1849 to 1873, 38 per cent; during that period there were immense additions to the gold and silver of the world. In 1873, the date of demonetization, prices began to fall. From 1873 to 1885 there was a fall of 30 per cent. This is according to Dr. Soetbeer's tables.

Mr. Sauberback's calculation shows that, taking the average of prices from 1867 to 1877 as the basis, there has been a fall up to 1887 of 68 per cent in the general range of prices; and the London Economist shows that this fall has continued up to 1892, for the two years 1890 and 1891, at the rate of 2½ per cent per annum. These figures are taken from the speech of the Senator from Nevada [Mr. JONES] in the conference of 1892.

But we need no tables to show the fall in the great agricultural products, wheat and cotton; both have fallen to a point below the cost of production.

COTTON AND WHEAT GO DOWN WITH SILVER.

I will, however, insert in my remarks at this point a table which was printed in the remarks of my colleague [Mr. WALTHALL] in this body on the 7th instant, from which it appears that there was *pari passu* an even fall of cotton and wheat from 1872 to 1892 along with the fall in the price of silver.

The table is as follows:

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	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	10.2	1.04
1880	1.25	11.5	1.14	1891	.85	7	.90
1881	1.11	11.4	1.13	1892	.80	7.3	.86
1882	1.19	11.4	1.13				

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The evils of demonetization have been acknowledged by all parties. Promises of redress, as I have shown, have been freely made. False and delusive hopes have been held out for relief through international monetary conferences.

MONETARY CONFERENCE OF 1892.

Three of these have been held. The evil to the world of silver demonetization has been acknowledged in them, but nothing has been done. In 1892, November 22, the latest monetary conference met. The delegates fully acknowledged the gravity of the situation arising from silver demonetization. The president of the conference said in his opening address that the delegates would "investigate the possibility of remedying the condition of affairs, of which none mistake the gravity."

Another delegate said:

Whatever personal sympathies we may feel, we must admit that very few of us have been able to agree with the stoic opinion, which denies the existence of a crisis, and concludes very logically there is no need of looking for a remedy. * * * It disappears before the reiterated and recent declarations of statesmen, who have described the evils which are ruining the agriculture and destroying the industries of their country with a precision whose significance it is impossible to mistake.

And the president of the conference, on adjourning it, said:

At the moment we suspend our labors we carry with us, I regret to say, the very general impression of an uneasiness which calls for a remedy.

And Mr. Rothschild, the great banker and monometallist, and a delegate to the conference, in submitting his proposition that European nations should join the United States in purchasing silver as a palliative for what was considered an impending monetary crisis, said:

I need not remind you [the conference] that the stock of silver in the world is estimated at several thousands of millions, and if this conference were to break up without arriving at any definite result, there would be a depreciation in the value of that commodity which it would be frightful to contemplate and out of which a monetary panic would ensue, the far-spreading effects of which it would be impossible to foretell.

Those were the opinions expressed in the conference. The conference adjourned, without action, on December 17, 1892, till the 30th of May of the present year, when it was hoped that they would be reconvened and further consideration of the remedy would be resumed.

He who will study the deliberations of these conferences will be struck with the general consensus of opinion, that silver was a necessary money metal. The failure to agree was upon some common action to be taken by the principal nations, and not on the necessity for silver as money.

The response of the European delegates to the proposition of the United States, being the conclusion of the conference of 1878, stated, as their judgment, "that it is necessary to maintain in the world the monetary functions of silver, as well as those of gold, but that the selection, for use of one or the other of the two metals, or of both simultaneously, should be governed by the special position of each state or group of states." (See Conf. rep. of 1878, p. 163.) This reference to the action of these conferences is designed to show and does show that whilst they failed to produce results, it was the opinion of the delegates, after full debate, that silver, just as gold, should continue to be a monetary metal, and that each state was to judge for itself how it would use either, or both, according to its special condition.

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TROUBLE CAUSED BY DEMONETIZATION OF SILVER AND NOT BY SHERMAN LAW.

The quotations from the last conference in A. D. 1892 show that in the months of December and November of last year the ablest men in monetary affairs in Europe concurred with the United States in believing that the demonetization of silver—as I have explained, in and about 1873—was cause for serious alarm and for apprehension of a monetary crisis of the gravest character, and that no one attributed this condition to the Sherman law. On the contrary, great weight was given to the view that silver purchases ought to be increased—even participated in by other governments.

It was suggested by no one that purchases under that law would even contribute to a crisis. It was thought they would tend to avoid it.

But, Mr. President, the evident disposition of the conference of 1892 to consider further the grave questions before it, the general acknowledgment that the monetary situation was then, owing to the demonetization of silver, serious if not alarming, and the adjournment till the 30th of May for further deliberation, produced a profound impression on those who were interested in keeping money scarce, and thereby giving it more and more value as compared with commodities. So they conspired again. As in 1873, as declared by Mr. Carlisle, and as I think the circumstances I have mentioned conclusively show, they conspired to procure demonetization. So now, in the beginning of our present troubles, they conspired to defeat all efforts to remedy that great wrong, and even to augment the disasters which had followed demonetization by a repeal of the Sherman law. The people of the United States had endeavored, as I have shown, to repeal the act of demonetization. Their efforts had been baffled. They had secured partial relief only. In 1878 they got the small and inadequate relief of the Bland act. Like a sensible and practical people, as they are, they took what they could get, with the determination that they would not cease their efforts to gain all that was due them. They persisted from year to year, but their efforts were futile. At last, in 1890, the Senate passed another bill for free coinage of silver.

It was not passed by the House, but such action was taken as resulted in a conference between the two Houses. The conference report gave the act of 1890, called the Sherman law. The Democrats voted against it. The free-coinage Democrats—or at least I did—so voted, not because it provided for an addition to the purchase of silver and consequently to the volume of the currency, but because, taking the whole act together, it was not deemed as favorable to free coinage as the Bland act, which it repealed.

VOTE AGAINST REPEAL OR GIVE UP SILVER.

Some Senators who voted against the Sherman act and who now oppose, not the repeal of the Sherman act, but the repeal of one clause of it, are criticised as being inconsistent. It is said as an excuse for Mr. Carlisle's change of position upon this question, and very properly, that the circumstances differ. How much, sir, do the circumstances differ now as to those of us who voted against the Sherman act in 1890? Then we had a choice between the Bland-Allison act, which gave us certainly $2,000,000 of silver coinage per month and possibly $4,000,000, and the

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Sherman law. To-day we have no such choice. If Senators who are advocating the pending bill desire to place us in an inconsistent position, they ought to bring in a bill repealing the whole of the Sherman law and reviving the Bland-Allison act of 1878. But they do not do that. They do not propose even to repeal the whole act, but one single clause of it, and that clause the very one which every Senator who is for free silver approved of, for the purchase of more silver.

We free-coinage Democrats voted against it for the reasons I have stated, because we did not regard it as being as favorable to free coinage as the act which it repealed. It did, however, contribute to an increase of currency.

NATIONAL BANKS BENT ON REPEAL OF SHERMAN LAW.

It was assailed by the monometallists and bankers from the very beginning. The national banks, who had shown their opposition to the coinage of any amount of silver, who had in 1878 immediately after the passage of the Bland-Allison act, refused to receive silver on deposit, and to use it in the clearing house and exchanges, and who were only compelled by an act of Congress in 1882 to do that thing, of course opposed the Sherman law.

It was assailed by the monometallists from the beginning. They had become enamored of the gold standard of Europe. The falling prices of commodities, consequent on the increased purchasing power of gold, augmented largely the wealth of those owning money and money obligations. Through the insufficiency of the metallic currency, and the opportunity thus afforded to increase the devices I have alluded to for supplying this deficiency, these men had acquired unlimited power over the finances of the country. It was determined to reverse the action of Congress in enacting the Sherman law, and thereby prevent a further increase of the volume of the currency for which it provided.

Mr. President, it had not been regarded by the national banks, though they opposed it, that the Sherman act contained the dangers now ascribed to it. Nor did the business men of the country have that opinion. Both acted under it exactly as if it were a safe and sound financial measure free from danger. The act went into operation in August, 1890. That the business men and money-owners had faith in the financial situation as fixed by the Sherman law is shown by their deposits in the banks. When trouble and disaster are anticipated money is hoarded—as we have reason to know in the last few months—withdrawn from banks, not deposited in them.

The deposits in national banks increased in the year ending October 2, 1890—a date nearly three months after the passage of the act—over the deposits of the preceding year by $108,300,000; and in the next year the deposits were about the same amount; and in the next year, ending September 30, 1892, they were still further increased, in addition to the increase of the year ending October 2, 1890, by the sum of $243,800,000.

BANKS HAD NO FEAR OF SHERMAN LAW.

This shows conclusively there was no fear on the part of the business men. The banks themselves exhibited their confidence in the finances by increasing their capital stock by $64,000,000 over the stock in the year ending September 30, 1889. But more

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than this, as if to show their entire confidence in the monetary system as fixed by that act, they increased their loans to $2,171,-000,000 in the year ending September 30, 1892, as compared with $1,805,700,000 in the year ending September 30, 1889.

The business of the banks in deposits and loans and the increase of capital stock showed the utmost confidence in the monetary situation under the Sherman law.

The exports and imports of gold during the year ending June 30, 1891, and June 30, 1892, exhibit the same confidence. In the first year named the net exports were $63,590,666, and the next year succeeding that, having another year of experience under the Sherman law, the net exports were only $494,873. This confidence as exhibited by exports and imports of gold continued up to and including the month of November, 1892, on the 22d day of which month the international monetary conference met.

The gross exports of gold for October, 1892, were only $484,-250, and in November only $1,138,647. The imports for these two months show a net gain in gold to the country of $4,572,-645. The imports exceed the exports by that amount. But suddenly there was a change. The international conference was in session, with the sentiments favorable to a more enlarged use of silver, which I have mentioned. They determined to meet again on May 30, to try to come to an agreement favorable to this enlarged use. England's delegates, through Mr. Rothschild, had expressed the gravest apprehensions of disaster if no agreement was reached. The United States had called the conference. A new President had been elected, supposed to be not favorable to the Sherman law. The banks had the power, in conjunction with their allies, to absolutely dominate the monetary situation.

The situation itself, occasioned, as I have shown, by the demonetization of silver, increased this power. Apprehensions had been expressed by the greatest authorities on finance in the world of a monetary crisis, certain to come at no distant day, not from the purchase of silver, but from a too small purchase of silver. The financial world was thus in a condition in which distrust could be easily fomented.

THE MONEY POWERS CONSPIRE TO REPEAL THE SHERMAN LAW.

So, it was resolved that such a condition of affairs should be produced as would compel a repeal of the Sherman act, and thereby destroy all chances of remonetizing silver, and thus give to the banks and their allies the profitable business of supplying the needed currency at their will, contracting or expanding, raising or reducing prices, as they should see proper.

CRISIS PRODUCED TO PREVENT MONETARY CONFERENCE.

Whilst the conference was in session the exports of gold were suddenly raised to $12,879,727 for the month of December, the imports being only $1,540,538.

Whether this sudden increase in the exports was the result of a preconceived plan to produce a panic, or whether coming from the course of trade and excessive monetary demands in Europe it was afterward seized upon to produce distrust and a consequent panic, it is difficult to determine accurately. However this may be, the large exports were at once made the ground for either inducing or aggravating the seriousness of the situation.

After December, 1892, there was a continuous monthly increase

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of exports of gold to the 30th of May, 1893, reaching $19,148,064 in April, and in May $16,914,317. Then from the day on which the international conference was to meet—the conference having been abandoned—the exports fell suddenly to $2,771,226 in June, and since then there have been continuous net importations of gold to the amount of many millions; I believe about fifty-four millions several days ago.

The Senate will note that the sudden ceasing of the large exportation of gold occurred on the very day when this conference was to meet, when it was ascertained that the conference would not meet.

The crisis had been produced and the conference had failed. During all this time the country heard it announced over and over again in the metropolitan press and by the banks and their agents that all this trouble came from the Sherman law; and in connection with this was a demand not only for the repeal of the act, but also for the issue of new bonds with which to buy gold, and, what was equally significant and important, to furnish a basis for the additional issue of national-bank notes which the crisis thus produced seemed to demand. They determined to have the exclusive right to furnish the currency for the country, and in such quantities as they might see proper.

And thus these corporations, skillfully taking advantage of a situation made, by the demonetization of silver, favorable to the success of their machinations, filled the world with a clamor that the purchase of silver under the Sherman law was the cause of the disasters which they had themselves produced.

I am glad to know that the able chairman of the Committee on Finance, Mr. VOORHEES, fully concurs in the view I have expressed as to the cause of the gold exports. He used the following language:

The shipments of gold which took place from this country in the last four or five months must be accounted for, to my mind, in a different way. They were a part of the same plan which attempted to sack the Treasury of its gold reserve fund, to create distrust, fear, agitation, panic, and a withdrawal, as far as possible, of all money in circulation; and all this to be accompanied by a concerted outcry from terror-stricken business circles, and from the whole national-banking system, that nothing can restore confidence and save the public credit except the issuance of at least $300,000,000 of interest-bearing Government bonds.

To which I will add, and the repeal of the Sherman law.

I add also the testimony of the distinguished Senator from New York [Mr. HILL] to the same effect.

The Senator, whilst stating that it can not be denied that the Sherman law has been at least in part, and possibly the most largely, instrumental in producing the existing complications, also stated, in most graphic and eloquent language, the part that had been borne by the gold monometallists.

WHAT SENATOR HILL SAYS OF THE PANIC.

I quote from his speech:

Some portion of the present panic may be traced to a concerted effort on the part of numerous monometallists to produce it in order further to discredit silver as a part of the standard money of the country. That fact is apparent everywhere we turn.

And among their acts which contributed to this result he mentioned:

They encouraged the hoarding of money; they inaugurated the policy of refusing loans to the people, even upon the best security; they circulated false petitions, passed absurd and alarming resolutions; predicted the direst

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disaster, attacked the credit of the Government, sought to exact a premium upon currency, and attempted in every way to spread distrust broadcast throughout the land.

He continues. I quote his language literally:

The best financial system in the world could not stand such an organized and vicious attack upon it. These disturbers, these promoters of the public peril, represent largely the creditor class, the men who desire to appreciate the gold dollar in order to subserve their own selfish interest, men who revel in hard times, men who drive harsh bargains with their fellow-men in periods of financial distress, and men wholly unfamiliar with the principles of monetary science.

It is not strange that the present monetary panic has been induced, intensified, and protracted by reason of their malign influences.

But it will be objected to this view, that the banks and their allies would not combine to produce a situation by which they themselves were to be losers. From circumstances hereafter to be stated, it is not certain that the great banks in New York who have the power to produce the crisis and did produce it have been losers. But if they have, the answer to that view is contained in the following extract from the same speech of the Senator from Indiana:

If it be asserted that some of the banks have therefore suffered and fallen by the overthrow of public and private confidence which has taken place, it only adds one more illustration to the well-known fact that a demon of destruction once raised sometimes escapes the control of its masters and turns and rends them. * * * In this attempt to force the Government into the attitude of a borrower, the banks have endangered their own credit, and in many instances totally lost the confidence of those who trusted them.

And the distinguished Senator from New York, immediately following the quotation I have made from his speech, expressed a similar view in these words:

Having contributed much to bring about the present exigency, these men—

The monometallists and creditors described in the extract before quoted—

are now unable to control it. They have sown to the wind, and we are now reaping the whirlwind.

So it is that the present storm which has been raised will not be still at the bidding of the necromancers who called it into being.

As in the outset, on the eve of the bursting of the storm upon the country the banks were acting, as has been shown, as if there was to be no trouble which they could not master, so in its progress they up to a late date exhibited the same confidence in their ability to control it. I mention that as another evidence that they got it up. They increased their loans so that in nine months they were $2,141,400,000 from October 2, 1892, to May 4, 1893, as against $2,171,000,000 in the preceding twelve months, almost as much in nine months as in the foregoing twelve. At the same time there was a decrease in their specie and legal-tender reserve; and their percentage of cash to net deposits was exactly the same as it was in the year ending September 25, 1891. This proves beyond controversy that the banks had the utmost confidence in their ability to ride the storm which they had raised, that it would down at their bidding. They were lending and gaining just as if no storm had arisen.

But, sir, whilst it may be conceded that the contagion of distrust has been spreading; that the financial crisis produced, as I have explained, has gotton beyond the control of those who evoked it, yet it is by no means certain that it has entailed loss and disaster on the banks.

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BANKS LOSE NOTHING BY THE CRISIS.

If there has been a want of confidence in their solvency, and, therefore, a wish on the part of depositors to withdraw their money, that wish has been met by a flat refusal to pay them. For the cash deposited and payable on demand, and which the banks had loaned as their own at a large interest, only the certified checks of the banks are tendered to the depositor. For his money and the promise of the bank to pay on demand he gets another promise of the bank to pay, when it shall suit its convenience. These checks in many places circulate as money. So desperate is the condition of the people from want of money that they take as currency the dishonored obligations of the banks who are the authors of their ruin.

But the banks have other resources for maintaining themselves than by refusing to pay on demand their debts to depositors; they manufacture and use without authority of law, and contrary to law, the currency to help them out of their distress. They resort to the ingenious device of issuing what is called clearing-house certificates, which are not allowed to circulate among the people, but are kept for use exclusively by the banks, to enable them to persist in locking up the currency by their refusal to pay depositors. These certificates in New York amount to over $38,000,000. What is the total amount in the whole country I am unable to say, but it is probably not less than $100,000,000.

The power of the banks for evil, to create monetary troubles, is so great that even this body of ambassadors from the States, the great tribunal in which the rights, the dearest interests, the prosperity and happiness of the American people are supposed to be, and I believe are, the great end of our deliberations, dares not to inquire into these illegal transactions lest their official exposure shall increase the distress which the sinning banks have brought upon the people.

Now, Mr. President, up to this point I have discussed the agency of the banks and their allies in producing the present panic, and endeavored to show their power to do it, as coming from the conditions which were peculiar to the time at which this crisis commenced.

THE SINGLE GOLD STANDARD BREEDS MONETARY CRISIS AND DANGEROUS TO PROSPERITY.

Now, I proceed to show that our present monetary system, based on gold as the only money of ultimate redemption, is at all times and under all circumstances favorable to the production of monetary crises, whether they come from acts of folly on the part of governments, of traders or bankers, or may be deliberately designed. Sir, I mean to say that the present system is a constant menace and ever-impending danger to the prosperity of the human race.

SCARCITY OF METALLIC MONEY INCREASES THE POWER OF THE BANKS.

Great, sir, as is this power of the banks and their allies, the moneyed classes, they could not at their will dominate and control the business of the world unless there was a real and permanent deficiency in actual or metallic money. The smaller the amount of real money in circulation or in existence, the more is the need for paper money and those contrivances and devices for economy in the actual use of money which are so much relied on by the monometallists. Bank paper and bank contrivances for

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minimizing the use of money are the means by which the power of the moneyed classes is made absolute. They are despots with autocratic sway in the realm of trade and production.

Hence, sir, the proposition is now made openly for the first time in the United States by any considerable number of men to dispense entirely with silver as money of full debt-paying power, to degrade it to mere token or subsidiary money, depending for its value, like paper, upon its redeemability in gold. And in this connection it must not be forgotten that as silver money is made subordinate, as it is now in the United States and in Europe, dependent upon redemption in gold, as a necessity for its parity with that metal, gold has imposed on it an additional demand and duty whereby it is made still more valuable in comparison with commodities, thus causing prices to fall more and more.

NOT MONEY ENOUGH IN THE WORLD TO TRANSACT BUSINESS.

That there is a deficiency in the amount of gold to do the world's business is generally conceded, at least in this Chamber. It is needful, however, to a clear conception of the questions arising on this bill that the facts and figures showing this deficiency and its extent should be set out.

By a Treasury circular dated the 16th of August, 1893, it appears that all the gold coin in the world is $3,582,605,000, say, in round numbers, three and one-half billions of dollars. This statement refers to countries containing a population of 1,220,000,000. Deduct the population of China, South and Central America, and Mexico, aggregating 450,000,000—all now on a silver basis and also India, which is now somewhat uncertain as to its future monetary policy—we have in round numbers 700,000,000 of silver-using people to be deducted, which leaves 522,000,000 of people for the gold-using countries. Then giving these countries all the gold, say three and one-half billion dollars, we have that sum on which to do the foreign commerce of the civilized world (excluding China and India) which in 1890 in round numbers amounted with that exclusion to about twenty-four and a half billions of dollars, or about $7 of foreign commerce in these countries to one of all gold in the world. In addition it is to furuish the basis for the immense internal traffic of the nations, as I will further explain.

In 1890 the total tonnage of the world of sea-voyaging vessels over 100 tons in burden amounted in round numbers to 24,000,000. In this vessels under 100 tons—canal boats and steamboats—are not counted. All these great ships making this enormous tonnage were built with money, are kept in repair by money, are manned, equipped, and navigated by money. How much, who can tell?

Then we come to the railroads of the world.

In 1890 the mileage of the railroads (and the mileage has largely increased since then) was in round numbers:

	Miles.
In Europe	137,000
In North America	183,000
In South America	16,000
In Asia	19,000
In Africa	4,000
In Australia	12,000
Total	371,000

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These railways cost enormous millions in their building, and annually cost many other millions in repairs and running expenses.

It is difficult to estimate separately the internal traffic from the foreign traffic which goes over these roads. There are some duplications which ought to be accounted for. I have only partial statistics of the tonnage carried over the railroads of other countries. We can approximate it by comparison with our own and with other countries of whose traffic we have statistics.

In order to show how insufficient is the world's supply of money for the world's needs, and that this insufficiency is in itself a condition in which financial panics are easily created, I proceed now to state these conditions in the United States, and will then notice the like conditions of the world.

VOLUME OF MONEY INSUFFICIENT.

The total money in circulation in the United States on July 1, 1893, as shown by a Treasury statement, is $1,601,347,187, or $24.44 per capita of our population.

On this and with this the immense business I shall now proceed to set out must be conducted.

I take the statistics for the United States for 1892, and show there were in round numbers 170,000 miles of railroad, over which was carried in that year 750,000,000 tons of freight. There are no statistics showing the value of this freight. I am informed that Mr. Poor, the author of Poor's Railroad Manual, values it at $150 per ton, but my informant, a very intelligent business man of New York, says this is manifestly too high.

I have thought it was nearly correct to put the valuation, at wholesale prices, at one-third this amount—say $50 per ton. Then adding the tonnage carried in 1890 in internal commerce, by steamers. sailing vessels, and canals and express companies, altogether one hundred and ninety millions, we have for total tonnage exclusive of foreign commerce nine hundred and forty millions, which, at $50 per ton, would be $47,000,000,000 as the value of freight carried on our railroads and internal water ways. Deduct for duplications all—not a part, but all—of our foreign commerce, which was in the year ending June 30, 1892, little less than two billions—but say two billions of dollars—we have $45,000,000,000 as the value of the internal commerce of the United States in one year, as carried on railroads and watercraft; not the whole of it, but only that carried by these common carriers. If any man supposes these figures too high, let me remind him that the clearings in the clearing houses of fifty-seven cities of the United States, and there are clearing houses in sixty-one, but I have no returns from the other four, in 1892 amounted to over $61,000,000,000. But this large sum of $45,000,000,000 represents only the wholesale prices, and shows only the need for money for the one sale from the wholesaler to the purchaser from him.

It would be a moderate estimate to say that on the average there are three necessary sales of commodities, from the producer to the consumer; not counting the speculative sales, which now are immense. Each of these three sales requires money—or the representative of money based on money. So that it would be a low estimate to state the amount of sales in the internal traffic of this country based on commodities transported by railroads and water craft would annually reach $135,000,000,-

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000, not counting the increased prices charged by each dealer as profits on sales made by him, the aggregate of which, when retail trade is transacted on a credit basis, would equal the wholesale price. This estimate takes no account of those immense transactions embracing commodities and services exchanged for money, and which contribute no part to the tonnage transported by railroads and water craft. How much this is can not be accurately estimated, but that it is immense a little reflection will teach us.

There must also be added taxes—national, State and municipal—interest on public and private and corporate debts.

The total debt of the railroads in the United States for the years 1889 and 1890 was $5,352,117,340.

Interest on that at 6 per cent is $321,127,042.40.

The total public debt of the United States—the States and the counties—in 1890 was over $2,000,000,000. Interest on that at 6 per cent is $120,000,000. In this is not included the debt due by towns and cities, which is probably as much more. The debt of the city of New York alone is over $157,000,000.

The total mortgage individual indebtedness in twenty-two States as shown by the census returns is $4,563,433,186, and the estimate by the Census Bureau for the remaining twenty-six States, the returns for which have not been tabulated, is $1,327,565,122, making total mortgage indebtedness of private individuals $5,890,998,302. The annual interest on that sum at 8 per cent—a low estimate—comes within a small fraction of $480,000,000 more.

Of course the private indebtedness of individuals, not covered by mortgages, can not be ascertained, but it would be a low estimate to put it at several billions more, probably exceeding the mortgage debt.

I submit here a table prepared at the Census Office in relation to certain manufactures, in cities containing over 20,000 inhabitants, which I ask to be printed, as Exhibit A in an Appendix.

And it must not be forgotten that these manufacturing statistics do not include business done in towns and cities comprising less than 20,000 inhabitants. This excluded business would probably equal the amount stated in the table.

It excludes certainly all the manufactures in Mississippi, and the major part in all the Southern States, and a large percentage in the other States, and the immense products of handicraft all over the Union.

This table shows the total wages paid in manufactures to be—

For a year	$1,559,065,130
Other expenses for the year	456,877,362
Total	2,015,942,522
Add cost of raw material	3,329,377,893
But these establishments make and pay out large dividends, which are not less than 6 per cent per annum; add this, say	237,843,877
Making total of	5,583,163,392

As the annual need for money in these establishments.

The mineral products of the United States, exclusive of the precious metals, in 1889 amounted to $587,230,662.

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The cost of this would be low at half this amount, say $293,-615,331.

If this be added, as it ought, we have a grand total for the yearly need of money in manufactories in cities of over 20,000 inhabitants and in mining of $5,876,778,723.

The total agricultural production in twenty-eight States and Territories in 1889, as shown by the census, is $1,300,000,000. The returns from the other States and Territories have not been tabulated, but in 1879 their production was in a small fraction of $1,000,000,000. Add 20 per cent for increase from 1879 to 1889, and it makes $1,250,000,000; making total agricultural production in 1889, $2,750,000,000.

Nearly half a decade has elapsed since 1889, to which these figures are applicable, and it would be a low estimate to increase them for the present year by 20 per cent, which would make them amount to over $3,000,000,000.

As it is known that in the most important crops the value does not exceed the cost of production, it would be safe to say that the wages alone paid in agriculture amounted to 25 per cent of the product, say $750,000,000 per annum, which is less than one-half the wages paid by manufacturers as above stated.

The total gross earnings of all the railroads in the United States in 1892 was $1,191,867,099. Of this sum $839,039,694 were paid in operating expenses, very largely as wages, requiring payment in cash.

And of these earnings, $293,559,476 came from passengers, which is outside of the traffic of these roads, which I have estimated for as internal traffic of the country.

Sir, these immense sums, relating to the annual and daily use for money in the principal business operations of this Union, may, so far as capable of approximate specifications, be stated as follows:

Commerce carried on over railroads and waterways at wholesale value	$45,000,000,000
Three sales of these without estimating for profits	135,000,000,000
To this may be added:	
Wages paid in manufactures, Exhibit A	1,559,065,130
Miscellaneous expenses in manufactures	456,877,392
Cost of raw material	3,329,777,893
Interest on dividends on capital ($3,964,064,627) at 6 per cent	237,843,877
Total for a year	5,583,164,292
Agricultural wages	750,000,000
Railroads in the United States, expense of running	839,039,694
Dividends paid	81,536,811
Interest paid	229,909,292
Total, included in gross receipts of ($1,191,-867,099)	1,150,485,797

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I next come to the public debts:

States and Territories of the United States	$223,107,883
Debts of counties	141,950,000
Interest on same at 6 per cent	21,903,572
Add one-tenth for annual payments on principal debt	36,505,788
Total of annual needs for money on these debts	58,409,350
Mortgages, private debts, total for all States and Territories	5,890,998,302.00
Interest on same for a year, 8 per cent	461,279,864.16
Add one-fifth of principal for partial payment each year	1,178,996,660.00
Making	1,639,479,524.00

of annual use for money on these, or more than the whole circulation of the United States.

Then, sir, there is to be added the private debts—not mortgages—created during the year, and not here estimated, but as I believe to be equal to the mortgage indebtedness, of $5,000,000,000. There are $4,900,000,000, and more, due by the banks to depositors, and over $4,300,000,000 due to the banks.

Then we must add the revenue—national, State, county, and city.

The total gross receipts of the United States Treasury for the year ending June 30, 1891, was $765,821,305. It was for the year ending June 30, 1892, $736,401,296; say an average of $750,000,000 a year.

The total revenue of thirty-eight States, as shown by the census of 1890, was $164,984,901.

This does not include local taxes—as county, school districts, poor taxes, road and bridge taxes. I can not get the statistics of these, but from observation, as to these taxes in my own State—which has no large cities—and from information derived from residents of other States, it would be a very conservative estimate to place these local taxes at three times the amount of the State revenues. This would add $494,954,703, or a grand total of all State revenues, $655,049,604. Add revenues of United States Treasury, $750,000,000; making total public revenues $1,405,049,604; about three times the amount of gold in circulation in the United States, and a sum but little under the total circulation of all kinds of money of the United States—and if the city taxation were included it would very greatly exceed that circulation.

If we tabulate all these various items of annual needs for money, we have a total for the United States alone as follows:

In manufacturing, mining, agricultural wages, and railroad earnings the amount of $6,579,792,844, not estimating expenditures and receipts in navigation of all kinds nor manufacturing in places other than in cities of over 20,000 inhabitants.

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We have for internal commerce $135,000,000,000, not counting profits on resales nor estimating the immense traffic hereafter to be mentioned.

We have for the revenues of United States, States, and counties, not estimating city revenues, $1,405,049,604; payments on mortgage debts, not estimating individual debts not secured by mortgage, $1,639,479,524; debts due by banks to depositors, $4,900,000,000; debts due to banks by borrowers, $4,300,000,000; making a grand aggregate of $153,824,272,565, or about $370, of needs for money, to one dollar in gold, in circulation, and about $100 to every dollar of all kinds in the United States. To this is to be added for traffic and business unenumerated a sum many times larger.

AMOUNT OF MONEY ABROAD ALSO INSUFFICIENT.

We have seen how utterly insufficient is the money in the United States for the needs of the people. I now show that the world's needs—excluding the silver-using countries—are equally unsatisfied.

Taking the railroad traffic of Europe—omitting Roumania, Turkey, Greece, Belgium, Portugal, and Spain, for which I have no statistics—and the internal traffic of the whole of Europe, estimated on the basis of twice that of the United States, though the population is five and a half times greater, and the expenses in manufacturing and mining and agriculture at the same rate, and counting the taxation as actually returned, with estimates only as to the local taxes, except as to taxation in Roumania, Turkey, Bulgaria, Greece, Portugal, Spain, Belgium, Holland, and Switzerland, which is estimated, we have three hundred and ten billions for Europe's annual needs for money. But from this is excluded what was included in the computation for the United States—all local and municipal debts, all railroad debts, and all private debts.

Adding the above sum to the demand for money in the United States and we have four hundred and fifty-nine billions as the annual needs of Europe and the United States for money, leaving out the exceptions before noticed, and the unspecified business hereafter to be alluded to, and also the whole foreign commerce of the world, over twenty-five billions, and the interest on the public debts of the world seven hundred and fifty millions.

The above specifications shows $130 of needs to $1 in gold, giving Europe and the United States all the gold in the world, and yet of the three and one-half billions of that gold three hundred and seven-six millions are in other countries.

In these calculations I have made no estimate for cost of mining the precious metals. Of these, two hundred and twelve millions were mined in 1892, and counting all losses in unprofitable mining, I believe it is understood that each dollar mined cost a dollar in expenses.

Sir, in making these estimates I have designedly been extremely conservative. My object has been to exhibit amounts certainly needed and at the same time to call attention to the general subject of the world's needs for money, with such specifications as would tend to aid the thoughtful mind to grasp these great needs for itself, and to furnish suggestions for data (rather than to give complete data) by which some idea might be formed

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of the great inadequacy of the money of the world to do the needed work.

But, sir, in this tabulation we have omitted, as before alluded to, the immense transactions requiring the use of money, based on all handicraft manufactures, and all manufactures elsewhere than in cities of 20,000 inhabitants and over; on all sales of lands, the lending in the first instance of money by others than banks, on other securities than mortgages; all transactions in commodities not transported by railroads and water craft; and building houses, barges, ships, steamboats, and repairing the same; expenses in the immense slaughter and packing houses; compensation to draymen, truckmen, hackmen, blacksmiths, bakers, saloon-keepers; for work in distilleries; compensation to attachés of theatrical companies and other exhibitions; in domestic service; to hotel-keepers and servants, restaurant-keepers, lawyers, doctors, preachers, keepers of lodging-houses, lumbermen, rents of dwellings and other houses and lands; money used in traveling other than for railroad fares, including money used in navigating all water craft, ships, barges, canal boats, and in street cars, omnibuses, hack and carriage fares; to pay sewing-women; money spent daily for newspapers and the wages and other expenses in publishing them, and of books and magazines; speculations in stocks, in futures, and speculation by real purchase and sale of commodities; and the expenses of running the large number of colleges and universities and high schools not provided for by taxation.

To these there are to be added many other kinds of daily expenditures requiring money.

ONLY ONE DOLLAR IN GOLD TO EVERY ONE HUNDRED AND FIFTY DOLLARS NEEDED IN COMMERCE.

And yet, sir, to do all this work, to carry on this specified commerce and business of Europe and the United States, we have but three and a half billions of gold—one dollar in gold to about one hundred and fifty in traffic and commerce, without estimating for the unspecified business, which I have no doubt amounts to ten times as much more.

That the world also uses about the same amount of legal-tender silver, say three and one-half billions, does not help the cause of the monometallist. For by refusing to coin silver as we do gold, in unlimited quantities whenever the bullion is presented, we have reduced the gold price of silver at the ratio of 16 to 1, the largest in any coinage in the world, to the bullion value of 60 cents in the dollar.

This large amount must, therefore, be kept at par with gold by making it redeemable in gold like paper money, and thus, as I have before shown, increasing the value of gold by requiring it to perform this new duty. As it is claimed that the trouble now afflicting us is the fear that this would not be done in the United States, I might rest this part of the case by transferring this three and one-half billions of silver to the commodity column, as before ascertained, for which gold must furnish the exchange.

But if we allow it to stand as money, then, sir, we have seven billions of metallic money to do the whole world's commerce of about four hundred and seventy billions, with the unenumerated billions included in the business I have alluded to, for which we have no statistics.

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Will that do? It seems to be conceded it will not do. We hear from all sides nearly that we must have an international monetary conference to set silver up again as a money metal. That would be folly if we had money enough without it. That is unattainable. England, the great creditor of the world, stands in the way.

SHALL WE ACT FOR OURSELVES OR WAIT FOR CONSENT OF EUROPE? WHAT JEFFERSON SAID.

Mr. President, I desire to submit this question to the serious consideration of the American people. With us all conceding that there ought to be remonetization of silver, that we need silver, that it is necessary to carry on the world's work properly, that there is a deficiency of currency, are we to stop and say we will not supply this deficiency, as was suggested by the Senator from Texas [Mr. MILLS] yesterday, without the consent of Europe? Is it a fact that in the most important of all governmental action we dare not take a single step to supply an acknowledged want of the American people without consulting Europe? On that subject I desire to read, for the benefit of some Senators who profess to be Jeffersonian Democrats, what Mr. Jefferson said not quite a century ago. I read from a letter dated May 13, 1797, by Mr. Jefferson to Elbridge Gerry. Said Mr. Jefferson:

It has been my constant object through my public life; and with respect to the English and French particularly, I have too often expressed to the former my wishes, and made to them propositions verbally and in writing, officially and privately, to official and private characters, for them to doubt my views, if they would be content with equality.

They will not have equality. They wish to domineer the American Republic as to the most important question which can be submitted to a people.

Of this, they are in possession of several written and formal proofs in my own handwriting. But they have wished a monopoly of commerce and influence with us; and they have, in fact, obtained it.

I am afraid that is the fact now.

When we take notice that theirs is the workshop to which we go for all we want; that with them center either immediately or ultimately all the labors of our hands and lands; that to them belongs either openly or secretly the great mass of our navigation;—

I believe that is so now—

that they are advancing fast to a monopoly of our banks and public funds—

The great cry is now that if we pass this bill the immense number of bonds and public securities owned in Europe will be turned back upon us—

and thereby—

Said Mr. Jefferson—

placing our public finances under their control.

My God! is not that the situation to-day when American Senators get up and gravely tell the American Senate that silver ought to be remonetized and they dare not do it except by the consent of Europe?

That they have in their alliance the most influential characters in and out of office; when they have shown that by all these bearings on the different branches of the Government, that they can force it to proceed in whatever direction they dictate, and bend the interests of this country entirely to the will of another—

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Is not that what is gravely proposed to be done with reference to the remonetization of silver?

When all this—

Continues Mr. Jefferson—

I say, is attended to, it is impossible for us to say we stand on independent ground, impossible for a free mind not to see and to groan under the bondage in which it is bound. If anything after this could excite surprise it would be that they have been able so far to throw dust in the eyes of our own citizens as to fix on those who wish merely to recover self-government the charge of subserving one foreign influence because they resist submission to another.

I fear this is true now—

But they possess our printing presses, a powerful engine in their government of us.

Further, Mr. Jefferson says:

But I hope we may still keep clear of them, notwithstanding our present thraldom, and that time may be given us to reflect on the awful crisis we have passed through, and to find some means of shielding ourselves in future from foreign influence.

What sort of foreign influence?

Foreign influence political, commercial, or in whatever form it may be attempted.

And then comes the expression of a wish which, when I hear it stated that we dare not move in this matter of supreme import to the American people without the consent of Europe, I confess I feel exactly as Mr. Jefferson did. Said he:

I can scarcely withhold myself from joining in the wish of Silas Deane, that there were an ocean of fire between us and the Old World.

FALLING PRICES AND GENERAL DISTRESS RESULTS OF SILVER DEMONETIZATION.

Mr. President, the world's business is carried on in a way, under the present system of demonetization, but is it well carried on?

Let the low and still falling prices of the great commodities of the world answer. Let the distress now prevailing everywhere answer.

The insufficiency of the present metallic coinage not only ruins the people by low prices, but it furnishes the opportunity for the banks and their allies to produce panic and distress, from contraction and distrust, by which the people are still further robbed and the moneyed classes grow rich.

Mr. President, having shown the insufficiency of the money of the world to do the work of the world, I propose to call the attention of the Senate to the various devices and contrivances which have been invented by the banks to supply the wants of the world for money.

With a traffic requiring many hundred dollars to one in existence of gold, with the superadded dependent silver, there has come a necessity for such credit devices as are now claimed to be the substitutes for money, and which are alleged to be better than an increase of money itself.

These substitutes are all based on what is called confidence. In this way the ingenious devices of men are claimed to be and are, as long as a credulous public will give faith to them, substitutes for money.

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COMMERCE DRIVEN TO SUBSTITUTES FOR METALLIC MONEY.

But are these substitutes reliable when carried to the extent they are now?

They may do when there are no clouds in the financial skies, when credit is in full vigor, when trust and faith are abounding, but when there comes the smallest disturbance anywhere in the commercial world from any cause, from folly in overtrading, or from that cool and calculating malignity and hunger for gold so often manifested by those who control the finances of the world, when panics are produced, and the business of the world wrecked in order that the fortunes of those who cause these disasters to mankind may be increased—I say when these troubles come, these substitutes are of no value.

We have heard something of the trouble coming from the Barings' failure in 1890, the failure of one banking house caused by overspeculation in one little country containing only 3,500,000 inhabitants, and with a foreign trade of only $243,000,000. So these devices are of such a character that the smallest disturbance in one of the most insignificant countries in the world commercially brings disaster and panic over the civilized world.

Let us look for a moment at the substitutes or alleged economies in the use of money so far as developed in our own country.

Great stress is laid on the small portion of money used in the clearing houses, whereby transactions to the amount of over sixty-one billions in the year 1892 were settled with only about 5 per cent in money.

But, sir, there is an obvious reflection to be made with reference to those clearings. It is that they relate only to large transactions, which go through banks associated in clearing houses, having no reference to the daily use of money in small transactions, in paying wages of all kinds, in retail business, and, in fact, all the millions of ordinary daily traffic of the 67,000,000 of people of the United States. Another is that there are more than fifteen States and Territories in which there are no clearing houses, whilst there are two States which have five each and two which have four each. This economy is used in a few localities only. It aids the banks associated in them and no one else.

THE BANKS HOARD MONEY NOT THEIR OWN IN A PANIC.

But the principal thing on which it is relied to make a small and insufficient currency do the work of a very large circulation arises from the habit of depositing money in banks, and the keeping by the banks of that money in circulation by continually lending to others a large portion of the amount deposited for safe-keeping. And, sir, when it shall be noted as I shall develop it that this is a remarkable assistance in making a little money go a great way by keeping that little in constant use, it must not at the same time be forgotten that this constant circulation ceases when there is a commercial panic. It is worthless to aid us in a financial storm. It increases its fury by refusing to the owners of the deposited money the power to use it. Money, then, is locked up in the banks. It is in all respects, so far as beneficial use is concerned, hoarded except that it is not hoarded by the owners, but by the banks, who refuse to let the owners have it. Then there are also checks and bills of exchange which in good times perform useful offices. But they, like deposits

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in the banks, are worthless in a financial crisis, except so far as they are drawn on money actually held for their payment by a trustee, who will not refuse to honor them.

But, sir, I would fail to do justice to the genius of the great monometallist capitalists of the world, the banks and their allies, if I fail to mention another expedient, another device, by which the world's money is made to support and to carry on the world's commerce, and by which the commerce is made to fit the currency, instead of increasing the volume of the currency to meet the demands of commerce. This expedient—this Procustean device—has the advantage over all others in this, that it is not a fair-weather device only, but becomes more and more efficient as the financial disasters shall increase in intensity and fury. By this device the prices of commodities fall as the calls for money become louder and more exigent.

STRIKING PROOFS OF THE EFFECT OF SILVER DEMONETIZATION ON PRICES—ENORMOUS LOSS.

To show how this is done, I read an extract from the report of the gold and silver commission of Great Britain, and it is very significant and important. Commenting on the effects of silver demonetization, they say:

The following figures from Mr. Giffen's reports to the board of trade show that the declared value of our [Great Britain] foreign trade in the undermentioned years was as follows, the progress of the trade to 1873 having been for many years almost unbroken:

1873	£626,000,000	1885	£584,000,000
1879	554,500,000	1886	562,500,000
1883	667,000,000	1887	583,500,000
1884	623,000,000		

If, however, the trade of the three latter years be valued at the prices of 1873, it would be represented by the following figures:

1879	£711,000,000	1885	£835,000,000
1883	861,000,000	1886	858,000,000
1884	844,000,000		

The average for the last four years is—

Declared value	£609,100,000
Value at prices of 1873	849,500,000

showing an average falling off of £240,400,000, or about 29 per cent.

Even a more striking proof of the decline in value of British trade as compared with volume is afforded by the fact that while we have seen the total value of that trade decline from £626,000,000 in 1873 to £583,641,000 in 1887, the total tonnage employed in carrying it advanced from 37,934,422 in 1873 to 56,170,447 in 1887.

But, Mr. President, lest it may be asserted that the falling values of commerce are local to Great Britain, I submit some figures to show that the same ingenious device to make a small volume of money do the great business of the world is in full force in the United States.

I have already called the attention of the Senate and had inserted in my remarks the tables taken from the speech made by my colleague [Mr. WALTHALL]. I will put in one or two more.

LOSS ON COTTON FROM DEMONETIZATION OF SILVER.

The farm value—not the commercial value at New Orleans, New York, and Liverpool, but the farm value of the cotton crop of 1890, consisting of 7,313,726 bales, was by an official table

$310,000,000, whilst the farm value of the crop of 1892, consisting of over 9,000,000 bales, was only $270, 000, 000.

A like result will be found when we come to the wheat crop, a constantly increasing production and a constantly decreasing price.

The small volume of money did the business of the world because the value of the commodities of commerce were made to shrink to the competency of the money of the world to carrying it on.

I present some figures on the subject of these devices. Of course to intelligent, observing men they will not be new, but possibly they may contain some information to those who are not so familiar with this kind of literature as are the Senators upon this floor.

FIGURES SHOWING EXTENT OF THESE DEVICES.

The total money in circulation of all kinds in the United States in 1891, as shown by a statement of the Treasury, was $1,601,347,187.

The national banks had on deposit on September 30, 1892, the sum of $2,002,600,000, or more than all the money in circulation by 25 per cent.

The State and private banks investment and loan companies, and savings banks had on deposit, in the same year, of ordinary deposits	$1,198,825,545
Savings deposits	1,712,769,026
Total	2,911,594,571
Add deposits of national banks	2,002,600,000
Makes total deposits in all banks	4,914,194,511

or just about three times the whole amount of all the money in circulation in the United States and more than all the gold circulation in the whole world.

These banks did not keep this money hoarded; they lent it out at a good interest, whereby it produced great profit to them.

The national banks had out in loans in 1892	$2, 153, 498, 829
The other banks loaned	2, 202, 131, 728
Total loans of all banks	4, 362, 630, 557

or about $2.70 loaned by the banks alone to every dollar in circulation in the United States. What a wonderful contrivance of the banks, by which they not only use their own capital profitably, as will be seen, but which enables them to lend at interest $2.70 to every dollar in the circulation of the United States.

This is a very good showing for supplying the deficiency of the currency and enriching the banks. It only has this one trouble, that it is utterly impotent as a substitute for a deficient currency, though omnipotent for enriching the banks.

When the slightest financial storm shall arise, it would be no addition to the circulation, but a contraction, as the banks in such times refuse payment of their deposits.

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But all these loans are based on deposits and circulation, and are payable on demand, as follows:

Circulation and deposits of national banks	$1,908,846,281
State-bank deposits, payable on demand	1,198,825,545
Total	3,107,671,826

nearly twice as much as all the currency of the country.

But these banks do not own all, or even nearly all, of the money of this country. At the same time that they are subjected to these enormous obligations, payable on demand, they have only cash as follows:

State banks, cash and cash *items* (whatever that may be)	$197,789,384

(What cash *items* may be is unexplained, but I give them the benefit of it all as cash.)

Cash held by national banks	$332,941,816
Total held by all banks	530,731,200

This shows demand obligations—which may be presented at any time, and must be met when presented—nearly six times as much as cash and cash items to meet them.

In this calculation we leave out the savings deposits, which practically are demand obligations, in case of a panic, since, if the banks holding them decline to pay on demand and claim the sixty or thirty days' notice, as the case may be, it brings discredit and distrust, and but adds fuel to the fire. Adding these, and we have the result that all the banks have only one-ninth of the cash and cash items needed to meet their obligations payable on demand. This view gives them credit for all money of whatever kind which they possess.

GOLD AN INADEQUATE BASIS FOR BUSINESS.

But if we are to consider that gold alone is to be the money of ultimate redemption, how utterly insignificant is the amount now owned by the banks to meet their obligations. The total gold and gold certificates held by all the banks in the United States on July 12, 1892, was only a small fraction over $191,000,000, and all the gold in circulation in the United States was only $408,568,824. (See page 96, Coinage Laws.)

In this situation, is it a matter for wonder that we have a financial crisis now; or, rather, is it not a wonder that we are not in that condition all the time? Whilst everybody has confidence and faith matters go along, not indeed smoothly, yet without violent convulsions and without great catastrophies.

Then we have that evenness in business, that absence from disturbance which comes as often from that dulness and stagnation which are sure monitors of approaching death, as from a blind faith that the banks will meet their obligations. Governor Stannard, the president of the business men's convention which met in this city a few days ago, stated in his speech on taking the chair that 92 per cent of the business of the country was done on confidence, and that about 60 per cent of this confidence had now vanished. In this situation it is in the power of the banks and the great capitalists to impair this confidence and thus produce the panic now prevailing.

And they did it.

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Would it not be better, Mr. President, if for this vanishing confidence we had an addition of real substance—metallic money?

But, Mr. President, notwithstanding the conceded insufficiency of real money, and the necessary substitution for money, of these devices, all of which are based on confidence, on the faith of the people in that airy nothing—a mere emotion of the mind which may vanish in an instant, which can be made to vanish by capitalists—we are urged to decrease real money in order that these substitutes may usurp its place.

A writer, the editor of Bradstreet's in the Forum for September, 1893, states we have had nine panics in this century, and, with one or two exceptions, they come in periods of about nine or ten years apart. "These periods," says this same writer, "consist of from three to five years of commercial activity, succeeded by several years of depression." He names also five other intermediate periods in which there were distinct business disturbances, but less formidable than the panics. Of these five he names one as the "echo of the Baring crash," in 1890. So that under the present system we are nearly all the time either in a financial crisis or in the depression occasioned by one, or just on the eve of having one to burst on us with all its terrible fury.

CONDITION OF THE BANKS FAVOR PANICS.

It was said a few days ago in this body by the very able and careful Senator from Missouri [Mr. COCKRELL], who had fully investigated the matter, that the condition of the banks in this country were better than they were in Europe. This being so, the conditions for world-wide panics exist everywhere as they do here.

And yet, sir, we are told that the present system of silver demonetization and the single gold standard is the only basis of financial safety and business prosperity. It is impossible, sir, to reconcile this position with verity in the operations of the human intellect. The hallucination can be accounted for only on the ground that business men refuse to exercise their reason and blindly repose in confidence on the interested assertion of those who, having the power through a deficiency in the currency to control at their will the business of the world, are unwilling to surrender their destructive preëminence.

But, Mr. President, having shown that we are always in a condition to have a panic whenever any considerable part of the great capitalists of the world want one, and that according to this writer in the Forum we are always either in a panic or in the depression occasioned by one, or just about to have a panic burst upon us, I want to notice some of the palliatives which the banks have invented for the purpose not of saving the community from the terrible effects of these financial storms, but to shelter their guilty heads from the fury which they have evoked.

PALLIATIVES FOR PANICS.

But, Mr. President, the great financial genuises who create these panics, are not without the power to contrive shelter and protection for themselves against the peltings of the pitiless storm.

They have invented devices by which the hardships of panics, resulting to them from an insufficient currency, may be, if not wholly obviated, at least palliated.

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But it will be seen that they are mainly if not exclusively for the banks. They do not extend to the great mass of the people, who remain the unpitied victims of these financial necromancers, who have evoked the angry spirits of disorder and distrust. The banks are permitted to refuse payment of their deposits—not by law, but by the tolerance of the Government, after having received the money of the people on a contract to return it on demand—if the payment should be impracticable or inconvenient. It is nearly always one or the other, owing to their having loaned their deposits, to an amount six times greater than the money on hand to pay them.

DISHONEST PRACTICES OF THE BANKS.

But even then, such is the infatuation produced by wealth, these embezzlers of the funds of others are claimed to be benefactors of the public, seeking only from patriotic and philanthropic motives to advance the public weal by their generous action in certifying their depositors' checks. If you, sir, or I, had done these things, so meritorious in the banks, we would have been sent to the penitentiary. There is all the difference in the world between the defaults of corporations and the shortcomings of private individuals. What is a crime in one is a merit in the other. The banks put off their depositors by certifying their checks as "good," which means "good" when convenient for the banks to pay. The merchant, or other depositor, having debts falling due have no such privilege of certifying checks.

Being unable to get from the banks the money they have deposited, they must go to protest, and in many instances into bankruptcy. They have no palliatives; they can not certify checks as "good." Then again the banks, having refused payment of the money on deposit with them, keeping, hoarding it for such use and at such times as they shall adjudge best for their own interests, have another contrivance, also unauthorized by law. They create a currency for the occasion, and this not only without authority of law, but in express violation not only of the spirit of the law, but of its letter. The banks, combined in a clearing-house association, which is not a Federal but a State association, issue a currency called clearing-house certificates, not based on United States bonds, but on such collaterals as the "loaning committee" of the clearing house shall adjudge sufficient, and on the guaranty of the associated banks.

BANKS PROVIDE CURRENCY FOR THEMSELVES; BUT NOT FOR THE PEOPLE.

It is said that these certificates are not currency. I present one:

Loan committee of the New York Clearing House Association No. 31.

"Five thousand dollars" on the right-hand corner.

This certifies that the ——— has deposited with this committee security in accordance with the proceedings of the meeting of the association held November 11, 1890, on which this certificate is issued.

This certificate will be received in payment of balances at the clearing house for the sum of $5,000 from any member of the clearing house association.

Then there is a memorandum down in the left-hand corner which reads as follows:

On the surrender of this certificate by the depositing in the bank above named the committee will indorse the amount as a payment on the obligation of said bank held by them and surrender a proportionate share of the collateral securities held therefor.

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Then here (exhibiting papers) is all the various machinery by which a bank can get one of these clearing-house certificates. Here is the obligation of the borrowing bank. It will be noticed that the bank borrowing this certificate agrees to pay "interest thereon at the rate of —— per cent per annum to the said association." Then it is signed and sealed by the president and cashier.

Now, that certificate passes as legal-tender currency from bank to bank. It is a kind of élite currency, which is never issued in sums of less than $5,000, and is not brought down to the wants and necessities and capacities of the average American citizen.

They are not allowed to be circulated among others than banks. But that makes them not a currency at all, but currency for the banks only. The people are hungry for more currency; their business is stopped; their debts are unpaid; distress prevails everywhere, yet they are not to have a share of this currency created for the especial use of the banks. Nor, sir, will the banks, so far as they can prevent it, and that is the worst thing about it, allow Congress to authorize the issue of additional currency for our distressed people. The banks keep the money of the people deposited with them, and at the same time issue without authority of law a special and unauthorized currency for their own use, and which by its terms can not circulate among the people. Does it not seem that this is not a government of laws, which our fathers vainly strove to establish, but a government of banks? And yet we are told that the trouble is not a deficiency of the currency, but a want of confidence, 60 per cent of which confidence has vanished, as Governor Stannard stated in his inaugural speech to the great convention of business men which met at this capital a few days ago.

DEFICIENT CURRENCY CAUSE OF THE TROUBLE.

But a want of confidence in whom? Is it in the banks, which refuse to pay their deposits and are unable to pay them? Oh, no. Their refusal to pay their debts is, under the contention of the banks and their allies and apologists, no ground for a want of confidence in them, but of praise and gratitude. According to them it is the Sherman law which prevents the people from giving their unreserved confidence to the suspended banks.

Though the banks refuse to pay their debts for an alleged want of funds, which they ought to have on hand, we are asked to believe that the Sherman law, which largely increases the currency, is the cause of all trouble. The depositors in the banks would be glad to get the Treasury notes issued under the Sherman law and put them away, so that they might have a privilege, denied by the banks, of using their own money as they need it.

Mr. President, may I not now confidently assert that the great trouble is a deficient currency?

When banks entirely solvent can not pay their demand obligations because they exceed by 300 per cent all the money in the country and by more than 1,000 per cent all the money of all kinds which they hold; when this is their regular, normal condition, into which they voluntarily place themselves in order to satisfy their greed for gain; when all the devices and contri-

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vances used for supplying this deficiency prove utterly unavailing, and when there is disaster throughout the land—factories closed, laborers without employment, crops unmoved, harsh bargains driven by the usurer, property sold at enormous discounts below its value, and all this for the want of money—is it the true remedy to further diminish the supply of money?

And yet, sir, this further depletion, this diminution of money, is exactly what is proposed.

No, sir, I was too fast; with convenient inconsistency there is to be an addition, but of what and to whom? Of the national-bank circulation and to be issued to the banks and to them alone. Thus, as if to show our contempt for the rights of the people, when distress comes we diminish circulation to them and increase it to the banks who oppress them.

This will but increase their power, now already too great. They can lend it at a high interest or they can hold it as they are now holding the people's money on deposit with them. But, sir, we must stand all this in order that silver money shall be suppressed.

THE REAL CONTEST, SHALL MONEY BE COINED FOR THE PEOPLE OR PAPER MONEY ISSUED TO THE BANKS?

This, sir, is the real contest. It is the question of the day. As we have had so much talk in the Senate by gentlemen who are pressing the consideration of the pending bill that they mean after awhile, somehow or other, at a date unspecified, to give us money, I wish to show to the Senate what the real promoters of this scheme mean. I do not mean to charge any Senator with not being candid in his statement. I have no doubt that those who say they are going to give us free coinage or more coinage at some indefinite and unspecified period mean to do so, but that is not the object of this movement. The New York merchants honored me by sending me a circular, which I understand was circulated all through the State of Mississippi and other States which happen to have Senators here who do not believe in the divinity of national banks.

This is rather a formidable paper. The signatures, amounting to about a hundred, are not put clearly in plain type; they are facsimile autographs, so as to appear as if each had been signed by the important individual or firm whose signature is attached. Now what do they say? I will not read it all:

We believe it to be necessary for the best interests of this country that the silver-purchasing clause of the Sherman act be promptly repealed—

They want it promptly repealed. They are not willing to give the Senate of the United States the opportunity of debate and discussion and consideration to see whether this is the best thing to do. They want it promptly repealed, when up to this time, so far as I have heard, not one single man on this floor who advocates repeal has said that the act of 1890 is the fruitful mother of our woes—

MACHINE PRESSURE ON SILVER SENATORS.

and feel that every day's delay in arriving at this result delays the revival of confidence and the return of trade to its normal volume. We believe also that to insure the necessary legislation, pressure—

Oh, pressure! Pressure!—

from their sound-money constituents must be brought to bear upon many Senators and Representatives.

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Oh, sound money! Is this clearing-house certificate sound money? Is that the pressure for sound money which they desire to be brought to bear upon the Senators of the United States, or is it the sound money consisting of certified checks of defaulting banks who, having received the people's money and having raised a storm which they can safely ride by defying the people, they give to the people in exchange for their money? Now, let us go on with this circular:

The advocates—

Now, notice. The advocates of what?—

of free silver have been organized and aggressive, have held mass meetings and conventions, have lobbied in Washington—

If there has been a free-silver lobby in this city since the present session of Congress it has been my misfortune to be so insignificant that not one member of it has ever approached me on the subject—

and have used every possible influence to advance their cause and to endanger the unconditional repeal of the silver-purchase clause. It is time for vigorous counteraction on the part of all who advocate sound finance and a currency good the world over.

Mr. ALLEN. Will the Senator from Mississippi permit me to call his attention to a fact?

Mr. GEORGE. Certainly.

Mr. ALLEN. The Washington Post of yesterday morning contained a dispatch announcing the fact that the New York banks are already engaged in retiring the new circulation taken out within the last few weeks. They are doing it, I suppose, preparatory to another panic, or for the continuation of the existing panic.

Mr. GEORGE. They are retiring these clearing-house certificates?

Mr. ALLEN. No; retiring the new national-bank note circulation.

Mr. GEORGE. There is no accounting for what they will do. Anything which the devilish ingenuity of man can invent will be done to oppress the people in order that they may send their clamors to this Chamber and force us to pass the pending bill. I proceed with the circular.

It is time for vigorous counteraction on the part of all who advocate sound finance and a currency good the world over.

We therefore indorse the action of the Dry Goods Economist in seeking to arouse the sound dry-goods trade throughout the country to work for their own interests—

Ah, Mr. President, to work for their own interests! It would not do to let it stand that way, and they said it first, and then, by a sort of afterthought, added—

and, at the same time, those of the whole country. Let each dry-goods man exert himself to focus popular sentiment in his locality and to secure direct pressure upon doubtful Representatives or Senators from his State in favor of unconditional repeal—

I desire to call the attention of Senators who have said that they do not mean by repeal the demonetization of silver to the next four words—

in favor of unconditional repeal *and no free coinage.* In this emergency—

This is in capital letters—

talking is useless, petitions are of no value. Pressure—

What is that? If petitions and if talk will not do, then what

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is the pressure? They do not disclose that, but say talking will not do—

pressure on individual legislators from the electors is the only method of assuring success in this momentous movement.

There are about 100 names signed to this circular. I am sorry the capacities of the Public Printing Office will not allow the facsimile signatures of these important men to go into the RECORD.

THE REPEAL BILL MEANS THAT SILVER COINAGE SHALL FOREVER CEASE.

I do not think anybody doubts now that the issue is squarely made by this bill between a total cessation of the coinage of silver forever and free coinage. That is the issue. We must meet it. We can not evade it. We must either hereafter have the money of the Constitution, gold and silver, as declared in the Democratic platform of 1884, or we must turn over to the banks the great power and the necessary governmental function of furnishing the currency for the people in such amounts and at such times as they deem proper. That, sir, is the true issue now made by the bill to repeal the purchasing clause of the Sherman law.

On this issue my opinion has long been made up. In February, 1884, on a bill then pending in this body to allow the banks an increase in the circulation on their deposits of bonds, it was argued in opposition to the amendment offered by the Senator from Missouri [Mr. VEST]—increasing the circulation of the United States legal-tender Treasury notes—that the regulation of the volume of currency should be left to the national banks.

THE POWER TO REGULATE THE CURRENCY CAN NOT SAFELY BE LEFT TO THE BANKS.

I said, on the 23d day of that month, in supporting the amendment:

The question now before us is whether it is proper to leave this power (of regulating the volume of the currency) in the Government or to vest it in the banks. I do not believe it is a safe power in the banks. I believe it is a great power, which is capable of being used for the destruction of the business and interests of the people. If confided to the banks * * * the banks will issue their notes or regulate the volume of the currency, according to their own interests. * * * If it be to their interest to contract, they will contract. If it be to their interest to expand the currency, they will expand it

It was shown then, what ought not to be forgotten now, that the banks contracted the currency whilst that bill was under consideration by over $2,000,000 in one week. This was done to secure the passage of the bill. I also showed on that occasion that the banks on several previous occasions had contracted their currency in order to secure political not business ends.

In the same speech, in reference to a statement of the Senator from New Jersey, that the national-bank system was a pet child of Congress, I said:

I want no pet children of the Government and no stepchildren. Let al her children be treated alike. Whether they have money in the national banks, or whether they delve in the mines, or whether they work in the factories, or plow in the fields, or pursue any other calling, they are entitled to equal rights and equal privileges. So long as I hold a seat on this floor I shall not, under any pressure, cast a vote which will give to any privileged class, to any pet children of the Government, a privilege and advantage denied to the great mass of the people themselves.

I stand by those sentiments to-day, and standing by them I shall not vote for the repeal of the Sherman act, nor will I vote

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for that other bill which attempts to increase the currency by giving a privilege to the national banks to issue more of their circulation on bonds already deposited.

The contest, sir, between the banks and the people, as made by this bill, involves much of interest, the deepest interest to the people on the one side and to the banks on the other.

If silver is to be suppressed as full legal-tender money, if it is to be limited in amount to a degree that it may be redeemed in gold instead of performing its constitutional function of money, absolute money, with no necessity for redemption, then its place will be supplied with bank paper and other banking contrivances. For the monometallist will not let the people have greenbacks or legal-tender notes. This supply will not be full, but only partial. It will not be to the full need of the people, but only to the extent needful to the interest of the banks.

BANKS WISH TO SUBSTITUTE THEIR NOTES FOR SILVER AND CONTRACT THE CURRENCY.

The business, sir, as I have described it, of lending money of depositors to the extent shown, so that there shall be $6 loaned to $1 kept for redemption, is rather a profitable one to the banks, however hazardous to the community. I have stated the deposits in all the banks to be $4,914,194,511; and the loans were $4,362,630,557, being more than $6 loaned to $1 of capital.

But as we have to deal more directly with the national banks, which are under Federal jurisdiction and supervision, it will be be best to state their condition and operation separately.

The stock of all national banks on September 30, 1892, was $686,601,000. On that basis, after paying proper dividends, they had a surplus of $238,900,000; undivided profits, $101,600,000. They had thus gained $340,500,000 more than their legitimate dividends, or about 50 per cent on their capital.

At the same time they owned also of United States bonds	$185,500,000
Stocks and other bonds	154,500,000
Real estate	87,900,000
Due from United States Treasury	8,200,000
Due from other sources	43,000,000
Total	479,100,000

This would seem to be doing very well, as these investments alone amounted to about two-thirds of their capital. After having invested two-thirds of their capital as I have stated they lend other people's money to the amount of $2,171,000,000 at interest.

This interest, however, does not go to the owners of the money, but to the bank. With such profits in the present system, of course the national banks want more circulation and less real money, and hence we must demonetize silver; must repeal the purchasing clause of the Sherman law.

If we had more real money—if gold and silver, the money of the Constitution, were in abundance, there would be less—very much less—need for the contrivances used as substitutes for money, less need for the national-bank notes, less need for putting in peril the business of the whole country by the banks lending their depositors' money to the dangerous extent I have

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pointed out. So the banks and others who have money to lend don't want the competition coming from free coinage of silver. They don't want the money of the Constitution to compete with their contrivances, their ingenious, but unsafe, substitutes for real money.

PLAN FOR A SAFE AND SUFFICIENT CURRENCY.

But it is said that the free coinage of silver would give us such an abundance of silver money as to cause a great depreciation in it; especially it is said would there be a great difference in the value of gold and silver coin at the ratio of 16 to 1.

Mr. President, I do not believe it.

First, restrain all national banks from lending any more than 50 per cent of their depositors' money. Let the reserve for depositors be one dollar for every two deposited.

Next prohibit absolutely, under severe penalties, clearing-house certificates. So that when the banks shall either recklessly inflate credits, or designedly produce commercial crises, they may not save themselves at the expense of the people by the creation of an unauthorized currency for their sole use.

Then there would be no distrust, no want of confidence. There would be no panics. Besides, this would make room for many millions of metallic currency to supply the vacuum occasioned by this necessary provision for safety.

Lest, however, we should create a stringency in the money market by precipitate action, the result should be approached gradually.

Next, put the national banks in process of taking the proper steps for the final withdrawal of all their circulation, which must come in 1907, when the last United States bonds are paid, unless Congress so far shall forget their duty to the American people as to authorize the issuance of further bonds in order to be the basis of further issuance of national-bank notes.

Let this withdrawal be gradual so as to prevent sudden contraction. Then, sir, as I advocated in 1884 in the speech from which I have quoted, prohibit the coinage of gold in coins of a denomination less than $10, and prohibit the issuance of all paper money under a like denomination except silver certificates.

With these provide for the free and unlimited coinage of silver, equally with gold, at the old ratio of 16 to 1. Coin all silver wherever produced and all gold as they come to the mints. Coin not only the new silver and gold that may be mined, but recoin all the gold and silver coins in the world that may come to our mints. There will be no inundation of this country by silver. If silver shall come to us from foreign countries it will scarcely come as a gift; if so, then so much the better. If it comes in the way of trade, then it will come only by an exchange for it of our commodities on terms favorable to us. When we prefer the silver to the things given for it we can not be injured. Then, sir, there will be competition with the banks, and no surplus of uncoined metal, denied the right of free coinage in order to fix a commercial price below the mint value of silver.

There would be no influx of silver coins from Europe to our mints. For first, Europe has no more silver coin than is required by her commerce, and not as much. The scramble for gold now going on, as described by the Senator from Ohio [Mr. SHERMAN], is significant. It means there is in the opinion of

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European financiers not enough gold for the world's use and not likely to be. Why should there be a scramble for it if there were plenty? The annual product of gold, counting the half century together, is a diminishing quantity. The annual consumption of it in the arts is an increasing quantity.

INCREASE OF SILVER TO KEEP PACE WITH INCREASE OF POPULATION AND BUSINESS.

The steady increase in population and in commerce creates increased demands for gold and silver beyond, far beyond, the supply. Europe, at least, must keep up their present proportion of silver coin—subordinate coin. The amount must not only be kept up, but increased with the population. The waste by wear of silver circulating so rapidly in everyday life and its consumption in the arts create a constant large demand for the new production. Europe will in this way not only retain its present silver, but consume in conjunction with Asia and the silver States in America the annual production outside of the United States. The Senator from Texas [Mr. MILLS] thought, if I understood him correctly, that all the silver production is about being consumed in the arts now.

The world's production of silver in 1892 was $196,605,200, of which the United States produced $74,989,900, about five thirteenths of the whole.

The consumption in the arts in the United States alone, as estimated by the report of the Director of the Mint for 1892, is $19,329,000 of gold, and of silver $9,301,000. Dr. Soetbeer estimates the total annual loss of gold in the world by abrasion and in the arts at $43,506,253, of silver at $23,730,000.

So I think there is little to fear from a superabundance of these metals. The danger is that there will not be enough of these metals for the money use of the world, and we shall be driven to resort to the miserable devices and contrivances to which I have alluded.

I now come to the special needs of the people of the United States for money supply.

Mr. COCKRELL. Would it interrupt the Senator from Mississippi just to call his attention to the difference between the production of gold in the world and its coinage?

Mr. GEORGE. No; it will not. I should like to have the Senator state that.

Mr. COCKRELL. From 1873 to 1892 the production of gold in the world was $2,210,961,206, while the coinage was $2,787,714,-679, or over $500,000,000 more of gold coin than the world produced, while the consumption of gold for industrial purposes is admitted by all writers to be over one-half, or 50 per cent.

Mr. GEORGE. That is, then, the recoinage of old coin.

Mr. COCKRELL. It must have been recoinage beyond all question. No man can to-day come within $500,000,000 of the amount of coined gold in the world, and I challenge any one to do it. You have no method on earth by which you can determine the exact amount of gold in the world, and I say, taking the fact of free coinage and the estimate of the product of gold and the coinage of gold, the amount of gold in the world to-day is $500,000,000 more than can ever be found.

Mr. GEORGE. I am very much obliged to the Senator from Missouri. He has made a very valuable contribution to my speech as well as to the general information of the country.

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Hon. J. H. WALKER, in an address at the World's Fair Congress, states that our consumption of commodities has been three times greater, per capita, than that of Europe; making our market the equal of 200,000,000 of European people. He further stated, that we consumed over one-third of the goods manufactured in the world, which equals a market for manufactured goods of over 600,000,000 of average people.

Mr. WALKER, I believe, is a member of Congress from the State of Massachusetts. I thought I had a little pamphlet here which contained his speech, He is evidently a man of ability; but I see I have left it at my room and I can not produce it. He is a monometallist, and it was a monometallist speech that he made.

Mr. GRAY. I have it here. [Handing pamphlet.]

Mr. GEORGE. Yes; this is it:

Hon J. H. WALKER, on cheaper rates and better money. Our bad monetary system thoroughly exposed. You can not afford not to read this. Carry it in your pocket until read. From the official report of the World's Congress of 1893. Department of Commerce and Finance, General Division of Banking and Finance,

Then there is a preface to it in which Mr. WALKER is spoken of very highly, but not any more highly than his due as I understand.

Mr. COCKRELL. I suggest to the Senator that probably he is one of the authors of the Sherman act. I think he was a member of the conference committee on the part of the other House that agreed to the Sherman bill.

Mr. GEORGE. At all events, there is a statement made by this eminent man and monometallist to the effect that we consume in the United States three times per capita the consumption of Europe and that we consume as much as six hundred million of the average population of the world. These are important facts. I believe he has stated it correctly, and if he has made any mistake he has understated it, except that I shall be compelled to show before I get through that there is a little underconsumption going on just now on the part of the farmers.

Mr. GRAY. I hope the Senator will read the whole speech.

Mr. GEORGE. I do not agree with the rest of it, but I wonder that a man should ever start out with such a fact as that and arrive at the conclusion which he reached.

I say I believe this statement to be under the mark rather than excessive. This consumption will largely increase under the prosperity coming from free coinage, as I shall show hereafter. I shall show that, so far as the farmers are concerned, consumption has been reduced to the lowest point by virtue of the want and distress occasioned by the falling prices, which seem to have no terror for the Senator from Texas.

Our population is increasing more rapidly than that of any other nation. It is also advancing more rapidly in intelligence and refinement than any other. It increased at the rate of very nearly 25 per cent (24.86) in the last decade. That rate would give, in round numbers, an increase for this decade of over 15,000,000 and in the next of over 19,000,000—one million and a half a year for this decade, and nearly two millions a year for the next—or one million seven hundred thousand as the annual average increase for the two decades ending in 1910. To keep up the present per capita circulation of $25 it would require an annual

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addition to the circulation of over $42,000,000. Our gold production for coinage is only $13,000,000 and a fraction over, lacking about $29,000,000 to keep up the present per capita. Whence are we to get it? The banks will answer from bank paper. And they will answer truly if we get it at all.

France has a per capita circulation of $41.67. Ours is $25, or about $17 less per head. France has, according to the British Statistical Abstract, but a little more foreign commerce than we have; yet her money is not excessive, though about 67 per cent greater per capita than ours.

The population of the United States in 1890 was	62, 662, 250
Add three years at 1,500,000 a year	4, 500, 000
	67, 162, 250

Say 67,000,000.

To have the French per capita we must in round numbers have to-day	$2, 791, 000, 000
But we only have	1, 601, 000, 000
Making deficit to-day of	1, 190, 000, 000

which must be made up in some way.

Our population will increase in numbers for the two decades at 1,700,000 a year, or 34,000,000 for the two decades.

For the seven remaining years of this decade we must have, to give us the French per capita to this increase, 1,700,000, multiplied by 41.67, to make the addition for each year, which is $70,-779,000, and for seven years it would be	$495, 453, 000
Add to this the present deficit of	1, 190, 000, 000
We have to be made up from now until 1890	$1, 685, 453, 000

Now, that is the demand. Let us turn to the supply.

The present silver bullion supply of the United States is seventy-four millions a year, of which about ten millions is used in the arts, leaving sixty-four millions for coinage.

Supposing all this $64,000,000 shall be coined (and that is a very large estimate, as shown by the statement of the Senator from Missouri), it would make but $448,000,000 in silver coinage in seven years. From this silver coinage alone we would lack, in 1900, $1,137,453,000 of having enough money to equal the French per capita. Then, if we resort to gold to make up the deficit, we find the world's annual production of gold, in 1892, was $130,000,-000, of which the United States produced $33,000,000, a little more than one-fourth. Of the present gold coinage of the world, say $3,500,000,000, we had, in 1892, in circulation $408,000,000, or less than one-eighth of the whole. Our stock altogether was over six hundred million, or one-sixth of the stock of the world. So, whilst we have produced more than one-fourth of the whole gold production of the world, we have in circulation less than one-eighth of that metal in circulation in the world.

The world's coinage of gold for the years 1889, 1890, and 1891 was $637,306,338, or an annual average of $212,435,446. Deduct from this annual average the recoinage of two years, $16,234,589, we have for amount of annual new coinage of the world, in round numbers, $196,000,000. If we got one-eighth of that it would be $24,500,000, and according to that we should be short

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of the French per capita in 1900, counting coinage of both gold and silver, $941,253,000. But, sir, while we produce one-fourth of the world's gold and have gold circulation to the amount of only one-eighth, I will state the case, by giving us not only the whole silver production of the United States, but also all the gold production.

The gold production, we have seen, amounted in 1892 to $33,000,000; of this sum we consumed in the arts $19,329,000, leaving for coinage only $13,671,000, and on that basis, coining all our gold and silver not used in the arts, we would lack in 1900 $1,041,763,000 in having as much money in circulation per capita as the French now have. In 1910 we should lack $250,000,000 of having currency enough to make us equal to the French per capita. Then for the next decade, from 1910 to 1920, we shall find that the total production, if not increased, will not keep pace with the increase of our population. This is certain, if we take into consideration the losses by consumption in the arts, by abrasion, by sinking in rivers and seas and hiding without discovery afterward. In this estimate no account has been taken of the destruction of the national-bank currency, which must take place, thank God, in 1907, unless we issue, which God forbid, bonds for their accommodation.

But, sir, we ought not to confine ourselves to the amount of currency per capita which France has. The French are the most economical people in the world in their living, and we are the most extravagant.

The two peoples stand at the two extremes of greatest frugality and very liberal expenditures. The people of the United States, according to Mr. WALKER, as I have quoted, consume three times per capita what is consumed by the people of Europe and consume one-third of all the manufactured goods in the world. Then, sir, it would seem that we ought to have at least three times the amount of currency of the French, whilst we have a little over one-half.

I do not hesitate to say that if our currency of real money was $100 per head it would not be too much, but the greatest of blessings. But free coinage of silver will not give us even the French per capita, even if we retained all the paper money we now have in circulation.

But I do not mean to rely on general statements to prove that our country needs for actual use more money than can be added by the free coinage of silver and of gold.

We have seen that, though the clearing-houses pass over sixty-one billions of trade every year. These transactions do not enter into or embrace the ordinary business of the farmer, laborer, mechanic, and professional man of the country. We have seen that for actual use, by duplications, the deposits in the banks of the country reach over $4,900,000,000, and that on them (with only about nine hundred millions of capital) are based loans to over four billions, to a most dangerous extent, and that all of these contrivances do not satisfy the whole want of the people for money, but the wants of those only who borrow from the banks, and with all this there is an acknowledged deficiency of currency, to the extent that international free bimetallic coinage is regarded favorably by all our statesmen. So that the need for more money is acknowledged. It is only disputed that we

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alone can maintain the needed increase by free coinage of silver. We can maintain it at par with gold.

The value of silver and gold bullion is regulated by the demand for them, like every other commodity. Of all the demands for these metals the money demand is not only the most extensive, but also the most urgent. A deficiency in money to do the world's business is of all deficiencies the most universal in its ruinous effects, and at the same time the most exigent for instant removal. Hence, as we have seen, the devices invented as substitutes for money. To say, as those who insist on international bimetallism admit, that the people of the United States need for money all the gold and silver possible to fall to their lot—for coining into money, and even more—with all the substitutes for money now or likely to be invented, is to say that all such gold and silver, when coined, will perform usefully needed money functions. How can there be, under these circumstances, a difference in the value of the metal coinage?

Is there such need for money? I have shown the needs of France and compared them with our own supply, and by such comparison I have shown that every dollar, both of gold and of silver (without surrendering any of the substitutes), which can be coined under free coinage would be insufficient; that there is a demand, and an urgent demand, for more and more money on which to do the business of the people, even on the French rate of money per capita.

But, sir, we need more money than the French have, as has been shown. And when all the gold and silver in the world which can come to us is coined, we will still be without enough.

A PLEA FOR MERCY FOR THE PLAIN PEOPLE

But, sir, as this is the very point on which the controversy turns, I must be indulged in further argument to make this position absolutely impregnable. It can be so made.

There are other business pursuits of greater interest to the people of the United States than banking, traffic in merchandise, gambling in stocks, dealing in money and exchanges. Whilst the devices I have alluded to may, if not obviate, at least palliate the effects of a scarcity of money among these classes, they do not reach or affect, except indirectly and remotely, the wants—the necessities—of the great masses of our people. There are fifteen States and Territories in which there are no clearing houses. They are to be found in a few great cities in the other States far removed from the great mass of population, and they deal in such wise as not to touch nine-tenths of the business of the country.

The retail trade carried on in hundreds of thousands of different places, and amounting, as I have said, to more than double the trade of the country, transported by railroads and water craft, is not settled for through clearing houses. In this trade the people need money—cash. Failing to have it, they are forced to a most disastrous credit system, in which interest in the shape of increased profits is absolutely ruinous to the producers. However beneficial credit may be in large transactions in the wholesale business of the country, in foreign commerce, in building railroads and ships, and carrying on other great enterprises, domestic economy teaches with unerring certainty that for the ordinary purposes of life—the retail trade of the country—it is in most cases disastrous; or, to state it differently,

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that for such persons so buying it is better, far better, that they use cash.

Under the present system this is absolutely impossible, and hence the results, as we see them every day, of increasing debt and distress, mortgaging and pledging property, which, under demonetization of silver and the consequent appreciation of gold, is grinding our people to death.

To enable the people to have cash to pay for their daily expenditures we must have a large amount of currency, not locked in banks and loaned again to other people, as we have seen is done, but in the actual possession of the people.

Take the case of the farmers, who constitute a little less than one-half our population, and who furnish by their toil and self-denial, too often unrequited, three-fourths of the exports of our country, and whose products are now relied upon by the bankers of New York to bring back to this country the gold which, by their mismanagement, has been exported to Europe.

We have seen that they need $750,000,000 a year to pay for wages alone. We have seen that their products amount to about $3,000,000,000 annually, and that this great mass of wealth is created, in a majority of instances, at a loss—costing more to produce than it will sell for. This justifies me, at least, in saying that the necessary expenditures of the farmers, including such luxuries as they ought to have, including wages, exceed $1,000,000,000 per annum, probably twice that sum.

Friday, September 22, 1893.

THE PRESENT HOPELESS CONDITION OF THE FARMER.

Mr. GEORGE. Mr. President, I desire to present the interest which the farmers of this country have in the silver question.

To those who have given attention to the matter, it is known that for the staple markets, crops raised by our farmers in the South and West—corn, wheat and cotton—that money is brought to the farmers but once a year. At the harvest he sells and has money when, as happens in but few instances, his expenses have not exceeded the sales.

In most cases, however, the farmer, owing to the credit system imposed by the scarcity of money, rarely has any money at all, even at harvest. The process is a year of labor and toil and expense on the high prices of the credit system; then the harvest, and settlement, and sale on the low prices of a small and contracting currency, whereby no money remains as a surplus. The next year witnesses the same dreary, despairing, treadmill round; credit at enormous prices for supplies, charged as a necessity of the system at disastrous, even absolutely ruinous rates; then an enforced sale of the crop at harvest for whatever prices the speculators in futures, and others, may fix; an application of the proceeds to the debts thus incurred, with little or no remainder, and most frequently with a deficit. And then the next year the same thing over again, and thus continuing year by year the never ending remorseless system, until a merciful Providence shall remove the victim from the scene of these infernal

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operations—operations flowing directly from the action of Congress.

Death, sir, is the end of the troubles, it would seem; but not so; the inheritance of debts and ruinous finances he leaves to his children, perpetuates through them the horrors from which he has escaped.

At this point, Mr. President, I think it right to bring some evidence to the Senate that the statements which I have made are recognized as correct by the highest authorities in this country. I want now to show the condition of the farmer in this year 1893 and in this month of September, when we are gravely debating in the American Congress whether we shall not take away from him what I believe is his only chance of ever bettering his condition.

FALL IN PRICES OF FARM PRODUCTS GREATER THAN DECREASE IN COST OF PRODUCTION.

It has been urged, Mr. President, by two Senators on this floor that the fall in prices of the things which the farmer buys is a compensation to him for the fall in prices of the things which he produces and sells. The argument seemed a little plausible at first blush, but when we come to look at the matter in all its bearings it will be found that it amounts to nothing as an alleviation to the farmer of his present ills.

It is claimed that there has been a reduction in the cost of producing the farmer's crops. I read from the New York Sun a very able argument on that subject, published September 10, 1893:

> For more than fifteen years, 1878 to 1893, all the great primary agricultural staples have been declining in price, although there have been periods when the price of some one was high for a limited time. This is more notably true as respects secondary products, especially meats and lard; but the trend of the whole scale has been constantly downward, and the general price level at the end of each year was lower than at its beginning. In the meantime, there has been no material reduction in the cost of production, the self-binder, the gang plow, mower, hay tedder, and hay loader, and all other great improvements in agricultural machinery, having come into use prior to 1878. Subsequent modifications and improvements have been in the direction of greater facility in operation rather than of lessened cost.

He further proceeds:

> While the cost of production can not have been lessened as much as 5 per cent since 1875—

I speak with the knowledge of myself and of other Senators around me when I say that the cost of production of the great staple crop of the South has not decreased one cent—

> While the cost of production can not have been lessened as much as 5 per cent since 1875, prices for the staple products of the farm averaged 82 per cent greater during the five years ending with 1875 than now.

Then there is a table, Mr. President, which I will have inserted in my remarks; but I will now only state the result of that table so far as cotton is concerned. It is stated in this table that the average value of the production of an acre of cotton in 1873 was \$28.01; and that the average now is \$10.60, which I think is rather extravagant. So it will be seen that there has been a fall in the value of the production of an acre of cotton, from the average for the years between 1866 and 1870, of \$28.01 to \$10.60—a reduction of about 66 per cent.

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The following table shows, in five-year averages, the gold value per acre (in the local farm markets) of the product of the five staples named, for quinquennial periods, since 1866, and an estimate of the value, with average yields, of an acre under each such staple in 1893 at present prices:

Staples.	Value of an acre's product—					
	1866-1870.	1871-1875.	1876-1880.	1881-1885.	1886-1890.	1893.
Corn	$12.84	$11.30	$9.62	$10.25	$8.81	$8.35
Wheat	13.16	11.90	12.00	10.20	9.07	6.00
Oats	10.92	9.81	8.58	9.17	7.50	5.75
Hay	13.28	14.38	11.57	11.15	10.19	10.00
Cotton	28.01	28.55	17.65	15.63	13.84	10.65
Total	78.21	75.94	59.42	56.40	49.44	40.75
Average	15.64	15.19	11.88	11.28	9.89	8.15

The writer goes on further to assert that which I can bear testimony is true, as you can, sir: (Mr. JONES of Arkansas in the chair.)

If as is altogether probable, the revenue derived from the cultivation of each acre of the staples named—

Cotton—

has not since 1885 been in excess of the cost of production, then it is readily seen that the workers among the 30,000,000 who inhabit the farms of the United States have for eight years received no more than laborers' wages and could purchase but the barest necessaries.

Any Senator here representing a cotton State knows that to be true. But it is said, sir, both by the Senator from Delaware [Mr. GRAY] and the Senator from Texas [Mr. MILLS] that whilst there has been a great fall in the prices of those articles which the farmer sells, there has also been a great reduction in the prices of things which he has to buy. Let us see whether that is any sufficient compensation to the farmer who has seen the proceeds of his farm reduced in every $100 in 1873 to about $33 now.

In 1873, the date of the demonetization of silver, cotton was worth $94 per bale of 500 pounds. An average laborer, as is well known, in the South—or rather, an industrious laborer—can produce on average land 5 bales of cotton per annum; so that the average production of cotton of a good, fair laborer in 1873 amounted to $470.

Mr. FRYE. Was that in gold?

Mr. GEORGE. The tables presented here do not show. I have taken these figures both from the Senator from Texas [Mr. MILLS] and from the Senator from Delaware [Mr. GRAY]. I see that in the tables of the Senator from Texas he refers to the gold value of the silver dollar. My figures are taken from those statements.

The same laborer now can produce the same number of bales, which at the present price, $36.50 per bale, makes $182.50 as the product of his year's labor.

Of course, Mr. President, in that year 1873 and in the year 1893 this laborer produced other things for consumption—not for sale. He produced some corn, oats, potatoes, and things of that sort that are consumed on the farm, but this refers to his market crop.

Cotton was then, in 1873, capable of producing $470 for each laborer. In 1893 it produces $182.50.

Now let us see if the Senator from Delaware and the Senator

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from Texas are right in saying that the reduction of prices in other things has compensated the farmer. The Senator from Delaware has produced a table showing the fall of prices of agricultural implements. I am talking now solely of cotton farming. I know nothing about wheat-farming. I am engaged in cotton-raising myself, and have been during all this period. In fact that is the only business I have, except to be a member of this body. After looking very carefully over the tables presented by the Senator from Delaware, I can say that I make a liberal estimate when I state that the difference in the cost of an outfit of agricultural implements for a laborer on a cotton farm in 1873 and in 1893 does not exceed $15. I do not believe that it amounts to that, but I desire to be fair, and I will assume that is $15. That outfit, on an average, with some repairs, will last three years. So that, whilst there has been this great reduction in the prices of his crops, as to his agricultural implements he has only saved $5 annually. That is a very inappreciable saving to the farmer as compared to his loss in the fall in price of cotton. In no other way has there been the slightest decrease in the cost of raising cotton. On the contrary, in all that part of our country east of the Mississippi River, except in a very few favored localities, such as the Yazoo Delta, the long use of the land in the production of cotton has caused a necessity for the purchase of commercial fertilizers. I do not use these fertilizers myself, though I have some information upon the subject. The cost is about $3 per acre. The use of these fertilizers, however—I want that understood—does not go to the extent of increasing the general fertility of the land, but simply to prevent deterioration. So that in the case of use of fertilizers nearly the whole saving of reduction in the cost of agricultural implements is swept away.

To sum up: Five bales of cotton in 1873 would yield $470 annually; in 1891, 1892, and 1893, it would yield $182. Balance in favor of 1873, after giving credit for the decrease in the cost of agricultural implements, $288, as against a total production of $182—more than $100 difference in favor of 1873 over the production of 1893.

There are other things to be considered. The farmers' taxes have not decreased. On a farm of 80 acres capable of producing one-half of a bale to the acre—and it is necessary that it should produce that in order that one man may raise five bales, and that is very fine land, as the present occupant of the chair [Mr. JONES of Arkansas] knows—worth $1,000, the lowest tax that I am acquainted with, taking the tax of the State, county, school, and all that sort of thing, is 15 mills. There has been no decrease. It stands exactly to-day as it did then.

What other decreases are there? The intelligent and able Senator from Texas, who comes from a cotton State, and who, I suppose, has given some attention to this matter, has been kind enough to furnish me with the proof sheets of his tables, for which I am very much obliged. As he states it, there have been some reductions in the cost of the necessaries which the farmer buys. Recollect—and I hope nobody will forget that—that the farmer has, in 1892 and 1893, but $182 for himself, his wife, and, I will say, two children, to invest in comforts and necessaries not raised on the farm. Let us bear that in mind. He has not that much after he pays his taxes and after he pays, as unfor-

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tunately is common in our section of the country, a small bill for doctor's services, and things of that sort. But leave out all that and give him $182.

Tea in 1873 was worth 95 cents. In 1893 it is worth 25, a fall of 73 per cent. How many pounds of tea will a man buy for the use of himself, wife, and two children having an income of $182? Probably a couple of pounds. So that, as compensation for losing the difference between $94 and $36, which is nearly $60, on a bale of his cotton, he gets about 50 cents reduction in the price of tea.

But that is not all. Take his coffee. I want you to bear in mind that a man who has an income of $182 does not use a great deal of coffee. He can not, however much he may desire.

Mr. PEFFER. Less than 50 cents a day is his income.

Mr. GEORGE. Less than 50 cents a day. He will probably buy 10 pounds of coffee during the year. Thus he is to be compensated by a saving of $1 in the purchase of his coffee for a loss of $60 on a bale of cotton. You may add in the tea, too.

Now, we will come to drillings and sheetings. It is said that the percentage of saving was 48 in one case and 55 in the other; and so on. His whole purchase of these things and other like goods will probably be confined to $100. Suppose he saves $50 on these articles. Then he saves less on his whole purchases than he loses on one bale of cotton.

And yet the Senator from Texas, representing a cotton constituency, argued very gravely before the Senate that after all cotton at 6 cents a pound, its present price, is not such a terrible thing to the Southern farmer, because he can save 50 cents on his tea, $1 on his coffee, $10 on his sheetings, and probably $100 on all of his purchases out of the store. This is the way that stands.

So, Mr. President, if we put the farmer in this condition—which I hope he will not be in long, though he is in that position now—that he is to use his whole exertion for the purpose of getting a bare subsistence, and has no prospect of ever bettering his fortune, we find that he gets, unfortunately, less for his labor in 1893 in the way of supplies, comforts, and necessaries than he did in 1873; and he is in fact reduced to the condition stated by the writer from whom I have quoted—to be working on his own farm for mere laborer's wages without a cent of compensation for the rent of his land. I want Senators to understand that. I have not overdrawn this picture. I am not talking about wheat farmers, or tobacco farmers, because I know nothing about them. I am talking about cotton farmers. The Senator who sits by my side here [Mr. BATE], a cotton-raiser, can testify that I have made a liberal estimate for the production of a single farmer by his own labor, giving him 5 bales to the hand.

Mr. BATE. Five and a half bales to the hand.

Mr. GEORGE. But, Mr. President, there is a very great mistake in the tables presented by the Senator from Texas. I do not know who furnished him those figures, but I do know, as every Senator within the sound of my voice and who comes from a cotton State knows, that the figures for 1891, where he put the average price of cotton at 10 cents, are not correct. The occupant of the chair [Mr. JONES of Arkansas] smiles, and so do his colleague and the Senator from Texas; and so does the cotton planter who sits at my left [Mr. BATE] smile. I would smile too, Mr. President, if I did not have some cause to weep on account of the low price.

Mr. PASCO. I should like to ask the Senator from what market report that quotation is taken?

Mr. GEORGE. It was only furnished to me this morning by the Senator from Texas. There is no statement of the particular market; it is merely a statement of prices.

Mr. PASCO. It certainly is not correct so far as our part of the country is concerned.

Mr. GEORGE. It gives the prices of certain products from 1873 to 1891. I have a statement here, which was read by my colleague [Mr. WALTHALL] the other day, and which put the price of cotton, I will not say at a more reasonable rate, but at a truer rate. The price stated in that table was 7 cents for 1891, but there is not a cotton farmer within the sound of my voice who does not know that for the crop of 1891 the farmer did not, on an average, receive 7 cents net.

Of course, I do not count the New York price or the New Orleans price; we count the price at the home market, at the nearest railroad depot; and then, too, we count the average price of the whole crop, including the meanest cotton, which every Senator here from the cotton States knows is not worth much over half of the price of the best cotton. As to the other figures contained in the table of the Senator from Texas I know nothing. I can only say that as to the one which is prominent and recent in our recollection, the mistake is so great as to bring discredit on the whole table.

Now, we begin to see how much compensation the farmer derives from the low prices of the things he buys for the loss he sustains in the fall in prices of the things which he raises. It is utterly worthless, it is really no compensation. He is placed in the position, as stated by this writer, of being a mere laborer upon his own farm, without any compensation for the rent.

FALLING PRICES KEEP THE FARMER IN DEBT.

There are some other things to which I desire to call the attention of the Senate which do not fall in price, and which, unfortunately, the farmer has to pay. I may state this fact—and I presume without fear of contradiction—as an economic fact that the constant falling of prices on the part of agricultural products is always followed by a constantly increasing debt, almost necessarily, for, as the farmer's income at the best is a small one, and he is apt to purchase with reference to the fair and liberal price, which he hopes for all through the year, when there is a constant fall in the price of his crop he is brought in debt.

So, according to the figures which I read the other day, there is now nearly $6,000,000,000 of debt in mortgages of real estate in this country. How much of that is on agricultural land, and how much on town land, I am unable to say; but every Senator from an agricultural community knows that a very large proportion of it is on agricultural property.

Mr. PEFFER. Two-thirds of it.

Mr. GEORGE. The Senator from Kansas says two-thirds. I am satisfied it is even more than that. With his $182 income and with a small debt even of two hundred dollars—there is no decrease in that, for it has to be paid dollar for dollar—with the constantly falling prices the farmer year by year is getting inextricably lodged in deep debt; and I am astonished, not so much

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at my friend from Delaware [Mr. GRAY], who lives in a city and who does not represent a very large agricultural interest, as I am astonished that any Senator representing a cotton State should argue gravely before the American Senate that the fall in the prices of the articles which the farmer buys is any compensation whatever for the immense fall in the price of the things which he sells.

Mr. FRYE. Will it disturb the Senator to give me a bit of information?

Mr. GEORGE. Not at all. Any information I have I will give to the Senator.

Mr. FRYE. I understand the Senator to say that a bale of cotton to the acre is all that it will average?

Mr. GEORGE. It will not average that much. The average is half a bale to the acre.

Mr. FRYE. And that the farmer can not raise over five bales? That would be cultivating 10 acres.

Mr. GEORGE. Yes.

Mr. FRYE. Does the Senator mean that the farmer's entire time is taken on 10 acres of land?

Mr. GEORGE. I will explain it. I mean to say that 15 acres of land in corn and cotton, that is the usual crop, 10 in cotton and 5 in corn, and perhaps 2 or 3 in oats, is regarded as a full crop for any one man to raise.

Mr. FRYE. I suppose that in certain seasons the farmer needs more hands, in cotton-picking times, for instance, and things of that kind, as we do in the North in hay. If the farmer had 100 acres, does the Senator mean that it would take one man for each of the 15 of the 100 acres to profitably cultivate them?

Mr. GEORGE. I do.

Mr. FRYE. So that really the limit of the ability of one man in raising cotton is five or five and a half bales?

Mr. GEORGE. That is the full average. I will state to the Senator that some men of extraordinary industry and energy, and with land of extraordinary fertility, will do more.

Mr. FRYE. If the Senator will pardon me one moment longer, what did I understand him to say the average value per acre of the land to be, of which he is speaking?

Mr. GEORGE. I would say that a farm of 80 acres, with a good dwelling house on it and outhouses, that would produce a half bale of cotton to the acre would be worth $800 to $1,000. I doubt whether it could be sold for that; but if a man was out of debt he probably would not take that for such a farm.

Mr. FRYE. One question further. Is the cotton crop taken at the farm by purchasers?

Mr. GEORGE. No, sir. In the South the farmer usually hauls his cotton to the nearest market town on a navigable river or the nearest railroad town and disposes of it there.

Mr. FRYE. And there he gets his price?

Mr. GEORGE. Yes.

Mr. FRYE. Then it centralizes somewhere else?

Mr. GEORGE. Yes. A few large planters in Mississippi, I will state to the Senator from Maine, ship their cotton to New Orleans, Mobile, or Memphis, and it is there sold by a cotton factor. After charging the planter with all the expenses of the

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freight, commissions, and everything of that sort, the factor returns him what we call the net proceeds.

Mr. FRYE. If the Senator will pardon me one moment further, there is one other thing I should like to know.

Mr. GEORGE. I will answer very cheerfully any question I can.

Mr. FRYE. I understand that in the South the owners of cotton land let it out on halves or in some other way. Will the Senator kindly tell me how many acres are ordinarily let to one man, and what the general arrangement may be as to the pay for it?

Mr. GEORGE. I do not know that I can state the general arrangement. My own experience of that matter is confined to the Yazoo Delta. It is considered there as a very fair arrangement for the owner of the land to furnish the team, the plows, and the land, and to pay the expenses of keeping up the land, repairing the houses, fences, and all that sort of thing, and divide the net proceeds with the man who rents.

Mr. FRYE. Divide the net proceeds?

Mr. GEORGE. I used the word "net" wrongly there. I did not mean after the planter has been reimbursed for his team, and all that. I ought to have said "gross proceeds," because those things are not charged to the laborer.

Mr. FRYE. Ordinarily does a man hire only 15 acres?

Mr. GEORGE. That is about the usual amount.

Mr. FRYE. I am obliged to the Senator for the information.

Mr. CALL. An allowance is made for a garden.

Mr. GEORGE. Gardens, potato patches, and things of that sort are never charged for. That is about the way the business is conducted. In the poor land districts, in the hills, I suppose that the acreage would be larger, but the proceeds would be less.

I think I have said enough on this subject, and I shall now, lest it may be supposed that I have overdrawn this picture, read some resolutions passed by the farmers in Jefferson County, Mississippi. They are as follows:

Whereas the financial condition of our country at present is most deplorable and has been brought about, in our opinion, chiefly by the demonetization of silver, striking down half of the hard money of the country and vastly increasing the burdens of the debtor classes, inspired by the greed of English financiers and assisted by unpatriotic, undemocratic, and avaricious Americans, the effect of which has been, and still is, to rob the American farmer out of millions each year; and

Whereas we know the Sherman act of 1890 to be in no wise responsible for the present financial difficulties, and that any law that has added $148,286,221 to the volume of our currency could not have been otherwise than beneficent in its effect:

Resolved, We demand that our representatives in Congress cling tenaciously to the Sherman act of 1890 and steadily vote against the repeal of same, unless a free-coinage act at a ratio of 16 to 1 be embodied in the same bill, thus restoring to us the money that the founders of our Government established as the one most suited to our wants, and which for ninety years of our history enabled us to enjoy that meed of prosperity which made our country the wonder of the world.

WM. D. TORREY, *Chairman*.
JAS. McCLUN, *Secretary*.

The resolutions are in manuscript. They are drawn up by the farmers themselves, prompted thereto by their own feelings and their own wants—not gotten up on printed forms sent out by banks and other capitalists and engineered by their agents, who

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are sometimes their dupes and sometimes their fellow-conspirators.

Oh, but it will be said in the contemptuous spirit so characteristic of those who are enriched by the present financial system, that this comes from "calamity howlers."

So did the agents and assistants of Torquemada, as the victims writhed and cried under the tortures of the inquisition, denominate them as "calamity howlers."

The meeting that passed these resolutions was composed of hundreds of men in one of the most intelligent and productive counties in Mississippi. Is their cry to be unheeded?

I fear so. And yet I venture to say if the bankers of New York were to pass similar resolutions demanding the free coinage of silver their demand would be granted as quickly as the ordinary forms of legislation would allow. I do not mean to say—no, not by any means—that Senators or Congressmen are owned or consciously controlled by the banks, but I do mean to say that such is the influence of men possessing the wealth of the world and supposed to be skilled in finance, that in a matter stated by the Senator from Massachusetts to surpass in difficulty the subleties of metaphysics, the hair-splitting distinctions and profound speculations and logical puzzles of technical lawyers and of disputatious schoolmen and theologians, the human mind is apt to defer to those who are supposed to be experts, especially if they have shown an expertness in finance by getting rich.

TRUST THE COMMON SENSE OF THE PEOPLE.

But, sir, I had rather trust to the common sense of the American people, as to their wants and their distresses, than to the expert knowledge of those who have antagonistic interests to them. To say we can not trust the common, average sense of the American people, in a matter of government so essential to their welfare as this, is to assert that the people are incapable of self-government. The plain provision of the Constitution recognizing as money for coinage in the mint that which has been recognized as such from the earliest period of human history is easily comprehended. The mystery of finance, so far as it rests on the recognition and coinage of the two precious metals, is easily understood. It is only when we depart from this and enter into the mazes of ingenious speculation, contrived to make that appear as money which is not money but a sham and a trick, and to make that appear not to be money which is money, that we encounter the difficulties suggested by the Senator from Massachusetts.

These so-called expert bankers and capitalists are experts only in contriving devices by which the wealth of the world shall accumulate in their hands. Statesmanship dealing with a financial system for the country is the opposite of this. It is providing, as far as human foresight can provide, that money, denominated by the Senator from Massachusetts as the lifeblood of trade, shall be sufficient in volume to circulate freely among all the people and not be congested in the great centers of trade and controlled, absolutely controlled, by a few who have grown overrich.

WANTS OF THE FARMER.

But, sir, I go back to the point of the wants of the American farmers, for an increased coinage, and the ability of that want,

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with others, to keep silver at a parity with gold. The farmers, at present, alone need a billion and more of money annually to carry on their business on the economical and profitable cash system, rather than on a ruinous credit. They must in the main keep their money so as to expend it in eight or ten months, from the end of one harvest to the beginning of another. That money will not be hoarded, as a miser hoards his gold, with the view of gloating over it in the secret places in which it has been hid, nor as the capitalist hoards his, when in panics he saves his money for investment when prices shall fall lower and lower. The farmer does not want it deposited in a bank, which if the storm comes will refuse to return it to him when he most needs it. He wants it for constant use or for some investment to be made when a favorable opportunity offers. He keeps no bank account. Possibly there is not a bank in his county or for several counties around him.

At all events, he knows his money is safe in his own hands. He doubts its safety with the banks, especially when he knows the banks have demand obligations, payable at any moment, to an amount from six to ten times as great as they have cash to meet them. Then, sir, he looks at the laws of his country, and finds that the national banks are not allowed to lend one dollar on the only security which he can offer—on real estate. So, sir, he must lay by money, or submit to the ruinous credit system I have described.

We, sir, his servants—not his masters—his agents appointed to do the work needful to his happiness and prosperity—we, instead of responding to his calls, made in no equivocal terms, instead of giving him the opportunity of advancement and prosperity, deliberately (not intentionally, I admit) provide for his destruction. Instead of giving him, as the Democratic platform of 1884 denominated it, gold and silver, the money of the Constitution, we destroy half of this constitutional money, whereby, with depressed prices for his products, with largely enhanced prices, through the credit system and through the protective tariff system, for the things he must buy, the farmer must forever tread the dreary path of penury and despair.

Now, Mr. President, if we give the country free coinage the farmers alone, with the necessary money they must keep to carry on their business, will consume more than one-half the addition free coinage will make to the currency.

The laborers will consume much of the other half. Do not they need an increase in the currency? Oh, no, it is claimed that their wages will be lessened by payment in a depreciated currency, as if the present wages of laborers were the voluntary gift, the philanthropic provision made by capitalists for those who had made them over-rich instead of being extorted from them by the firm demand of associated labor. This argument rests upon the presumed ignorance of labor of its rights.

HOW THE LABORER'S WAGES ARE AFFECTED.

Thank Heaven, sir, this presumption is unfounded. Whatever may have been the fact in the past, the laborer now knows his rights as to his wages, and knowing them, he, by such associated efforts as are needed, asserts them. But, sir, is the present system of demonetized silver the heaven of the laborer? Whilst gold must be the standard, as the antisilver men assert—whilst gold must be more, the only money, or the foundation of all sub-

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stitutes for real money—has the laborer in the past or does he now receive his wages in gold or its equivalent?

I wish to read an extract from a letter addressed by Mr. Powderly to the American Congress; which is as follows:

In every State of the American Union where mining or manufacturing is carried on workingmen are obliged to trade in company stores because of the scarcity of money. The "barter and trade system" of barbaric ages finds its counterpart in hundreds of mining towns, where the brass check, the shinplaster, and the store order compel workmen to barter labor for food. Were money plenty this condition of affairs would not exist as it does exist to-day.

I produce now a book containing facsimiles of the devices spoken of, and I will read from it. It is the annual report of the secretary of internal affairs for the State of Pennsylvania for 1878-'79. There are about one dozen different kinds of shinplasters given in it. I will read the language of a few specimens, and insert more in my remarks, so that Senators who think that the laborers are enjoying a heaven under the present system may know something about how the laborers in this country are paid. Here is the facsimile of a shinplaster which reads in this way:

THE KIND OF "HONEST" MONEY PAID TO THE LABORER.

5 10 15 20 25 30 35 40 45

90

This ticket is issued by the
PINE RUN COAL COMPANY,
On account of the scarcity of small change, and is redeemable at their store in merchandise.
THE CHECK IS GOOD FOR THE
Amount of the figures (in cents) opposite the punch mark.
TWO HOLES IN A CHECK RENDERS IT WORTHLESS.

95

50 55 60 65 70 75 80 85

That is the statement of one. Then here on page 366 is another:

No. —. McClure Station, Pa., — —, 18—.

PAINTER MINE STORE.

Not transferable. $1.

Let — — have merchandise to the amount not punched.

Good when signed by S. B. White.

$—. — —.

Then another:

Good for all amounts unpunched.

Payable on demand. $1.

In merchandise at the store of —. Not transferable.

H. C. Frick & Co., Valley Mines, Pa.

Date. —, —80.

To — —.
No. —. For use of —.

And the proof shows that the insertion of the words "not transferable" was a mere trick for the purpose of evading the tax of 10 per cent. They are nearly all marked "not transferable."

The scrip is marked—

says the correspondent—

'not transferable," yet they use it the same as money here, the parties taking it, however, instead of money do so at a shave of from 30 to 40 per cent

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Anybody can purchase with them the same as the party to whom they are issued, and I see them used here in hotels, saloons, eating houses, etc., every week.

Then there is another on page 367, which is as follows:

Good for all amounts not unpunched.
$5.
Payable on demand.
In merchandise at the store of ——. Not transferable.
Webster Coal Co., Webster, Pa.
To —— ——.
Signed —— ——.
No.—. Issued —— —, 18—.

There is another one on page 368:

No. —. Not transferable. Sold to ——.
This check is good (until punched) for
One dollar,
In goods at the store of
Brown & Co.,
Mount Vernon, Fayette Co.,
If properly countersigned.
Countersigned. —— ——.
$1.00 (One) 187—.

Then there is another on the same page:

DUNBAR FURNACE STORE.
Good for —— in merchandise at my store.
J. M. HUSTEAD.
$1. Per —— ——.

Then here is one that is up to the dignity of fine engraving. It looks a good deal like a bank note:

ENTERPRISE COAL WORKS.
10 cents. 10 cents.
Store
Pay to Bearer
10 cents
In Merchandise,
and charge to
Banksville, Pa., —— —, 18—.

Then there is another on page 370:

Good for all amounts unpunched.
Payable on demand
In merchandise
At the store of $1.
Sharon Iron Works, Sharon, Pa.
To —— —— or order.
Signed WESTERMAN IRON CO.
No. —. Issued —— —, 18—.

Then here is another with a picture of the father of the country on it:

25 25
No. —.
California, Pa., —— —, 18—.
J. G. Gleason,
The storekeeper
Will pay to the bearer in merchandise
Twenty-five cents.
Signed JOS. COATSWORTH & CO.
25 25

And still another on the same page:

Good for all amounts unpunched
$5.
Payable on demand,
In merchandise at the store of
W. B. Enos & Co., Wampum, Pa.,
To —— —— or order.
Signed —— ——.
No. —. Issued —— —, 18—.

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And also on page 372 is another one:

5. This will be received
As equivalent to
Five cents,
In exchange for merchandise at the store of
L. S. Hoyt.
Clinton Station, Pa., —— —, 18—.

Also one on page 373:

25 This will be received
As equivalent to
Twenty-five cents
In exchange for merchandise at the store of
L. S. Hoyt.
Clinton Station, Pa., —— —, 18—.

And another one on page 375:

10 A No. —
William Sharpe & Co.,
of Dubois, Pa.,
Will pay the bearer on demand
Ten cents,
In merchandise.

Mr. GRAY. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Arkansas in the chair). Does the Senator from Mississippi yield to the Senator from Delaware?

Mr. GEORGE. Certainly.

Mr. GRAY. I should like to say to the Senator from Mississippi in this connection that so far as those Pennsylvania pluck-me-store orders—as they came to be called in the common parlance of that State and neighboring States—are concerned, I think I know the fact that their issuance and use was not due in any degree to scarcity of money. They were a part of a system of oppression, I grant, and grew out of the greed of some of those great coal-mining corporations that endeavored to make a profit at both ends, and by the peculiar situation in which they found themselves in relation to their workingmen the former were enabled to compel an acceptance of the pluck-me-store orders as a part of their pay, which were redeemable at the company's stores, and where it was charged the corporations made an enormous profit upon the goods in which they were redeemed. I have had some familiarity with this state of things, and it went to such a pass that I believe the State of Pennsylvania enacted a law which, in a large measure, broke up that mode of paying wages.

Mr. GEORGE. I have no doubt that there is a good deal of truth in what the Senator from Delaware says, but still it is a good answer to the argument made by the Senator himself that the laborer was interested in having the gold standard in order that he might have an honest dollar for his wages. I want to show what kind of an honest dollar is used for the purpose of paying the wages of the laborers of this country, showing that however honest, and good, and glorious the gold dollar might be as between the capitalists and bankers, when we come down to the laborer, in whose behalf the plea is made, they did not circuate.

Now, Mr. President, it does not happen in Pennsylvania alone I have some more of these. Here is one of them from Tennessee:

Good only at East Tennessee Company's store.
Fifty cents for all amounts due.

I was instructed not to read out the name of the man to whom the ticket was given, as he might suffer for it. I will call him Richard Roe, though my friend from Delaware may see it if he wants.

Due Richard Roe or bearer in merchandise, 50 cents.

Mr. GRAY. Payable in merchandise.

Mr. GEORGE. Oh, yes; they are all payable in merchandise. Here is another from the State of Kentucky:

Beaver Creek Cumberland River Storekeeper.
Pay 10 cents to bearer in merchandise.

They were not afraid of the tax over there, and they did not put in the words "not transferable."

Redeemable at the store of Beaver Creek Cumberland River Coal Company in merchandise.

That is the honest dollar that my friend from Delaware pleaded so hard should be paid to the laborers of this country.

Mr. GRAY. Oh, no; that is not it.

Mr. GEORGE. The Senator was not talking about that kind of a dollar. He was talking about the gold dollar, and his theory was that the workingman should have the gold dollar, but in practice he has this kind of a dollar.

Mr. GRAY. I was talking about the gold dollar or the paper dollar or the silver dollar as good as gold.

Mr. GEORGE. Exactly. I know the Senator insisted that the laborers got these good, honest dollars, and I am just showing that whilst such was the theory, and the theory was all right, the practice was the other way.

Now, I have another one:

Laurel Coal Company will pay to bearer 5 cents in goods at the supply store.

The Laurel Coal Company does not disclose on this paper where it is. I suppose they knew at the place.

Miners' order for 5 cents. Merchandise. J. Pitman & Son.

That is another. Now, I have something on my friend from Texas. It is not only done by these rascally mining companies, but here is a very extraordinary paper:

Thurber. Texas and Pacific Coal Company—

I presume that is in Texas—

Two dollars.

Issued to blank. I am not at liberty to tell his name.

Issued to John Doe. Receipt given for this book and accepted, as stated on cover.

There are a great many nice things here. The remarkable part of this one is it is issued in amounts of $2. It has 40 of these little coupons in it. I will read one of them.

Texas and Pacific Company. Good for 5 cents in merchandise if not punched.

R. B. HUNTER, *Treasurer.*

They did not issue two or three of these. This is numbered 87,530, and all in this book, the whole 40, are numbered 87,530.

Mr. GRAY. Are they all redeemable in merchandise?

Mr. GEORGE. Every one of them. That is the good honest dollar which these men get, and which my friend from Delaware insisted they ought to have.

Now, these men were not satisfied with dealing in shinplasters. They thought they would get up something a little more solid and

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substantial. They used a coin. They had a mint. I have here some of the coins issued to pay the laborers with.

Miners' check, fifty cents.

It seems that the business of issuing this kind of money to miners was not only indulged in by the principal, but even by the lessees.

Ætna Coal Company, lessees.

This is the first coin I ever saw that was not of metal. They have improved on that. This is on pasteboard, but it looks exactly like a half dollar. Here is another:

Good for 25 cents in merchandise. Main Jellico Mt. Coal Company, Kensee, Ky.

So I have found them in Pennsylvania, and I have found them in Tennessee, and I have found them in Texas, and also in Kentucky. Here is another beautiful coin:

The Pitman Coal Company. Five cents. Merchandise.

Then there is the American eagle upon it.

Mr. GRAY. And "in God we trust?"

Mr. GEORGE. No, sir; they were not trusting in God over there, they were trusting in the other power. Here is another one. It looks like silver, but I presume it is not. They would not make it out of silver; it must be tin. It comes from the Peacock Coal Company.

Merchandise check.

Then there is a figure five on one side of it, like the Mexican dollar, with the rays of the rising sun on it.

Then here is another one good for 5 cents in merchandise. It is also from the Main Jellico Mt. Coal Company, at Kensee, Ky.

So, Mr. President, I think the plea set up by my friend from Delaware for the laborers to have an honest dollar will not stand, or ought not to stand. I think if we had a good honest silver dollar it would be better. The rest of them did not deem it necessary to make an excuse, they just issued these shinplasters and coins; but one of the companies put across the face of its shinplaster, "Owing to the scarcity of change we issue this check."

I do not think this is exactly under the present system satisfactory to the laborers so far as currency is concerned. I wish to read another extract from Mr. Powderly's address, an address which I suppose was sent to all members of Congress. It was sent to me, and it is addressed to Congress. I read it not so much for the facts as for the argument.

BANKS AND EXCHANGES USE CHECKS, BUT THE PEOPLE USE MONEY.

We are told that money is not actually required in the transaction of business. That is true only of our stock exchanges, our grain exchanges, and between banks, men, and concerns having large commercial and mercantile interests in common. The great bulk of the people must have money; they must use it, for they are not so engaged as to effect exchanges through the use of paper. But a few men can do without the actual possession of money; that is, a few as compared with the population at large. A gold dollar, as a basis on which to transact business or to point to as a standard, may be suitable among changers of money and those whose business interests are so interwoven that the actual passing of money is not required, but among the masses, who must produce the dollar before food or clothing will be given them, the actual, real, tangible dollar must be present and must be exchanged. To pass food from hand to mouth the dollar must pass from hand to hand.

So, Mr. President, I think that the eloquent plea made by my friend from Delaware the other day in behalf of the laborers for

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honest money turns out now to be all moonshine. I have no doubt that he thought these laborers were actually receiving from their employers actual hard dollars worth 100 cents in gold. I read now to show how much they were worth. I had better read a few items to show how they are redeemed at the stores. I had forgotten about that. Here is a table of the prices.

Company's stores, flour per sack, $2.10.
Other stores, same flour, $1.90.
Sugar per pound, company's stores, 12½ cents.
Other stores, 7 cents.

And so on, in every instance there is a difference of from 10 to 25 per cent between the prices charged in the company's stores, and given in redemption of these tickets, and other stores. About 25 per cent more is charged than in the other stores in the neighborhood. That is the glorious kind of currency to which the Senator from Delaware invites the American laborer and he insinuates and argues that we Democrats here, in trying to give the American laborer an honest silver dollar, are doing harm to him, because we deprive him of these elegant substitutes for money which I have brought to the notice of the Senate.

WE CAN MAINTAIN THE PARITY BETWEEN GOLD AND SILVER.

Now, Mr. President, the next question is, Can we maintain the parity between these metals. I do not think there is a doubt about our ability to maintain the two metals at a parity on the old ratio.

France, with less than 35,000,000 of people, maintained the parity, at a greatly less ratio, 15½ to 1, when the wants of the world for money were far less than they are now.

Assuming Mr. Walker to be right—I read the other day from Mr. Walker, in which he said that the consuming power of the American people is three times that of Europe—assuming Mr. Walker to be right, that we are equal to 200,000,000 in Europe, in consuming power, and therefore in the necessary use of metallic money can we not, with a use for money three times as great as that of France, do what France did for many years and does now? But, sir, in addition to this the population of France was and is now at a standstill; we are increasing in numbers with the most busy, energetic, and extravagant people in the world at the average rate of 1,700,000 a year as the average for two decades.

France, when she maintained the ratio of $15\frac{1}{12}$ to 1, had large standing armies; was engaged in costly and, to her, devastating wars, whereby production and consumption were brought to the lowest point. We take for our own Army and Navy but an insignificant and inappreciable proportion of our producers. We are too strong to be invaded, too honest, too magnanimous to give just ground for invasion, too just and fair to invade others. So that this immense country, the richest in natural resources in the world, is filling with almost startling rapidity, with the most productive of all people, with wealth accumulating beyond all former precedent. With an internal traffic and internal business requiring money equal to all Europe, what becomes of the claim of those who assert that we are not able to maintain at parity the money of the Constitution? The trouble with us in the future will be, and I wish that to be noted, as it is now, that we shall not have a sufficiency of real money, gold and silver, and how we may by safe and wise agencies supply that

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deficiency in money by other means than gold and silver. That will be our trouble, and not that we will be inundated by silver.

One thought, hitherto unnoted, will demonstrate this. The world's need for money is increasing, not only from an increase in population, but from that ever-augmenting adjunct of a high civilization, the division of labor. This tendency is especially illustrated in the farmer's life. In the early part of the century each farm or plantation was a little world in itself. On each were produced nearly all the needs and comforts of country life, clothing, shoes, food of nearly all kinds, fruits, and vegetables, farm implements, and farm animals. There was no need for money to buy them. The surplus only was exchanged for money, and with a small part of that the few additional comforts and necessaries were purchased.

Now, sir, all this is changed. The division of labor has been carried to an extent, in its increased efficiency, in production, that clothing and shoes and many other necessaries are not made at home. Many articles following the law of natural selection, as to climate—once raised on every farm—are now raised only in more favored localities, and become the subject of exchange. This same division of labor, associated with the greater economy in production of large establishments, has driven the blacksmith, the wagon-maker—the maker of all the implements of farm life and of domestic life—from the country and located them in the cities.

In this way the exchange of food, clothing, and other supplies with these local factories for their wares has entirely ceased. Money is required for everything, even for the little toy with which innocent infancy is amused. This, sir, is the result of a necessary and inexorable social evolution. Besides this, our rural population, who raise a part of their needed supplies, is relatively diminishing, whilst the urban population, who sell their labor and their products, and with it purchase farm-raised supplies, is relatively largely increased. So that there is a continual day by day, year by year, decade by decade increase in the demand for money.

Again, in our advancing civilization the standard of living is being greatly raised. This demand will never be fully and fairly and justly supplied so long as currency shall be so deficient in amount as to require that rapid circulation, with no abiding place, essential to the system advocated by the banks. Sir, shall money for use, for paying rent, for purchasing daily food and clothing for the laborer be so doled out and so demanded for instant and constant circulation that there may be no weekly, no monthly, no yearly accumulation with which to purchase something beyond the daily wants of the poor? The present system requires this. Shall there be no such accumulations, to meet the unexpected calls of sickness, the marriage of a daughter, or an occasional trip from the crowded and unhealthy cities to the healthy air of the country—and for that other want more urgent than all these, to buy food during that period of distress and woe, a panic created by the banks? And yet to make the present circulation answer, in any degree, the dollar must, with the wings of the morning, commence and then pursue its daily flight with electric speed, in the marts of commerce, with no abiding place but in the vaults of the banks?

This rapid circulation, the necessary and preordained results

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of the present system, means the keeping of all money, or nearly all, in the banks, or under their direct control, leaving little if any with the mass of our people.

SILVER BETTER THAN SHAM MONEY.

But, sir, I desire to notice now, a little further, the view of the bankers that we must demonetize silver on the ground that with these substitutes and shams to which I have alluded, the country can get along well enough. We have seen, sir, how this well-enough is. We have seen that at the first breath of distrust all their fair erections of financial aërial architecture, all their devices and contrivances to help out a deficient currency, have fallen, and the banks have closed their doors to depositors, and for their money have given them certified checks. We are asked to take these ingenious contrivances as substitutes for real money, and therefor demonetize silver, which is real money.

Sir, we are asked to remove one-half of the foundation of our money system, not indeed because the whole is unnecessary, but in order that we may substitute for it the contrivances of bankers, which fall at the first breath of the storm. We are asked to annihilate one of the two legs which support our circulation—both sound and healthy—because there has been invented a cork leg, on which we may hobble about on smooth roads in fair weather.

But, sir, we are in distress now, sore distress; and it is urged from many quarters that we should pass this act for immediate relief and then take care of the future.

THE SHERMAN LAW NOT THE CAUSE OF DISTRESS, AND ITS REPEAL WILL NOT BRING RELIEF.

If, as is alleged by the Senator from Massachusetts, the Sherman law is not the cause of our distress; and if, as alleged by the Senator from Indiana, the banks brought it about for their own purposes; and if, as alleged by the Senator from New York, moneyed men and creditors, for their own selfish advancement, contributed largely to it; and if, as alleged and proven by the Senator from Colorado [Mr. TELLER], the banks caused it in order to secure the repeal of this law; and if, as I believe, and have endeavored to show, the position of the Senator from Colorado on that point is entirely correct, I can not see the grounds on which we are to act in enacting the repeal.

Is this repeal demanded upon the ground that we are to appease the wicked and perturbed spirits of the banks so that they may graciously relieve us from the horrors they have imposed? Or are we asked to repeal on the still more illogical ground that the banks and not the law have created the distress, and therefore we ought to repeal it, and for what other reasons I know not.

If the Sherman law has not produced the panic, and nobody has shown, no Senator up to this time has even alleged that it has, why disturb it? I know of no other reason than this, that the banks, the authors of the trouble, demand it as the price of relief. Already we see in the metropolitan journals that the action of the House has had a good effect in reviving trade and business and restoring confidence. Yet, sir, the law remains on the statute books in full force and vigor. So that we have the extraordinary case that the hope of relief, in the shape of repeal, does the work the repeal itself will do. This satisfies me more and beyond doubt, if there was room for any, that the

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panic is facticious. The patient recovers not from the medicine prescribed, but from the hope that he will get that medicine hereafter. If this hope is so efficacious, then let it alone do its good and perfect work.

But, Mr. President, I have no doubt that repeal can be made, by the authors of the panic, to accompany or precede temporary relief. The banks can open their doors to depositors, and pay their honest debts, and that will be a great relief. They can cease furnishing money to be sold on the streets at a premium, if they now do so, and that will be some relief. They may even put us in the condition which we were before the panic commenced—a condition of stringency in the money market, of low prices and distress to producers. After the present affliction that will seem to be a relief—a hot fire may be endured with some comfort just after escaping from the flames of Hades.

But, sir, ought we to purchase not indeed relief from the wrongs and burdens of our present money system, but from the exact condition of horror and despair produced by the power of money by yielding to their demand?

Esau sold his birthright for all time to release himself not from death, but from the pangs of present hunger. Shall we sell our birthright to the constitutional money of both gold and silver because we have been made to hunger by those who demand the sacrifice? My answer is that such is not the wish of the American people.

THE PEOPLE WILL NOT SURRENDER THEIR RIGHTS.

In all ages of the world it has been in the power of men to create such situations of pain and trouble as to be unendurable, and then, for their own ends, they have promised relief if the victim will make some great sacrifice. And in all ages there have been men who would make the sacrifice demanded, and yet in all ages there have been also men who defied power and pain and stood firmly by their convictions and their rights. The wretched victims of the inquisition at every fresh drive of the wedge in the boot, at every turn of the thumbscrew were offered release from present torture for a surrender of their conscience and their faith. Many, sir, unable to withstand the pain and anguish exchanged for present ease the hopes of eternity, and yet others stood firm to their faith. In this exigency I believe the American people will endure present ills with fortitude and with the determination to surrender no portion of their rights; will keep up the struggle for the full restoration of the money of the Constitution till success, however long delayed, shall at last crown their efforts.

FINANCIAL SLAVERY.

The present system, if long persisted in, will necessarily work the financial slavery of the people in the end—by more and more augmenting the wealth of bankers and other capitalists, and more and more reducing the fortunes of the great mass of the people.

Already, through this financial system, and the yet more destructive annual transfer, through the operation of the protective system, of a sum equal to $632,000,000 directly from the pockets of the people to the manufacturers, and by other Government subsidies, has one-half of all the wealth of the United States been concentrated in the hands of about 24,000 persons.

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This aggregation will proceed to a still more dangerous extent unless there shall be relief from both systems—not one alone, but both.

Under the present financial system every single dollar in circulation in the United States is made to pay interest to the banks nearly three times. Or, in other words, the banks, as shown by their own reports, draw interest annually three times on every dollar in circulation in the United States, their loans being, as we have seen, over $4,362,630,527, and their deposits over $4,900,000,000, and the circulation being only $1,600,000,000. Estimating the average interest charged at 6 per cent (very low), they tax the currency of the people of the United States annually, in round numbers, $258,000,000 (about one-half of all the taxes of the Federal Government and more than one and a half times the taxation to support all the State governments). They do this on a capital invested by them of a little more than $900,000,000. This is done whilst two-thirds of the capital of the national banks is otherwise profitably invested, leaving only about $230,000,000 to be engaged in loans.

THE REPEAL OF SHERMAN LAW WILL REDUCE THE VOLUME OF PRICES.

This is the great prize for which the banks are struggling in this contest, and this a part of the great burden from which the people are asking relief.

The Senate will take notice, as the country has already taken notice, that every national-bank note necessarily means not only a debt owed by some person to the banks, but under the system of triplification of loans, as I have described, it means an indebtedness of thrice its nominal value, bearing interest three times. Gold and silver money, I admit, when the currency is contracted, may be made and is now made by the banks to do this triple duty. But they are not necessarily the subject of triple loans, or even of any loan at all. They may be and often are owned without even having been the subject of a loan.

But this is not the only burden the present money system imposes on the people of the world, if it shall be amended by the total demonetization of silver as a debt-paying money. We have seen the enormous indebtedness, public and private, in the United States, amounting to many billions of dollars.

If we destroy half the real money in the world this indebtedness will be doubled in its burdens, and the wealth of the 24,000 owning half the property in the United States will be largely increased. Are we here to perform a part in this spoliation of the American people; to rivet on them more firmly the chains of financial slavery?

Mr. President, I do not wish to be misunderstood on any part of this great subject of giving relief to the American people.

Whilst I believe that they are entitled to a fuller currency than they now have, to an increase coming not only from the free and unlimited coinage of gold and silver, but also from an increase in the legal-tender notes, so as to make them equal to $10 per capita of the present and the increasing population, I am satisfied that all this will give but small relief if we allow the annual transfer of the many millions I have alluded to from the people to the manufacturers, under the present protective system.

It will do but little permanent good to increase the currency if this transfer be continued. The American people under the

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protective system, like blind Samson are but turning the mill to make profits for the Philistines—to fill the coffers of the manufacturers—and I fear that an addition to the currency, whilst this system continues, will do little more than add grist to the mill, out of which will be ground still greater profits to these beneficiaries and favorites of the Government, and thereby increase their power to oppress and destroy the people.

DEMOCRATIC PLATFORM DEMANDS THE DEFEAT OF UNCONDITIONAL REPEAL.

Mr. President, it is said that the Democratic platform of 1892 demands the passage of this bill. I deny it, and aver that it demands its defeat.

That platform on this subject is as follows:

We denounce the Republican legislation, known as the Sherman act of 1890, as a cowardly makeshift, fraught with possibilities of danger in the future, which should make all of its supporters, as well as its author, anxious for its speedy repeal.

We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver, without discriminating against either metal, or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, to be adjusted through international agreement, 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; and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

That platform, as is seen by the reading, denounces the whole Sherman law as a "makeshift," and alleges that its supporters should be anxious for its repeal.

What is denounced? The Sherman act—not a part of it, but the whole. What is it said should be repealed? The same answer: Not a part, but the whole. What was denounced as a "makeshift"? The Sherman act—the whole of it, not a part. And yet, sir, the bill, as if the authors of it had suddenly fallen in love with the act, attempts to repeal a single clause of the act, leaving the other part of the act, containing six sections, in full force.

SHERMAN ACT DENOUNCED BECAUSE IT LIMITS THE COINAGE OF SILVER.

So, sir, there is to be no repeal of the Sherman act, but only of a part of it. And the part to be repealed is not designated by the platform as especially objectionable; but on the contrary, taking the whole platform on this subject together, it is plainly inferrable that this very clause is not objectionable *per se*, because it coins silver, but is objectionable only because it provides for a limited instead of an unlimited coinage of silver. For after denouncing the act as a "makeshift," in clause 1 of the paragraph, it immediately proceeds to declare that "we" (the Democrats of the Union) "hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver, without discriminating against either metal."

The meaning of all this is too plain for mistake or for controversy. The Sherman act is denounced as a makeshift, which means "a temporary expedient." A temporary expedient for what? It can only mean a temporary expedient either for total demonetization, for which this bill provides, or a temporary ex-

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pedient for a more enlarged use of silver money. That this latter is the meaning—plain, clear, obvious—is put beyond all controversy by the subsequent declaration, in the same clause, in favor of coining silver on the same terms as gold, "without discriminating against either." Gold has an unlimited and free coinage, and so this platform says silver should have free and unlimited coinage.

If such was not the intention of the convention, then that body of representative Democrats used the English language not to express their meaning, but to conceal it. The people understood that it meant that the Sherman bill should be repealed and thereby give to us the free coinage of silver and gold alike, and on that understanding they voted for and elected the Democratic candidates.

So far from the bill carrying out the Democratic platform, it is a gross violation of it—a direct reversal of its plain, unambiguous declaration.

Why, sir, it is to be noted that there is no declaration in this platform committing the party expressly to the repeal of the Sherman act as an independent measure. The declaration is that our opponents, the Republicans, should be anxious for its repeal, because it is a miserable makeshift for that which we declared the true remedy, to wit, free and unlimited coinage; and its repeal is to come, not as a separate and independent measure to which the party is committed, but in consequence of the solemn pledge of the party to enact free coinage. Free coinage is necessarily a repeal of a statute providing for limited coinage only. In that sense alone does the Democratic platform commit the party to the repeal of the Sherman act.

DUTY TO PERFORM PLEDGES.

This is the first time in over thirty years in which the Democratic party has had the power to enact laws—to shape the policies of this country. In this thirty years of defeat and disaster we have sought the confidence of the people by promises of reform—promises of a reversal of the methods of the Republican party. Among these promises, solemnly made, as the conditions on which we asked for the confidence of the people, is the promise three times deliberately announced in national convention, that we would give the people free and unlimited coinage of silver—the money of the Constitution—and three times have the people excused nonperformance of these promises on the ground that we had not the power to perform.

But what excuse will we give if we fail now? We have the power, and more than that, we have the coöperation of a large number of the ablest and purest men of the Republican party. Will the people, whilst we destroy unconditionally $40,000,000 which would annually be added to the currency by the Sherman law, accept a mere declaration of policy as to the future, and a mere promise to use our best efforts to effect international bimetallism, as a redemption of our own oft-repeated solemn pledges? Will they not rather say, "We have promises enough already. We are suffering from actual present, emergent ills, coming from a deficient currency, and we do not mean to accept another pledge from a party which has already failed to redeem three others"?

Mr. President, I have often had difficulty in finding the path

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in which I might safely tread, but in this matter I have had no doubts, no misgivings. There are some duties so plain that I can not mistake them, and among them is the full, fair, and honest redemption of a solemn pledge made to the people, a redemption in that sense which I intended to be understood, and in which it was understood by the people. In this full and free redemption only can a man or a party escape that most terrible of accusations—perfidy. I impute to no Democrat who differs from me, any improper motives. When I reflect upon their talents, their great services, their patriotism, their high elevation of character, and our long coöperation in well-doing for the people, I can but regret, deeply regret, that an occasion has arisen in which this coöperation is impossible.

APPENDIX

Selected statistics of manufactures in cities of 20,000 inhabitants and over, compiled from the returns of the Census of 1890—Totals for the United States.

Manufactures.	1890.	1880.
Woolen manufactures:		
Number of establishments	2,489	2,689
Capital employed *a*	$296,494,481	$159,091,869
Average number of employés	*b*219,132	161,557
Total wages paid	*c*$76,660,742	$47,389,087
Miscellaneous expenses *d*	$19,529,238	....
Cost of materials	$202,815,842	$164,371,551
Value of product	$337,768,524	$267,252,913
Cotton manufactures:		
Number of establishments	905	756
Capital employed *a*	$354,020,843	$208,280,346
Average number of employés	*b*221,585	174,659
Total wages paid	*c*$69,489,272	$42,040,510
Miscellaneous expenses *d*	$17,036,135	....
Cost of materials	$154,593.308	$102,206,347
Value of product	$267,981,724	$192,090,110
Silk manufactures:		
Number of establishments	472	382
Capital employed *a*	$51,007,537	$19,125,300
Average number of employés	*b*50,913	31,337
Total wages paid	*c*$19,680,318	$9,146,705
Miscellaneous expenses *d*	$4,345,032	....
Cost of materials	$50,919,016	$22,467,701
Value of product	$87,298,454	$41,033,045
Dyeing and finishing of textiles:		
Number of establishments	248	191
Capital employed *a*	$38,450,800	$26,223,981
Average number of employés	*b*20,267	16,698
Total wages paid	*c*$9,717,011	$6,474,364
Miscellaneous expenses *d*	$3,154,219	....
Cost of materials	$12,362,082	$13,664,295
Value of product	$28,900,560	$32,297,420
Chemical manufactures:		
Number of establishments	1,624	1,349
Capital employed *a*	$169,270,324	$85,394,211
Average number of employés	*b*43,893	29.520
Total wages paid	*c*$25,421,771	$11,840,704
Miscellaneous expenses *d*	$13,478,380	....
Cost of materials	$106,600.375	$77,494.425
Value of product	$178,177,488	$117,377,324

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Selected statistics of manufactures, etc.—Continued.

Manufactures.	1890.	1880.
Salt manufactures:		
Number of establishments	189	268
Capital employed *a*	$12,039,653	$8,225,740
Average number of employés	*b*3,929	4,289
Total wages paid	*c*$1,539,846	$1,260,023
Miscellaneous expenses *d*	$592,533	
Cost of materials	$1,683,418	$2,007,036
Value of product	$4,921,461	$4,829,566
Total for the iron and steel industry in the United States, with the exception of the State of Pennsylvania:		
Number of establishments	460	
Capital employed *a*	$189,662,057	
Average number of employés	*b* 75,765	
Total wages paid	*c* $40,495,444	
Cost of materials	$139,999,652	
Value of products	$203,097,321	
Total for one hundred and sixty-five cities with a population of 20,000 and over, all classes of manufacture:		
Number of establishments	185,727	
Capital employed *a*	$3,964,064,627	
Average number of employés	*b* 2,895,667	
Total wages paid	*c*$1,559,065,130	
Miscellaneous expenses *d*	$456,877,392	
Cost of materials	$3,329,377,893	
Value of product	$6,232,966,026	

a The value of hired property is not included for 1890, because it was not reported in 1880.
b, *c* Includes officers or firm members employed in productive labor or in supervision, and clerks, with their wages.
d This item was not reported at the Census of 1880.

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